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**HENGXIN TECHNOLOGY LTD.**

*(Incorporated in Singapore)  
(Company Registration No. 200414927H)  
(Hong Kong Stock Code: 1085)  
(Singapore Stock Code: 185)*

**KINGEVER ENTERPRISES LIMITED**

*(Incorporated in the British Virgin Islands)  
(Company Registration No. 652065)*

**JOINT ANNOUNCEMENT IN RELATION TO:**

**(1) PROPOSED VOLUNTARY DELISTING OF HENGXIN TECHNOLOGY LTD. FROM THE OFFICIAL LIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED;**

**(2) POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER BY**

**HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED**



**FOR AND ON BEHALF OF KINGEVER ENTERPRISES LIMITED TO ACQUIRE ALL OF THE HONG KONG REGISTERED SHARES OF HENGXIN TECHNOLOGY LTD.; AND**

**(3) POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER BY KINGEVER ENTERPRISES LIMITED TO ACQUIRE ALL OF THE SINGAPORE REGISTERED SHARES OF HENGXIN TECHNOLOGY LTD.**

**Financial adviser to Kingever Enterprises Limited  
in relation to the Exit Offer in Hong Kong**



**Haitong International Capital Limited**

**1. INTRODUCTION**

1.1 Reference is made to the announcement of Hengxin Technology Ltd. (the “**Company**”) dated 29 July 2013. The respective directors of the Company (the “**Directors**”) and of Kingever Enterprises Limited (“**Kingever**” or the “**Offeror**”) wish to announce that the Company has presented a proposal to the Offeror to seek the

voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”, and such proposal, the “**Delisting**” or the “**Delisting Proposal**”) pursuant to Rules 1307 and 1309 of the Listing Manual of the SGX-ST (the “**SGX-ST Listing Manual**”). The Company intends to maintain its listing on The Stock Exchange of Hong Kong Limited (“HKSE”) following the Delisting.

- 1.2 Under the terms of the Delisting and in compliance with Rule 1309 of the SGX-ST Listing Manual, (i) the Company will make a conditional offer to assist shareholders of the Company (the “**Shareholders**”) whose shares are registered in the branch register of members in Singapore (the “**Singapore Registered Shares**”, and such shareholders, the “**Singapore Shareholders**”) and who have not accepted the Exit Offer (as defined below) with, and bear the cost of, transferring their Singapore Registered Shares to the branch register of members in Hong Kong (the holder of shares registered in such branch register, the “**Hong Kong Shareholders**”) such that these shares can be traded on the HKSE (the “**Transfer Offer**”); and (ii) the Offeror, a controlling shareholder of the Company under the SGX-ST Listing Manual beneficially holding approximately 23.27% of the existing issued share capital of the Company, will also make a conditional offer to purchase all the issued ordinary shares in the capital of the Company (the “**Shares**”) held by the Shareholders, other than those already held by the Offeror and parties acting in concert with the Offeror (the “**Concert Parties**”, and those Shares are referred to as the “**Offer Shares**”), at an offer price of S\$0.17 for Singapore Shareholders or HK\$1.04 for Hong Kong Shareholders (the “**Exit Offer Price**”), as the case may be, in cash for each Offer Share (the “**Exit Offer**,” and together with the Transfer Offer, the “**Exit Alternatives**”).
- 1.3 Accordingly, any Singapore Shareholder who chooses to forgo accepting the Transfer Offer to transfer their Singapore Registered Shares to the branch register of members in Hong Kong such that these Shares can be traded on the HKSE, may accept the Exit Offer to sell his/her Shares to the Offeror under the terms of the Exit Offer. The table below sets out the alternatives available to Singapore Shareholders and Hong Kong Shareholders in the event the Delisting is approved by Shareholders:

	<b>Transfer Offer</b>	<b>Exit Offer</b>	<b>Neither of the Exit Alternatives</b>
Singapore Shareholders	√	√	√
Hong Kong Shareholders	—	√	—

*Note:* A Hong Kong Shareholder can either accept or decline the Exit Offer. The Transfer Offer is not available to a Hong Kong Shareholder.

Shareholders should note that the Transfer Offer, the Exit Offer, and the option to accept neither Exit Alternatives are mutually exclusive.

- 1.4 The Directors have considered the Delisting and pending the requisite approvals and waivers (the “**Requisite Approvals**”) from the Securities Industry Council (the “**Council**”) and the SGX-ST, have resolved that an extraordinary general meeting

(the “**EGM**”) of the Company be convened in due course to seek the approval of Shareholders for the Delisting. Shareholders will be notified through an announcement once the Requisite Approvals have been received by the Company.

