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**HENGXIN**  
恒芯中國

# **Heng Xin China Holdings Limited** **恒芯中國控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8046)

## **CONFIRMATION OF THE NUMBER OF BONUS SHARES AND ADJUSTMENTS TO SHARE OPTIONS AND CONVERTIBLE NOTES AS A RESULT OF THE BONUS ISSUE**

On the basis of one Bonus Share at par for every thirty existing Shares held on the Record Date, a total of 60,923,427 Bonus Shares will be issued pursuant to the Bonus Issue.

The exercise price of the employee share options and the number of Shares to be allotted and issued upon full exercise of the outstanding share options, and the Conversion Price of the Convertible Notes will be adjusted in the manner as described herein.

Reference is made to the circular dated 11 October 2010 (the “Circular”) and the announcement dated 9 November 2010 (the “Announcement”) of Heng Xin China Holdings Limited (the “Company”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Circular.

### **CONFIRMATION OF THE NUMBER OF BONUS SHARES**

As disclosed in the Circular, the Bonus Issue is proposed to be made on the basis of one (1) Bonus Share at par for every thirty (30) existing Shares held on the Record Date, i.e. 9 November 2010. As disclosed in the Announcement, the Bonus Issue was duly passed by the Shareholders at the AGM. As at the Record Date, there were 1,827,703,000 Shares in issue. Since the fractional entitlements by the Shareholders to the Bonus Shares will not be issued, a total of 60,923,427 Bonus Shares will be issued pursuant to the Bonus Issue.

Based on the register of members of the Company as at the Record Date, there were certain Overseas Shareholders with registered addresses which were outside Hong Kong. The Directors have been advised by the relevant legal advisers that there is no restriction on extending the Bonus Issue to those Shareholders whose registered addresses are in the PRC and Taiwan. Therefore, the allotment of the Bonus Shares will be made to such Shareholders.

The share certificates for the Bonus Shares will be dispatched to the Shareholders on Monday, 22 November 2010 at their addresses as shown in the register of members of the Company. Dealings in the Bonus Shares will commence on Wednesday, 24 November 2010.

\* *For identification purposes only*

## ADJUSTMENT TO THE SHARE OPTIONS

Pursuant to the terms of the Share Option Scheme adopted on 13 March 2003, the exercise price of the options granted under the Share Option Scheme and the number of Shares to be allotted and issued upon full exercise of the outstanding share options will be adjusted (the “Scheme Adjustment”) in the manner set out below as a result of the Bonus Issue.

Date of grant	Exercisable period	Before the Bonus Issue		After the Bonus Issue	
		Exercise price HK\$	Number of share options outstanding	Exercise price HK\$	Number of share options outstanding
18 February 2009	18 March 2009 – 17 March 2012	0.370	8,700,000	0.358	8,990,000

A professional adviser engaged by the Company has reviewed and confirmed in writing that the Scheme Adjustment are in accordance with the terms of the Share Option Scheme and in compliance with Rule 23.03(13) of the GEM Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange.

## ADJUSTMENT TO THE CONVERSION PRICE OF CONVERTIBLE NOTES

As a result of the Bonus Issue, pursuant to the terms of the zero coupon convertible notes due 4 December 2014 issued by the Company with an aggregate outstanding principal amount of HK\$264,725,020 (the “Convertible Notes”), the conversion price (the “Conversion Price”) of the Convertible Notes shall be adjusted from HK\$0.34 per Share to HK\$0.329 per Share. The adjusted Conversion Price has been certified by a professional adviser engaged by the Company. All the other terms of the Convertible Notes shall remain unchanged.

By Order of the Board  
**HENG XIN CHINA HOLDINGS LIMITED**  
**Xiao Yan**  
*Chief Executive Officer*

Hong Kong, 22 November 2010

*As at the date of this announcement, the Board comprises Mr. Xiao Yan (CEO), Mr. Feng Yongming and Mr. Li Tao as executive Directors; Mr. Xu Lei as non-executive Director; Mr. Leung Wo Ping JP, Mr. Dong Shian and Mr. Hu Dingdong as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of its posting and on the website of the Company at [www.hengxinchina.com.hk](http://www.hengxinchina.com.hk)*