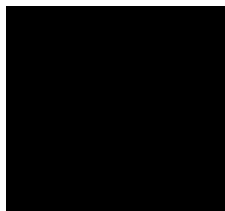


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Heng Xin China Holdings Limited

恒 芯 中 國 控 股 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

DISCLOSEABLE TRANSACTION - ACQUISITION OF 9.5% SHAREHOLDING INTEREST IN MILLION FORTUNE INTERNATIONAL INVESTMENT LIMITED

THE ACQUISITION

On 1 February 2016 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire 9.5% shareholding interest of the entire issued share capital of Million Fortune at a consideration of HK\$61,750,000, which shall be payable in cash to the Vendor on Completion.

The Sale Shares represent 9.5% of the issued share capital of Million Fortune which indirectly holds 90% equity interest in the Target Company, hence the Acquisition in turn gives the Purchaser the ownership of 8.55% effective interest in the Target Company.

IMPLICATIONS OF THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Acquisition exceed(s) 5% but below 25%, the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

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SALE AND PURCHASE AGREEMENT

Key terms of the Sale and Purchase Agreement are as follows:

Date: 1 February 2016 (after trading hours)

Parties: (1) Joyous Raise Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, as the Purchaser; and
(2) World Dragon Enterprise Limited, as the Vendor

To the enquiries, the Vendor is an investment holding company, each of the Vendor and its ultimate beneficial owner is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, free from any encumbrance whatsoever, the Sale Shares. The Sale Shares represent 9.5% of the issued share capital of Million Fortune which indirectly holds 90% equity interest in the Target Company, hence the Acquisition in turn gives the Purchaser the ownership of 8.55% effective interest in the Target Company.

Consideration

The Consideration is HK\$61,750,000, which shall be payable in cash by the Purchaser to the Vendor on Completion and

The Consideration was Purchaser and the Vendor after taking into account a combination of factors, including the operating performance of the Target Company including but not limited to the number of members and clients using platform for trading of commodities and the leading position in the industry in the PRC and the business prospect of the Target Company.

The Directors consider the Consideration is fair and reasonable and on normal commercial terms and in the interest of the Shareholders as a whole.

Conditions precedent

Completion is conditional upon satisfaction of the following conditions on or before the Long Stop Date, provided that the Purchaser shall have the right to waive in writing any part or all of such conditions (so far as it relates to the Vendor):

- (1) the Purchaser having satisfied with and accepted the due diligence results on the Target Group (including but not limited to the legal, finance and commercial);
- (2) the legal opinion having been issued by the PRC lawyer confirming, amongst others, that the Target Company has been duly incorporated and is validly subsisting under the PRC laws, and its register capital has been fully paid-up;
- (3) the warranties remaining true and correct in all respects and not misleading in any respect at Completion as if repeated at all times between the date of the Sale and Purchase Agreement up to Completion; and
- (4) there being no any change (or effect) which has a material and adverse effect on the financial position, business or prospects or results of operations, of the Target Company as a whole.

If the above conditions precedent have not been fulfilled or waived (whether in whole or in part by the Purchaser as to the conditions above (so far as it relates to the Vendor)) on or before the Long Stop Date, the Sale and Purchase Agreement shall be terminated and the relevant rights and obligations under the Sale and Purchase Agreement shall have no further force and effect and no party to the Sale and Purchase Agreement shall have any liability under them (without prejudice to the rights of the parties to the Sale and Purchase Agreement in respect of any antecedent breaches).