## 2. THE DELISTING PROPOSAL

### 2.1 Terms of the Delisting Proposal

- (a) Under the terms of the Delisting Proposal, the Delisting will be conditional on:
- (i) the approval of the SGX-ST (the “**Requisite SGX Approval**”) for the Delisting on and subject to the terms set out in this announcement (this “**Announcement**”), the circular (the “**Circular**”) to Shareholders to be issued by the Company in relation to the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual and the composite offer document (the “**Composite Offer Document**”) to be jointly issued by the Offeror and the Company pursuant to the Hong Kong Code on Takeovers and Mergers (the “**Hong Kong Code**”) and the Singapore Code on Take-overs and Mergers (the “**Singapore Code**”) which shall contain, amongst other things, the Exit Offer letters and the advice from the independent board committee of the Company to Shareholders in relation to the Exit Alternatives;
  - (ii) the approval of Shareholders (the “**Requisite Shareholders Approval**”) being obtained at the EGM to consider and approve if thought fit, amongst others, the resolution in relation to the Delisting (the “**Delisting Resolution**”) in accordance with Rule 1307 of the SGX-ST Listing Manual, and in compliance with the rulings by the Council; and
  - (iii) the Exit Offer becoming or being declared to be unconditional in all respects.
- (b) The Transfer Offer will be conditional on the Requisite SGX Approval and the Requisite Shareholders Approval being obtained and the Exit Offer becoming or being declared to be unconditional in all respects and the Exit Offer will be conditional on those conditions set out in paragraph 4.2 of this Announcement. Singapore Shareholders will have the options of accepting the Transfer Offer, the Exit Offer, or neither of the Exit Alternatives. Hong Kong Shareholders will have the option of either accepting or declining the Exit Offer. The Transfer Offer is not available to the Hong Kong Shareholders.
- (c) In respect of the Transfer Offer, the Company will assist the Singapore Shareholders (who have not accepted the Exit Offer and have elected to accept the Transfer Offer) with, and bear the cost of, transferring their Singapore Registered Shares to the branch register of members in Hong Kong such that these Shares can be traded on the HKSE. Singapore Shareholders will still be able to transfer their Singapore Registered Shares to the branch register of members in Hong Kong after the close of the Transfer Offer, but will have to do so at their own cost.

- (d) Any Singapore Shareholder who chooses to forgo transferring their Singapore Registered Shares to be registered in the branch register of members in Hong Kong and continue trading their Shares on the HKSE, may accept the Exit Offer to sell his/her Shares to the Offeror under the terms of the Exit Offer.

### 3. EXIT ALTERNATIVES

Under Rule 1309(1) of the SGX-ST Listing Manual, if an issuer seeks to delist from the SGX-ST, a reasonable exit alternative, which should normally be in cash, should be offered to (a) the issuer's shareholders; and (b) holders of any other classes of listed securities to be delisted.

Under the terms of the Delisting Proposal and in compliance with Rule 1309 of the SGX-ST Listing Manual, the following exit alternatives will be offered to Shareholders:

#### (a) The Transfer Offer

The Company will make the Transfer Offer to assist the Singapore Shareholders with, and bear the cost of, transferring their Singapore Registered Shares to the branch register of members in Hong Kong. Singapore Shareholders who do not accept any of the Exit Alternatives may transfer their Singapore Registered Shares to the branch register of members in Hong Kong at their own cost. Following completion of the process for transferring the Singapore Registered Shares, affected Shareholders may continue to trade their Shares on the HKSE.

#### (b) The Exit Offer

The Offeror will also make the Exit Offer to acquire all the issued Shares other than those Shares already owned, controlled or agreed to be acquired by the Offeror and the Concert Parties, at the Exit Offer Price of S\$0.17 for Singapore Shareholders or HK\$1.04 for Hong Kong Shareholders in cash for each Offer Share. For the avoidance of doubt, the Exit Offer will be offered to all Shareholders *pari passu*, including Hong Kong Shareholders. Singapore Shareholders who choose to forgo the option of accepting the Transfer Offer above in favour of selling their Shares may accept the Exit Offer.

### 4. THE EXIT OFFER

#### 4.1 Terms of the Exit Offer

The Exit Offer will be made on the following basis:

The Exit Offer is extended to all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Parties.

