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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)

PROPOSED TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Board is pleased to announce that the Company has submitted a formal application to the Stock Exchange on 24 October 2011 for the transfer of listing of the Shares from GEM to the Main Board under the transfer of listing arrangement pursuant to the relevant provisions of the GEM Listing Rules and the Main Board Listing Rules. The Proposed Transfer will not involve any issue of new Shares by the Company.

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Transfer. Shareholders and potential investors should be aware that the implementation of the Proposed Transfer is subject to, among other things, the conditions set out below being fulfilled and thus may or may not become effective. Accordingly, the Proposed Transfer may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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The Directors would like to emphasize that the definitive timetable for the Proposed Transfer has not yet been finalised. There is no assurance that the Company will proceed with the Proposed Transfer.

The Proposed Transfer will not involve any issue of new Shares by the Company.

* For identification purposes only

CONDITIONS OF THE PROPOSED TRANSFER

The Proposed Transfer is conditional upon, among other things:

1. the Listing Committee granting approval for the listing of, and permission to deal in:
 - (i) 2,487,091,991 Shares in issue;
 - (ii) the 32,273,334 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Employee Share Option Scheme;
 - (iii) 90,000,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options granted to the Company's Consultant;
 - (iv) 319,224,863 Shares which may fall to be issued assuming the outstanding Convertible Notes are converted in full at the Adjusted CN Conversion Price;
 - (v) 100,000,000 Shares which may fall to be issued assuming the Convertible Bonds are converted in full at the CB Conversion Price;
 - (vi) such number of Shares which may fall to be issued should the Company exercise its option to require GEM Global to subscribe for up to HK\$400 million worth of Shares at the average closing price of the Shares in accordance with and structured under the Credit Agreement during the commitment period; and
 - (vii) 95,000,000 Shares which may fall to be issued assuming the outstanding Warrants issued by the Company are exercised in full,on the Main Board by way of the Proposed Transfer from GEM; and
2. all other relevant consents required or in connection with the implementation of the Proposed Transfer having been obtained, and the fulfillment of all conditions which may be attached to such consents, if any.

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REASONS FOR THE PROPOSED TRANSFER

The Company has been listed on GEM since 16 April 2003. The Group is principally engaged in wireless digital terrestrial television network equipment business; digital cable television business; research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services.

The Directors believe that the listing of the Shares on the Main Board will enhance the profile of the Group and improve the trading liquidity of the Shares. The Directors also believe that following the Proposed Transfer, the Company could gain a wider recognition among larger institutional and retail investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Company. As at the date of this announcement, the Board has no intention to change the nature of the business of the Group following the Proposed Transfer.

OUTSTANDING OPTIONS AND CONVERTIBLE SECURITIES

Employee Share Option Scheme

Pursuant to the Shareholders' resolution passed on 13 March 2003, the Company adopted the existing Employee Share Option Scheme to enable the Group to grant options to selected employees as incentives or rewards for their contributions to the Group. As at the date of this announcement, 32,273,334 shares may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Employee Share Option Scheme. An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of share options which have already been granted under the Employee Share Option Scheme. The operation of the Employee Share Option Scheme will be terminated upon listing of the Shares being transferred from GEM to the Main Board and no further options may be offered or granted under the Employee Share Option Scheme. The Company may consider adopting a new share option scheme which complies with the Main Board Listing Rules in the future and will make further announcement when appropriate and obtain the approval of the Shareholders in accordance with the Main Board Listing Rules.

Options granted to the Consultant

On 30 November 2010, the Company and the Consultant entered into a marketing services agreement pursuant to which the Company engages the Consultant for a period of one year from the date of the marketing services agreement to provide various marketing, consulting and introduction services, advice and guidance to support the Group's business expansion and development in the PRC. For a nominal consideration of HK\$10, the Company has, upon the signing of the marketing services agreement, conditionally granted to the Consultant the option to subscribe for 90,000,000 Shares at the exercise price of HK\$1.32 per share. The listing of the Shares which may fall to be issued to the Consultant pursuant to the exercise of these options that have been granted to the Consultant will be transferred to the Main Board pursuant to Rule 9A.10 of the Main Board Listing Rules.

Convertible Notes

On 4 December 2009, the Company issued the Convertible Notes with an aggregate principal amount of HK\$264,725,020 pursuant to the terms of the sale and purchase agreements dated 19 June 2008 upon fulfillment of the fourth payment condition of the Jinqiao Acquisition and Maxium Acquisition. Further details are set out in the announcement of the Company dated 4 December 2009. On 30 December 2010, HK\$159,700,040 of the Convertible Notes was converted into 485,410,455 Shares at the Adjusted CN Conversion Price of HK\$0.329 per conversion share. As at the date of this announcement, the outstanding principal amount of the Convertible Notes is HK\$105,024,980, which can be converted into a maximum number of 319,224,863 Shares assuming full conversion at the Adjusted CN Conversion Price of HK\$0.329 per conversion share. An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the conversion of the Convertible Notes.