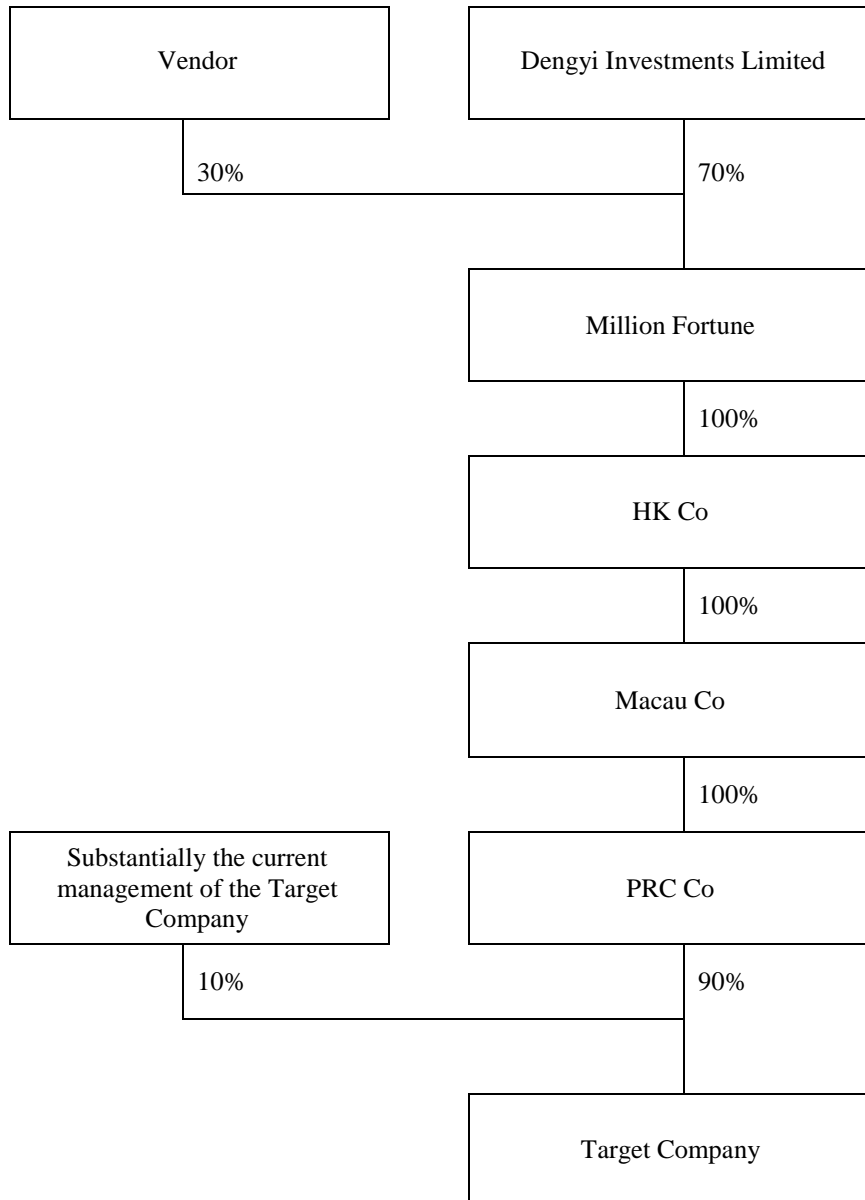
Completion

Completion shall take place on a day as separately agreed by the Purchaser and the Vendor after the satisfaction of all the conditions precedent (or if not satisfied, waiver from the Purchaser in writing of such unsatisfied conditions precedent). In any event, the Completion shall occur no later than the Long Stop Date.