##### *Singapore Shareholders*

Singapore Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Offer Shares. The consideration for each Offer Share is S\$0.17 (equivalent to approximately HK\$1.04 based on the exchange rate of S\$1 to HK\$6.12 as at the date of this announcement (the "**Announcement Date**")) in cash. As at 2 August 2013 (which is the latest practicable date for ascertaining the relevant

information prior to this Announcement), the Singapore Shareholders were holding 105,166,813 Shares, representing approximately 27.1% of the existing issued share capital of the Company.

#### *Hong Kong Shareholders*

Hong Kong Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Offer Shares. The consideration for each Offer Share is HK\$1.04 (equivalent to approximately S\$0.17 based on the exchange rate of S\$1 to HK\$6.12 as at the Announcement Date as quoted from Bloomberg, which is intended to be fixed at such rate as stated) in cash. As at 2 August 2013, the Hong Kong Shareholders were holding 282,833,187 Shares (including those held by the Offeror and the Concert Parties), representing approximately 72.9% of the existing issued share capital of the Company.

#### **The Offeror does not intend to increase the Exit Offer Price.**

The Offer Shares are to be acquired fully-paid and free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever (the “**Encumbrances**”), and together with all rights, benefits and entitlements attached thereto as at the closing date of the Exit Offer or on the date if the Exit Offer is declared unconditional in all respects prior to the closing date of the Exit Offer (as the case may be) and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made by the Company, on or after the closing date of the Exit Offer or the date if the Exit Offer is declared unconditional in all respects prior to the closing date of the Exit Offer (as the case may be). As at the Announcement Date, there are no dividends which have been declared but remain unpaid.

#### **4.2 Conditions of the Exit Offer**

The Exit Offer will be conditional upon: (a) the Requisite SGX Approval being obtained; (b) the Requisite Shareholder Approval being obtained; and (c) a minimum number of acceptances being received by the Offeror pursuant to Rule 15.1 of the Singapore Code and Rule 30.2 of the Hong Kong Code, i.e., the Exit Offer will lapse in the event the Offeror does not receive acceptances in respect of the Offer Shares which, together with Shares acquired or agreed to be acquired before or during the Exit Offer, will result in the Offeror and the Concert Parties holding more than 50% of the voting rights of the Company.

If the Offeror does not receive the minimum number of acceptance pursuant to Rule 15.1 of the Singapore Code and Rule 30.2 of the Hong Kong Code, the Exit Offer shall lapse and thus the Delisting will not proceed.

The last date of fulfillment of the above conditions to the Exit Offer is 31 December 2013.

#### **4.3 Overseas Shareholders**

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities

referred to in this Announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Composite Offer Document to the Shareholders setting out the terms and conditions of the Exit Offer and the relevant acceptance forms accompanying the Composite Offer Document, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

The Offeror intends to make the Exit Offer available to all the Shareholders including those who are not resident in Singapore or Hong Kong.

As at 2 August 2013, none of the Shares registered in the branch register of members in Hong Kong (“**Hong Kong Registered Shares**”) are held by Shareholders who are not resident in Hong Kong (the number of Hong Kong Registered Shares as at 2 August 2013 was 282,833,187 which represented approximately 72.9% of the existing issued share capital of the Company). As at 2 August 2013, there were 998,000 Singapore Registered Shares (representing approximately 0.26% of the existing issued share capital of the Company) which were held by Shareholders who are not resident in Singapore as detailed in the table below:

<b>Countries</b>	<b>No. of Singapore Registered Shares</b>	<b>Approximate % of total shareholdings</b>	<b>No. of Singapore Shareholders</b>
Australia	94,000	0.02%	2
Canada	173,000	0.05%	4
China	684,000	0.18%	6
Indonesia	6,000	N.M.	1
Malaysia	6,000	N.M.	1
Singapore	104,168,813	26.84%	1,239
United States of America	<u>35,000</u>	<u>0.01%</u>	<u>2</u>
Total	<u><u>105,166,813</u></u>	<u><u>27.1%</u></u>	<u><u>1,255</u></u>

*N.M. — Not meaningful*

The availability of the Exit Offer to persons who are not resident in Singapore or Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Persons who are not resident in Singapore or Hong Kong should inform themselves about and observe any applicable requirements and restrictions in their own jurisdictions, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other fares due in such jurisdiction.

