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This announcement includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this announcement misleading.



JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED

錦恆汽車安全技術控股有限公司

(Incorporated in the Cayman Islands with limited liability)

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

Stock code on Main Board : 872

Stock code on GEM : 8293

On 20 August 2008, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 443,500,000 Shares in issue; (ii) 20,600,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Share Option Scheme; and (iii) 85,555,555 Shares which may fall to be issued pursuant to the exercise of the conversion rights attaching to the Convertible Notes, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval-in-principle for the Transfer was granted by the Stock Exchange on 3 November 2008.

The last day of dealings in the Shares on GEM is 11 November 2008. Dealings in the Shares on the Main Board will commence at 9:30 a.m. on 12 November 2008.

INTRODUCTION

On 20 August 2008, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 443,500,000 Shares in issue; (ii) 20,600,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Share Option Scheme; and (iii) 85,555,555 Shares which may fall to be issued pursuant to the exercise of the conversion rights attaching to the Convertible Notes, on the Main Board by way of transfer of listing from GEM to the Main Board. The

approval-in-principle for the Transfer was granted by the Stock Exchange on 3 November 2008.

The Board is pleased to announce that all pre-conditions for the Transfer as set out in Rule 9A.02 of the Listing Rules have been fulfilled in relation to the Company and its Shares.

REASONS FOR THE TRANSFER

The Company has been listed on GEM since 9 December 2004. The Group is principally engaged in design, research and development, manufacture and sale of automotive safety systems and other automotive electronic parts. Currently, the Group's major products are safety airbag systems used in automobiles.

The Directors believe that the listing of the Shares on the Main Board will help to enhance the profile of the Group and increase the trading liquidity of the Shares and recognitions by attracting larger potential institutional investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth and business development of the Company.

No change in the nature of business of the Group is contemplated by the Directors following the Transfer.

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

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 9 December 2004, the date on which the Shares were listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM is 11 November 2008. Dealings in the Shares on the Main Board will commence at 9:30 a.m. on 12 November 2008.

The Transfer will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. No change will be made to the board lot size, trading currency of the Shares and the share registrars of the Shares in connection with the Transfer. Shares will be traded under the new stock code 872 in board lots of 2,000 Shares each following the Transfer.

OUTSTANDING SHARE OPTIONS

The Share Option Scheme was conditionally adopted on 22 November 2004, for the primary purpose of providing incentives to directors and eligible employees of the Group, which will expire on 22 November 2014. As at the date of this announcement, there were 20,600,000

options already granted to option-holders, all of which will be exercisable at an exercise price of HK\$1.60 per Share during the period from 23 August 2007 to 22 August 2012.

No further options will be offered or granted under the Share Option Scheme after the Transfer. The Company proposes to seek the approval of the Shareholders to terminate the Share Option Scheme and adopt a new share option scheme which will comply with the requirements of Chapter 17 of the Listing Rules as soon as practicable after the Transfer. Pursuant to the Share Option Scheme, the total outstanding 20,600,000 options previously granted but unexercised under the Share Options Scheme will remain valid and exercisable in accordance with their respective terms of issue.

OUTSTANDING CONVERTIBLE NOTES

On 26 May 2006, the Company issued convertible notes with a nominal value of HK\$46,000,000 to Value Partner Limited, an independent investor. The notes are, at the options of the holder, convertible on or after 26 November 2007 up to and including 25 May 2011, into ordinary shares of the Company at an initial conversion price of HK\$0.90 per share. Upon full conversion, the notes shall be converted into 51,111,111 Shares.

On 14 July 2006, the Company issued convertible notes with a nominal value of HK\$25,000,000, HK\$3,000,000 and HK\$3,000,000 to three independent investors, namely Sagemore Assets Limited, Blue Water Ventures International Ltd. and Synergy Capital Co., Ltd. respectively. The notes are, at the options of the holders, convertible on or after 14 January 2008 up to and including 13 July 2011, into ordinary shares of the Company at an initial conversion price of HK\$0.90 per share. Upon full conversion, the notes shall be converted into 34,444,444 Shares.

The total outstanding Convertible Notes previously granted before the Transfer but unexercised will remain valid and exercisable in accordance with their respective terms of issue.

Save for the 20,600,000 outstanding options previously granted but unexercised under the Share Options Scheme and outstanding Convertible Notes previously granted but unexercised, the Company did not issue any other options, warrants or similar rights or convertible equity securities which will be transferred to the Main Board.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 23 May 2008 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or any applicable laws of the Cayman Islands to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of Shareholders in general meeting.

“Business Day”	a day that is not a Saturday, Sunday or a public holiday in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Jinheng Automotive Safety Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares of which are listed on GEM
“Convertible Notes”	the convertible notes issued by the Company to (i) Value Partner Limited on 26 May 2006 and (ii) Sagemore Assets Limited, Blue Water Ventures International Ltd. and Synergy Capital Co., Ltd. respectively on 14 July 2006
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprises Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) 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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company pursuant to a resolution passed by the Shareholders on 22 November 2004
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transfer”

the transfer of listing of the Shares from GEM to the Main Board pursuant to the Listing Rules

By order of the Board
**Jinheng Automotive Safety Technology
Holdings Limited**
Li Feng
Chairman

Hong Kong, 3 November 2008

As at the date of this announcement, the Board comprises Mr. Li Feng, Mr. Xing Zhanwu, Mr. Zhao Qingjie, Mr. Yang Donglin, Mr. Foo Tin Chung, Victor who are executive Directors, Mr. Li Hong and Mr. Zeng Qingdong who are non-executive Directors and Mr. Chan Wai Dune, Mr. Huang Shilin and Mr. Zhu Tong who are 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 Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.jinhengholdings.com.