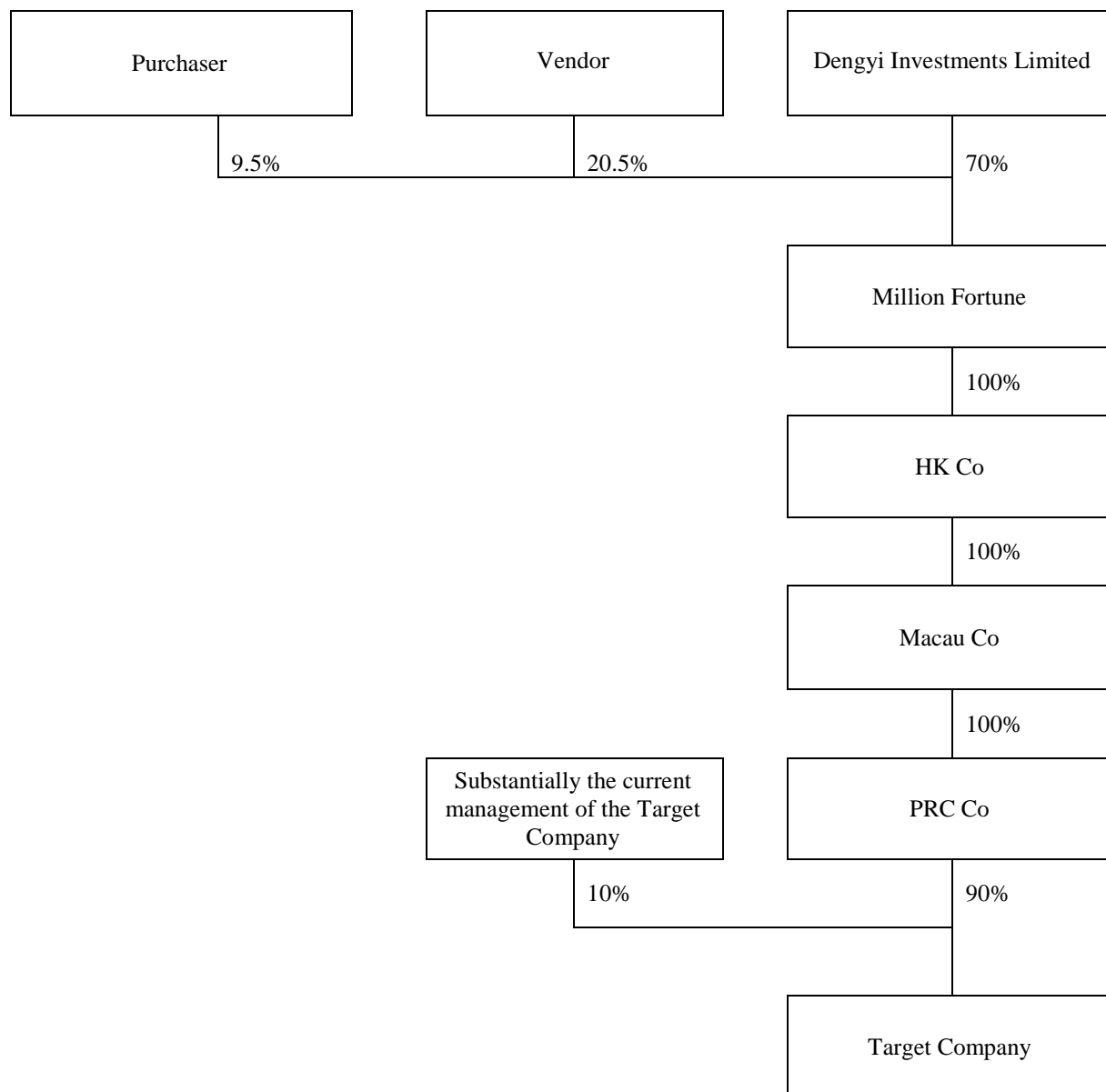
INFORMATION OF TARGET GROUP

Corporate Structure of Target Group before and after the Completion are as follows:

Before Completion



After Completion



Million Fortune is a company incorporated in the British Virgin Islands on 5 March 2015 with limited liability and is principally engaged in investment holding.

Million Fortune indirectly holds 90% equity interest in the Target Company. The Target Company is a company incorporated in the PRC which headquarterd in Qingdao, Shandong Province, the PRC and is primarily engaged in the provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement management, commodity delivery management and related consulting services to customers nationwide in the PRC. The Target Company enlists companies engaging in the trading and/or investment of precious metals in the PRC as corporate members whereas the corporate members will then offer the Target Company s trading platform to end customers (who can be companies or individuals), through which the Target Company provides various associated services such as trading, settlement, clearing, risk management, information exchange and delivery of precious metals

and generates majority of its revenue from the handling fees it charged to the end customers. The Target Company entered into membership agreements with the corporate members and received various fees directly from the corporate members. End customers who require deferred spot settlement or delivery services may conduct physical delivery and pick-up of goods in the warehouse designated by the Target Company.