In the event that the receipt of the Composite Offer Document by overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas

jurisdictions that would be unduly burdensome, the Composite Offer Document, subject to the consent of the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any of his delegates) (“**Executive**”) and (if necessary) the regulatory authorities in Singapore, will not be despatched to such overseas Shareholders. The Company will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Hong Kong Code at such time. Nonetheless, such Shareholders will be provided with all material information in the Composite Offer Document. Any arrangements for overseas Shareholders to collect the Composite Offer Document will be set out in a further announcement.

**Any acceptance by any Shareholder (as the case may be) will be deemed to constitute a representation and warranty from such Shareholder (as the case may be) to the Offeror that the local laws and requirements have been complied with. Shareholders who are in doubt as to the action they should take should consult their stockbrokers, licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

#### **4.4 Commencement of Exit Offer**

The Exit Offer shall commence on the despatch of the Composite Offer Document setting out the terms of the Exit Offer and enclosing the appropriate forms of acceptance of the Exit Offer. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances are conditional (see the conditions as set out in paragraph 4.2 above) and if, *inter alia*, the Requisite Shareholder Approval is not obtained at the EGM, the conditions of the Exit Offer will not be fulfilled and the Exit Offer will lapse.

**The Offeror does not intend to extend the Exit Offer beyond the closing date of the Exit Offer, which shall be stated in the Composite Offer Document.**

### **5. COMPULSORY ACQUISITION**

In the event that the Exit Offer is accepted by holders of 90% or more of the Offer Shares, the Offeror will be entitled to exercise the right of compulsory acquisition under Section 215 of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) and also Rule 2.11 of the Hong Kong Code, at the Exit Offer Price for each Offer Share. The Offeror does not intend to exercise this right of compulsory acquisition in the event the conditions for such compulsory acquisition as referred to above are satisfied, and instead intends to maintain the Company’s listing on the HKSE.

It should be noted that Shareholders (as opposed to the Offeror who holds the right described in the paragraph above) who do not accept the Exit Offer would have a corresponding right, under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Exit Offer Price by serving notice requiring the Offeror to do so, in the event that the Shares acquired by the Offeror pursuant to the Exit Offer, together with any other Shares held by the Offeror, its related corporations and their respective nominees, comprise 90% or more of the total issued Shares (excluding treasury shares).

## 6. REGULATORY APPROVALS

- 6.1 An application was submitted by the Company to the Council to seek clarification from the Council on the extent to which the Singapore Code will apply to the Exit Offer. The Council's ruling on the application is still pending. Shareholders will be notified through announcement(s) once the Council's ruling on the application has been received by the Company.
- 6.2 An application was also submitted by the Company to the SGX-ST seeking approval for the voluntary delisting of the Company from the Official List of the SGX-ST, subject to the approval of Shareholders to be obtained in compliance with Rule 1307 of the SGX-ST Listing Manual. The application with the SGX is still pending. Shareholders will be notified through announcement(s) once the SGX's ruling on the application has been received by the Company.
- 6.3 The Delisting does not require any approval of the Shareholders under the Hong Kong Code and the Rules Governing the Listing of Securities on HKSE ("**HKSE Listing Rules**"). Shareholders' approval is however required under the SGX-ST Listing Manual.

## 7. LISTING MANUAL PROVISIONS PERTAINING TO A VOLUNTARY DELISTING

- 7.1 **Rule 1307.** Under Rule 1307 of the SGX-ST Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:
- (a) the Company convenes the EGM to obtain Shareholders' approval for the delisting;
  - (b) the resolution to delist the Company has been approved by a majority of at least 75% of the total number of issued Shares excluding treasury shares held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the directors and controlling Shareholders of the Company need not abstain from voting on the Delisting Resolution); and
  - (c) the Delisting Resolution has not been voted against by 10% or more of the total number of issued Shares excluding treasury shares held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.
- 7.2 **Rule 1309.** In addition, Rule 1309 of the SGX-ST Listing Manual requires that if the Company is seeking to delist from the Official List of the SGX-ST:
- (a) a reasonable exit alternative, which should normally be in cash, should be offered to (i) Shareholders; and (ii) holders of any other classes of listed securities to be delisted; and
  - (b) the Company should appoint an independent financial adviser to advise on the Exit Offer.



## 8. INFORMATION ON THE OFFEROR AND THE CONCERT PARTIES

8.1 **The Offeror.** The Offeror is incorporated in the British Virgin Islands and is an investment holding company. As at the Announcement Date, the issued share capital of the Company was 388,000,000 Shares, and the Offeror owned 90,294,662 Shares representing approximately 23.27% of the total number of issued Shares, and is thus a controlling Shareholder of the Company under the SGX-ST Listing Manual. The Offeror is 100% owned by Cui Genxiang, the executive chairman of the Company.