Convertible Bonds

On 28 December 2010, the Company issued the Convertible Bonds with an aggregate principal of HK\$200,000,000 to Sandmartin International Holdings Limited. Further details are set out in the announcement of the Company dated 17 December 2010. As at the date of this announcement, the outstanding principal amount of the Convertible Bonds is HK\$200,000,000, which can be converted into a maximum number of 100,000,000 Shares assuming full conversion at the CB Conversion Price of HK\$2.00 per conversion share. An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the conversion of the Convertible Bonds.

GEM Global Option

On 29 December 2010, the Company entered into the Credit Agreement with GEM Global, GEMML and Team Effort Investments Limited, pursuant to which the Company has been granted an option to require GEM Global to subscribe for up to HK\$400 million worth of Shares at the average closing price of the Shares in accordance with the Credit Agreement during the commitment period. Further details are set out in the circular of the Company dated on 20 January 2011. On 17 February 2011, as part of the Credit Agreement, the Company also issued 95,000,000 Warrants to GEM Global, with each Warrant entitling the holder thereof to subscribe for one new Share at the Warrant Exercise Price of HK\$2 per warrant share (subject to adjustments). As at the date of this announcement, the Company has not exercised any part of the GEM Global Option and GEM Global has not exercised any Warrant. An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the GEM Global Option and the Warrants.

As at the date of this announcement, save as disclosed above, the Company does not have any other options, warrants or similar rights or convertible equity securities.

GENERAL

The Company will make further announcement(s) to keep the Shareholders and potential investors informed of the progress of the Proposed Transfer as and when appropriate.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise.

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| “Adjusted CN Conversion Price” | conversion price for the Convertible Notes, initially of HK\$0.34 per conversion share, and subsequently adjusted to HK\$0.329 per conversion share pursuant to the terms of the Convertible Notes |
| “Board” | the board of Directors |
| “CB Conversion Price” | conversion price for the Convertible Bonds of HK\$2.00 per conversion share, subject to adjustments, in the manner provided in instrument constituting the Convertible Bonds and the terms and conditions endorsed on the Convertible Bonds |
| “Company” | Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM |

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| “Consultant” | Shenzhen Wan He Cheng Da Investment Holding Co., Ltd., (深圳市萬禾成達投資有限公司), being a consultant to the Company |
| “Convertible Bonds” | bonds in the denomination of HK\$10,000,000.00 each in registered form comprising HK\$200,000,000.00 zero coupon convertible bonds issued by the Company to Sandmartin International Holdings Limited pursuant to a subscription agreement dated 17 December 2010 |
| “Convertible Notes” | the convertible notes issued by the Company pursuant to the Jinqiao Acquisition and the Maxium Acquisition |
| “Credit Agreement” | the agreement entered into amongst the Company, GEM Global, GEMML and Team Effort Investments Limited on 29 December 2010 |
| “Director(s)” | the director(s) of the Company |
| “Employee Share Option Scheme” | the employee share option scheme of the Company adopted pursuant to a Shareholders’ resolution passed on 13 March 2003 |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Global” | GEM Global Yield Fund Limited |
| “GEM Global Option” | the option granted by GEM Global to the Company requiring GEM Global to subscribe for up to HK\$400 million worth of Shares at the option of the Company pursuant to the Credit Agreement |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “GEMML” | GEM Management Limited |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Jinqiao Acquisition” | the acquisition of the entire issued share capital of Star Hub Investments Limited by Rich Summit Enterprises Limited, a wholly owned subsidiary of the Company, from Easy Mount Enterprises Limited pursuant to a sale and purchase agreement dated 19 June 2008 |
| “Listing Committee” | the listing committee of the board of directors of the Stock Exchange |
| “Main Board” | the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM |
| “Main Board Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

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| “Maxium Acquisition” | the acquisition of the entire issued share capital of Sino Will Limited by Merit Power Enterprises Limited, a wholly owned subsidiary of the Company, from Mind Smart Group Limited pursuant to a sale and purchase agreement dated 19 June 2008 |
| “Proposed Transfer” | the proposed transfer of the listing of the Shares from GEM to Main Board |
| “Share(s)” | ordinary shares of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Warrant(s)” | warrants issued by the Company to GEM Global each entitling the holder thereof to subscribe for one new Share at the Warrant Exercise Price |
| “Warrant Exercise Price” | Subscription price of each Warrant, initially being HK\$2 (subject to adjustments) |

By Order of the Board
HENG XIN CHINA HOLDINGS LIMITED
Feng Yongming
Executive Director

Hong Kong, 24 October 2011

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 Shi 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 GEM Listing Rules 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 at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.hengxinchina.com.hk.