Financial information of the Target Company

Based on the information provided by the Vendor, set out below is a summary of certain financial information of the Target Company for each of the financial year ended 31 December 2014 and 2015:

	For the year ended 31 December	
	2014	2015
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Results		
Revenue	128,452	113,911
Net (loss)/profit before taxation and extraordinary items	(6,327)	20,972
Net (loss)/profit after taxation and extraordinary items	(6,327)	17,925
	As at 31 December	
	2014	2015
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Assets and net assets		
Total assets	96,772	31,887
Net assets	7,051	24,121

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, the Target Company will be accounted for as an investment of the Group and thus the Acquisition will not have material impact to the net asset of the Group immediately after Completion. It is also expected that the income of the Group will be increased in the forthcoming financial years if the Target Company could deliver a positive results in the future.

INFORMATION OF THE GROUP AND REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in digital cable television business, wireless digital television value-added services, wireless digital terrestrial television network equipment integrated business, research, design, development on and manufacturing of electronic message security products, integrated circuits, the integrated circuit solutions and the related services, and in the business of manufacturing and selling of castor seeds and castor beans and selling of castor oil.

The Purchaser is a wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment holding.

The Board is of the view that the Acquisition will enable the Group to broaden its income base and to tap into the business of online platform for trading and deferred spot delivery services of precious metals and other products such as castor beans and/or palm oil commodity trading, which should be beneficial to the future growth of the Group.

When considering the Acquisition which in turn gives the Purchaser the ownership of 8.55% effective interest in the Target Company, the Board has taken into account the future prospect of the business conducted by the Target Company, as well as other factors disclosed in this announcement. The Directors are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and fair and reasonable, and that the Acquisition is in the interest of the Company and Shareholders as a whole.

IMPLICATIONS OF THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Acquisition exceed(s) 5% but below 25%, the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement

the board of Directors

Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM

completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement

has the meaning ascribed to this term under the GEM Listing Rules

HK\$61,750,000, being the consideration payable by the Purchaser for the Acquisition

the directors of the Company

the Growth Enterprise Market of the Stock Exchange

the Rules Governing the Listing of Securities on GEM

the Company and its subsidiaries

Most Billion Corporation Limited, a company incorporated in Hong Kong

the Hong Kong Special Administrative Region of the PRC

knowledge, information and belief having made all reasonable enquires, is a third party independent of the Company and the connected person(s) of the Company

Well Link Logistics Co., Ltd, a company incorporated in Macau Special Administrative Region of the PRC

Million Fortune International Investment Limited, a company incorporated in the British Virgin Islands with limited liability

29 April 2016 (or such other date as the Purchaser and the Vendor may agree)

of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC

青島國金匯通管理諮詢有限公司 (Qingdao Guojin Huitong Management Consulting Co., Ltd*), a company established in the PRC

Joyous Raise Investments Limited (悅升投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

the sale and purchase agreement dated 1 February 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition

950 shares of US\$1 each of Million Fortune, representing 9.5% of the issued share capital of Million Fortune

ordinary share(s) of HK\$0.01 each in the capital of the Company

holder(s) of the Share(s)

The Stock Exchange of Hong Kong Limited

青島國金貴金屬交易中心有限公司(Qingdao Guojin Precious Metal Exchange Centre Company Limited*), a company incorporated in the PRC

Million Fortune, HK Co, Macau Co, PRC Co and the Target Company

World Dragon Enterprise Limited, a limited company incorporated in the Republic of Seychelles] and wholly and beneficially owned by Mr. Zhang Zhijie

Hong Kong dollars, the lawful currency of Hong Kong

United States dollars, the lawful currency of the United States of America

per cent.

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

Hong Kong, 1 February 2016

As at the date of this announcement, the Board comprises Mr. Xiao Yan (Chief Executive Officer), Mr. Qiu Bin, Mr. Li Tao, Mr. Li Nan, Mr. Gao Yang and Mr. Yu Bun as executive Directors, Mr. Wang Kun as non-executive Director and Mr. Leung Wo Ping JP, Mr. Hu Dingdong, Mr. Lei Yong and Mr. Chiu Chi Kong 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 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.

** For identification purposes only*