Mr. Cui, aged 45, was appointed Chairman of the Company on 23 June 2005 and re-designated from non-executive Director and non-executive Chairman to executive Director and executive Chairman on 11 January 2010. Mr. Cui has been one of the founders and directors of Jiangsu Hengxin Technology Co., Ltd. since its establishment in June 2003. He has been responsible for providing advice in relation to the overall corporate strategy and corporate management of the Group (as defined below) when he acted as non-executive Director and non-executive Chairman. Mr. Cui is also currently the chairman and general manager of Suzhou Nongkai Bio-products Co., Ltd. (蘇州農凱生物製品有限公司), a company primarily engaged in the research and development and manufacture of biological products and the chairman and general manager of Wujiang Zhouji Penzhi Co. Ltd (吳江市洲際噴織有限公司), a company primarily engaged in the business of processing and weaving of chemical fibre fabrics and silk. From 1991 to 2000, Mr. Cui was involved in sales and marketing at Hengtong Group Co., Ltd. Between 1988 and 1990, Mr. Cui was in the non-ferrous metals business. Prior to that, Mr. Cui was head of production at Wujiang Qidu Knitted Clothing Factory (吳江市七都織服) from 1987 to 1988 and the vice factory head of Huzhou Sanchang Silk Weaving Factory (湖州市三長絲織廠) from 1985 to 1987. From 1983 to 1985, Mr. Cui was a technician at Wujiang Colour Woven Chemical Fibre Factory (吳江市色織化纖).

8.2 **Concert Parties.** The Concert Parties are Cui Genxiang, the executive chairman of the Company and Zhang Zhong, a non-executive Director. Other than being a non-executive Director and one of the founding members of the Group (as defined below) (whereas Mr. Cui is also a founding member of the Group), Ms. Zhang does not have any relationship with the Offeror and other Concert Parties. As at the Announcement Date, the Offeror and its Concert Parties owned and/or controlled an aggregate of 118,377,187 Shares, all of which are Hong Kong Registered Shares, representing approximately 30.51% of the total number of issued Shares. Among such 118,377,187 Shares, 90,294,662 Shares were held by the Offeror and 28,082,525 Shares were held by Wellahead Holdings Limited which is wholly owned by Zhang Zhong, each representing 23.27% and 7.24% of the existing issued share capital of the Company respectively. Such number of Shares held by the Concert Parties respectively has not been changed since the listing of the Company on SGX-ST and HKSE and up to the Announcement Date.

## 9. RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

### 9.1 Rationale for the Delisting

#### *No present need for access to Singapore capital markets*

Given that the Company intends to maintain its listing on the HKSE and will have the ability to tap the Hong Kong capital markets for additional funds, the Board is of the view that there is no need to maintain a separate listing of the Company on the SGX-ST which involves additional costs. In addition, the Company may also dispense with expenses relating to maintenance of a separate listed status and focus its resources on developing its business operations.

#### *Weak liquidity of the Shares in Singapore*

The trading of the Shares on the SGX-ST has generally been relatively thin, with sporadic trading activity from time to time over the last 12 months prior to the Announcement Date. In contrast, there is a relatively liquid market for the Shares on the HKSE. The Board expects that the increase in the number of Shares traded on the HKSE arising from the transfer of the Singapore Registered Shares to the branch register in Hong Kong will boost liquidity of the Shares in Hong Kong. However, Shareholders should note that there is no guarantee that liquidity will be so boosted.

#### *Premium over market prices*

In respect of the Shareholders who do not wish to continue holding Shares after the Delisting, the Exit Offer will give such Shareholders an opportunity to realise the value of their investments in the Company at a premium over the historical trading prices of the Shares on the SGX-ST for the last six months prior to 14 August 2013 as illustrated below, without incurring brokerage and other trading costs.

#### *No prejudice to Shareholders*

Pursuant to the Transfer Offer, Shareholders who hold Singapore Registered Shares will be provided with the option to transfer their Singapore Registered Shares from Singapore to Hong Kong for such Shares to continue to be traded on the HKSE, and the cost of such transfer will be borne by the Company. The Company notes that Shareholders in Singapore who accept the Transfer Offer should have no difficulty in trading their Shares post-transfer as there are stockbrokers and remisiers in Singapore who can assist in placing orders on their behalf as well as stockbroking firms that provide electronic trading platforms for such purpose.

