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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of Heng Xin China Holdings Limited (“**Company**”) will be held at 11:00 a.m. on Monday, 14 February 2011 at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Admiralty, Hong Kong to consider and, if thought fit, approve the following resolutions, each as an ordinary resolution:

ORDINARY RESOLUTIONS

1. **“THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Option Shares and the Warrants Shares (as defined below):
 - (a) the agreement dated 29 December 2010 entered into between the Company, GEM Global Yield Fund Limited, GEM Management Limited and Team Effort Investments Limited, a copy of which has been initialed by the chairman of this meeting and for the purpose of identification marked “A” (“**Agreement**”), in relation to the grant of an option to the Company to require GEM Global Yield Fund Limited to subscribe for up to HK\$400 million worth of shares of the Company (“**Shares**”) structured under the equity line of credit as stated under the Agreement (“**Option Shares**”) and the issue to GEM Global Yield Fund Limited or to its order the warrants (“**Warrants**”) by the Company which entitle the holder thereof to subscribe for up to 95 million Shares (“**Warrant Shares**”), and the transactions contemplated thereunder be and are hereby approved;
 - (b) the issue of the Warrants subject to and pursuant to the terms and conditions of the Agreement be and is hereby approved;
 - (c) the allotment and issue of the Option Shares subject to and pursuant to the terms and conditions of the Agreement be and is hereby approved;
 - (d) the allotment and issue of the Warrant Shares upon the exercise of the Warrants be and is hereby approved;

* *For identification purposes only*

- (e) the directors of the Company be or a duly authorised committee of the board of directors of the Company be and is/are hereby authorised:
 - (i) to issue the Warrants subject to the and pursuant to the terms and conditions of the Agreement;
 - (ii) to allot and issue the Option Shares and the Warrant Shares subject to and pursuant to the terms and conditions of the Agreement; and
 - (iii) to do and execute all such acts, matters, deeds, documents and things as it/they may consider appropriate, necessary or desirable for or in connection with the Agreement, the issue of the Warrants and the allotment and issue of the Option Shares and the Warrant Shares.”

2. **“THAT:**

- (a) the general mandate granted to the directors of the Company to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 9 November 2010 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to paragraph (d) below, pursuant to the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the expiry of the Relevant Period;
- (d) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (b) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (b) of this resolution shall be limited accordingly; and

(e) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act of Bermuda or any other applicable law of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares whose names appear on the Company’s register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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

Hong Kong, 20 January 2011

Head office and principal place of business in Hong Kong:

Unit 3, 43/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

As at the date of this notice, the directors of the Company are as follows:

Executive Directors:

Mr. Xiao Yan (*Chief Executive Officer*)
Mr. Feng Yongming
Mr. Li Tao

Non-executive Director:

Mr. Xu Lei

Independent non-executive Directors:

Mr. Leung Wo Ping *JP*
Mr. Dong Shi
Mr. Hu Dingdong

Notes:

- (1) A member of the Company entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the special general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of the Company's branch registrar in Hong Kong, Union Registrars Limited, 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (3) Completion and return of an instrument appointing a proxy should not preclude a shareholder of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) As required under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the resolutions will be decided by way of a poll.

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 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 Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.hengxinchina.com.hk.