Singapore Shareholders who decide not to accept either the Transfer Offer nor the Exit Offer should note that they will hold untraded Shares after the Company is delisted from the Official List of the SGX-ST, unless they transfer their Shares to the branch register of members in Hong Kong themselves. Untraded shares are generally valued at a discount to comparable shares that are traded on a stock exchange due to the lack of liquidity. After the Company is delisted from the Official List of the SGX-ST, it may be difficult for Singapore Shareholders who do not accept either of the Exit Alternatives, and who do not transfer their Singapore Registered Shares to the branch register of members in Hong Kong at their own cost, to sell such Singapore

Registered Shares. Even if such Singapore Shareholders were able to sell their Singapore Registered Shares, they may receive a lower price as compared with the price at which the Shares are traded on the HKSE.

### *Cost not justifiable*

The additional and recurring costs of maintaining listing in two (as opposed to one) stock exchanges (including the compliance costs) are not justifiable in view of the above and in the long-term. The resources saved can be better channelled for use in the business of the Company and in turn benefit Shareholders as a whole.

## **9.2 Rationale for the Exit Offer**

Under Rule 1309(1) of the SGX-ST Listing Manual, an issuer seeking to delist from the Official List of the SGX-ST should procure that a reasonable exit alternative, which should normally be in cash, should be offered to Shareholders and holders of any other classes of listed securities to be delisted. The Offeror believes that the Delisting is in the best interests of the Company and is providing the Exit Offer to support the Delisting in order to comply with Rule 1309(1) of the SGX-ST Listing Manual.

## **9.3 Offeror's intentions for the Company**

Following completion of the Exit Offer, the Offeror intends to maintain the Company's listing on the HKSE, continue the existing principal activities of the Company and its subsidiaries (the "**Group**") and has no plans for any changes to the existing businesses or employees of the Group or to redeploy the fixed assets of the Group.

The Board has noted the intentions of the Offeror in respect of the Company and its employees as stated above. It is willing to render reasonable co-operation with the Offeror for the smooth running of the business of the Group.

## **9.4 Maintaining the listing status on the HKSE of the Company**

The Offeror intends to maintain the listing of the Shares on the HKSE after the close of the Exit Offer.

In the event that after completion of the Exit Offer, the public float of the Company falls below 25%, the Directors and the directors of the Offeror will undertake to the HKSE that they will take appropriate steps to restore the minimum public float as required under the HKSE Listing Rules as soon as possible following the close of the Exit Offer to ensure that sufficient public float exists for the Shares.

**According to the HKSE Listing Rules, if, upon closing of the Exit Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the HKSE believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares.**

## 10. FINANCIAL ASPECTS OF THE EXIT OFFER

10.1 The Exit Offer Price represents the following discounts to the consolidated net asset value per Share at the following dates:

	SGX-ST		HKSE	
	Net Asset Value (“NAV”) (\$)	Discount of Exit Offer Price to NAV (%)	Net Asset Value (“NAV”) (HK\$)	Discount of Exit Offer Price to NAV (%)
<b>Audited</b>				
Net asset value per Share as at 31 December 2012	0.51 <sup>(1)</sup>	66.7	3.23 <sup>(2)</sup>	67.8
<b>Unaudited</b>				
Net asset value per Share as at 30 June 2013 <sup>(3)</sup>	0.55 <sup>(4)</sup>	69.1	3.37 <sup>(5)</sup>	69.1

The Exit Offer Price represents the following premiums over the market price of the Shares:

	SGX-ST		HKSE	
	Share Price (\$)	Premium over Share Price (%)	Share Price (HK\$)	Premium over Share Price (%)
Last traded price of the Shares on the SGX-ST and HKSE on 14 August 2013 and 13 August 2013 respectively being the last day on which the Shares were traded on the SGX-ST and HKSE respectively prior to the Announcement Date	0.148	14.9	1.03	1.0
Volume-weighted average price for the one-week period up to 14 August 2013	0.15	13.3	1.03	1.0
Volume-weighted average price of the Shares for the last one month prior to 14 August 2013	0.16	6.3	1.03	1.0
Volume-weighted average price of the Shares for the last three months prior to 14 August 2013	0.15	13.3	0.99	5.1
Volume-weighted average price of the Shares for the last six months prior to 14 August 2013	0.15	13.3	0.98	6.1

*Note:*

1. Based on the exchange rate of S\$1.00: RMB5.10 as at 31 December 2012 (Source: Bloomberg).
2. Based on the exchange rate of S\$1.00: HKD6.34 as at 31 December 2012 (Source: Bloomberg).
3. Based on the unaudited results for the quarter ended 30 June 2013, as announced by the Company on 7 August 2013.
4. Based on the exchange rate of S\$1.00: RMB4.84 as at 30 June 2013 (Source: Bloomberg).
5. Based on the exchange rate of S\$1.00: HKD6.12 as at 30 June 2013 (Source: Bloomberg).

**10.2 Highest and Lowest Share Price.** The highest and lowest closing prices of the Hong Kong Registered Shares as quoted on the HKSE during the six-month period immediately preceding the Announcement Date from 15 February 2013 to 14 August 2013 were HK\$1.09 per Share on 30 July 2013 and HK\$0.68 per Share on 25 July 2013 respectively.

## **11. DISCLOSURES**

**11.1 No Dealings.** As at the Announcement Date, the Offeror and the Concert Parties have not (a) dealt for value in any Shares during the six-month period immediately preceding the Announcement Date, or (b) received any irrevocable undertaking from any party to accept or reject the Exit Offer.

**11.2 Holdings or Dealings of Concert Parties.** In the interests of confidentiality, the Offeror has not made any enquiries in respect of certain other persons who are or may be presumed to be acting in concert with the Offeror in connection with the Exit Offer. Further enquiries will be made of such persons and the relevant disclosures (if any) will be made in due course through further announcements and in the Composite Offer Document.

**11.3 Number of the Relevant Securities in Issue.** As at the Announcement Date, there are 388,000,000 Shares in issue, of which 118,377,187 Shares were held by the Offeror and the Concert Parties. Save as disclosed in this paragraph, there is no other relevant securities (as defined in Note 4 to Rule 22 of the Hong Kong Code) of the Company in issue as at the Announcement Date.

## **12. CONFIRMATION OF FINANCIAL RESOURCES**

As at the Announcement Date, the issued share capital of the Company was 388,000,000 Shares, and the Offeror and its Concert Parties owned and/or controlled an aggregate of 118,377,187 Shares, all of which are Hong Kong Registered Shares, representing approximately 30.51% of the total number of issued Shares. Based on the Exit Offer Price of S\$0.17, the Exit Offer for Singapore Registered Shares is valued at S\$17,878,358.21 (equivalent to approximately HK\$109,415,552.25 based on the exchange rate of S\$1 to HK\$6.12 as at the Announcement Date as quoted from Bloomberg) and the Exit Offer for Hong Kong Registered Shares is valued at HK\$171,034,240.00. Accordingly, the aggregate maximum value of the Exit Offer is HK\$280,449,792.25. The financial resources of the Exit Offer are financed as to HK\$165,000,000 by the Offeror's internal resources and the remaining balance by a margin financing facility of HK\$130,000,000 granted by Haitong International Securities Company Limited.

Haitong International Capital Limited, who has been appointed as the financial adviser to the Offeror in Hong Kong in relation to the Exit Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances in respect of the Exit Offer by the Shareholders.

### **13. PAYMENT**

Payment in cash in respect of acceptances of the Exit Offer will be made as soon as possible but in any event within the earlier of 10 days (as required under the Singapore Code) and 7 business days (as required under the Hong Kong Code) following the later of the date on which (i) the Exit Offer becomes, or is declared, unconditional in all respects, or (ii) the duly completed acceptances of the Exit Offer and the relevant documents of title of the Shares in respect of such acceptances are received by the Offeror to render each such acceptance complete and valid.

### **14. HONG KONG STAMP DUTY**

Seller's Hong Kong ad valorem stamp duty on acceptances of the Exit Offer at a rate of 0.1% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Hong Kong Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to Hong Kong Shareholders who accept the Exit Offer. The Offeror will bear the buyer's Hong Kong ad valorem stamp duty as purchaser of the Shares and will arrange for the payment of the stamp duty in connection with such sales and purchases.

### **15. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISERS**

An independent board committee ("**Independent Board Committee**") (comprising all the independent non-executive Directors) has been established by the Company to advise the Shareholders in respect of the Delisting, including the Exit Alternatives. Zhang Zhong, a non-executive Director, is not included in the Independent Board Committee as she is one of the Concert Parties since she together with Cui Genxiang are the founding members of the Group. The Independent Board Committee has appointed DMG & Partners Securities Pte Ltd as independent financial adviser in Singapore and RHB OSK Capital Hong Kong Limited as independent financial adviser in Hong Kong to advise them on the Exit Offer. The independent financial advisers ("**IFAs**") will issue their formal opinions on the Exit Offer in the Composite Offer Document to be despatched according to the Singapore Code and Hong Kong Code, respectively.

### **16. FURTHER ARRANGEMENTS**

The Offeror confirms that as at the Announcement Date:

- (a) the Offeror, its ultimate beneficial owner, and parties acting in concert with any of them had not received any irrevocable commitment to accept the Exit Offer;
- (b) there was no outstanding derivative in respect of securities in the Company which had been entered by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them and there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Hong Kong Code;

- (c) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Exit Offer;
- (d) save as disclosed in paragraph 8 of this Announcement, none of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (e) there was no agreement or arrangement to which the Offeror, its ultimate beneficial owner and parties acting in concert with any of them was a party which related to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Exit Offer; and
- (f) there was no relevant security (as defined in Note 4 to Rule 22 of the Hong Kong Code) in the Company which the Offeror or any person acting in concert with it had borrowed or lent, or had granted a security interest to another person (whether through a charge, pledge or otherwise).

## **17. CIRCULAR AND COMPOSITE OFFER DOCUMENT**

No immediate action is required of Shareholders on their part in respect of the Delisting and the Exit Offer. Shareholders will be advised on the procedures for accepting the Exit Offer when the Circular and the Composite Offer Document are despatched.

The Circular will be despatched by the Company to Shareholders in due course. The Circular shall include, among other things, further information regarding the Delisting, the Exit Offer, and a notice of the EGM. It is intended that the Composite Offer Document and the relevant forms of acceptance will be despatched by the Offeror to Shareholders together with the Circular.

**In the meantime, Shareholders and potential investors are advised to exercise caution in their dealings in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. In particular, as the Delisting is pending the Requisite Approvals from the Council and the SGX-ST, and the Exit Offer is subject to the fulfilment of the conditions set out in paragraph 4.2 of this Announcement, there can be no assurance that the Exit Offer will be successfully closed. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **18. GENERAL**

### **18.1 Availability of the Composite Offer Document**

It is the intention of the Offeror and the Company that the offer document and the offeree board circular in relation to the Exit Alternatives be combined in a composite document as the Composite Offer Document. The Composite Offer Document will set out, among other things, details of the Exit Offer, a letter of advice from the Independent Board Committee in relation to the Exit Offer and a letter of advice from each of the IFAs to the Independent Board Committee in respect of the Exit Offer.

## 18.2 Disclosure of dealings in the Shares

The respective associates of the Offeror and the Company including a person who owns or controls 5% or more of a class of relevant securities of the Company are hereby reminded to disclose their dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Hong Kong Code) of the Company under Rule 22 of the Hong Kong Code.

In accordance with Rule 3.8 of the Hong Kong Code, reproduced below is the full text of Note 11 to Rule 22 of the Hong Kong Code:

*“Responsibilities of stockbrokers, banks and other intermediaries:*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligations or principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

*Any associates (including persons holding 5% or more of a class of relevant securities of a company) of the Company, the Offeror or parties acting in concert with any of them are reminded to disclose their dealings in any securities of the Company.”*

## 19. RESPONSIBILITY STATEMENT

Pursuant to the requirements of the Singapore Code, the sole director of the Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and accepts responsibility accordingly.

Pursuant to the requirements of the HKSE Listing Rules and the Hong Kong Code, the sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Announcement (other than the information in relation to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.



Pursuant to the requirements of the Singapore Code, the Directors (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and jointly and severally accept responsibility accordingly.

Pursuant to the requirements of the HKSE Listing Rules and the Hong Kong Code, the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than the information in relation to the Offeror and the Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information in this Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Company, the responsibility of the directors of the Offeror and the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

**BY ORDER OF THE BOARD OF  
HENGXIN TECHNOLOGY LTD.**

**Cui Genxiang**

*Executive Chairman*

15 August 2013

**BY ORDER OF THE BOARD OF  
KINGEVER ENTERPRISES LIMITED**

**Cui Genxiang**

*Chief Executive Officer*

15 August 2013

*As at the Announcement Date, the executive Directors are Mr. Cui Genxiang and Mr. Xu Guoqiang; the non-executive Director is Ms. Zhang Zhong; and the independent non-executive Directors are Mr. Tay Ah Kong Bernard, Mr. Chee Teck Kwong Patrick and Mr. Tam Chi Kwan Michael.*

*As at the date of this Announcement, the sole director of the Offeror is Mr. Cui Genxiang.*