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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)

PLACING OF BONDS

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

PLACING OF BONDS

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

On 22 November 2012, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as placing agent for the purpose of arranging subscribers for the issue of (i) the First Tranche Bonds in an aggregate principal amount of HK\$50 million on a fully underwritten basis; and (ii) the Second Tranche Bonds in an aggregate principal amount of up to HK\$100 million on a best effort basis.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

THE PLACING AGREEMENT

Date

22 November 2012

Parties

Issuer : the Company

Placing Agent : Emperor Securities Limited

* For identification purposes only

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing of Bonds

Pursuant to the Placing Agreement, the Placing Agent agreed to act as placing agent for the purpose of arranging subscribers for the issue of (i) the First Tranche Bonds in an aggregate principal amount of HK\$50 million on a fully underwritten basis; and (ii) the Second Tranche Bonds in an aggregate principal amount of up to HK\$100 million on a best effort basis.

Placees

The Bonds will be placed to Placees which will be independent professional, institutional and other investors, and who and whose ultimate beneficial owners are Independent Third Parties.

Bonds

The principal terms of the Bonds are summarised below:

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| Issuer: | The Company |
| Principal amount: | First Tranche Bonds: HK\$50 million Second Tranche Bonds: up to HK\$100 million |
| Issue Price: | 100% of the principal amount of the Bonds |
| Maturity date: | On the date immediately following twenty-four (24) months after the date of issue of the relevant tranche of Bonds respectively |
| Interest rate: | 6% per annum, accrued daily on a 365 days basis and payable annually in arrears, up to the maturity date |
| Form and Denomination: | In registered form and in denominations of HK\$1,000,000 each or integral multiples thereof |
| Status: | The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for the listing of the Bonds. |
| Transferability: | Except as specified in the succeeding paragraph, a Bond may be transferable in integral multiples of HK\$1,000,000 (or such lesser amount as may represent the entire outstanding principal amount thereof) and may be transferred to any person. Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a "connected person" (as defined in the GEM Listing Rules) of the Company. The Company shall give notice to the Stock Exchange for seeking consent only for any transfer of the Bonds where a connected person (within the meaning of the GEM Listing Rules) of the Company is involved. |

Early redemption: The Company may at any time before the maturity date redeem the Bonds (in whole or in part) at 100% of the total principal amount of such Bonds together with payment of interests accrued up to the date of such early redemption by serving at least ten (10) days written notice.

The terms of the Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

Conditions of the Placing of Bonds

The Placing of Bonds is conditional upon the fulfillment (or waiver by the Placing Agent) of the following conditions at or before 4:00 p.m. (Hong Kong time) on 21 December 2012 (in respect of the First Tranche Bonds) or 31 January 2013 (in respect of the Second Tranche Bonds) (or such later times and dates as the Placing Agent and the Company shall agree in writing):

- (1) none of the warranties given by the Company under the Placing Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- (2) the Completion Notice having been served by the Placing Agent to the Company.

The Placing Agent may at any time waive in writing the condition (1). Condition (2) above is incapable of being waived. If the conditions have not been satisfied (or, as the case may be, waived by the Placing Agent) at or before 4:00 p.m. (Hong Kong time) on 21 December 2012 (in respect of the First Tranche Bonds) or 31 January 2013 (in respect of the Second Tranche Bonds) (or such later times and dates as the Placing Agent and the Company shall agree in writing), the Placing Agent may, at any time thereafter, terminate its obligations under the Placing Agreement by notice in writing to the Company, whereupon the obligations of the Placing Agent under the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against any of the others, save for any antecedent breach thereof.

Completion of the Placing of Bonds

Completion of the Placing of Bonds will take place within two Business Days after the conditions have been fulfilled (or, as the case may be, waived by the Placing Agent) (or such later time and date as the Placing Agent and the Company may agree in writing).

REASONS FOR THE PLACING OF BONDS AND USE OF PROCEEDS

The principal activity of the Company is investment holding. 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, and the integrated circuit solutions and the related services.

The Directors are of the view that the Placing of Bonds represents a good opportunity to raise additional funds for the Company.

The maximum gross and net proceeds (after deduction of the placing commission and other related costs) of the Placing of Bonds are estimated to be HK\$150 million and approximately HK\$136 million respectively (assuming the Second Tranche Bonds are placed in full). The Directors intend to apply the net proceeds of the Placing of Bonds to develop the Group's digital cable television business in the PRC and the balance as funding for general working capital.

The Board considers that the terms of the Placing of Bonds are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion of the Placing of Bonds is subject to fulfillment of the conditions precedent under the Placing Agreement and the Placing Agent’s rights of termination of the Placing of Bonds under the terms and conditions of the Placing Agreement. Accordingly, the Placing of Bonds may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “Bonds” | collectively, the First Tranche Bonds and the Second Tranche Bonds, and “a Bond” means any of the First Tranche Bonds or the Second Tranche Bonds, as the context requires |
| “Business Day” | a day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “Company” | Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on GEM |
| “Completion Notice” | a notice in writing to be issued and served by the Placing Agent to the Company specifying, among other things, the date of completion of the Placing of Bonds and the principal amount of the Bonds to be issued by the Company |
| “Director(s)” | director(s) of the Company |
| “First Tranche Bonds” | the 6% coupon bonds due 2014 in an aggregate principal amount of HK\$50 million to be placed and underwritten by the Placing Agent |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons (as defined under the GEM Listing Rules) of the Company |
| “Placees” | any professional, institutional and other investors selected and procured by or on behalf of the Placing Agent to subscribe for the Bonds pursuant to the Placing Agreement |
| “Placing of Bonds” | the placing of the Bonds pursuant to the terms of the Placing Agreement |

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| “Placing Agent” | Emperor Securities Limited, acting as the placing agent and the underwriter of the Bonds under the Placing Agreement |
| “Placing Agreement” | the conditional placing and underwriting agreement dated 22 November 2012 and entered into between the Company and the Placing Agent in relation to the Placing of Bonds |
| “PRC” | the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Second Tranche Bonds” | the 6% coupon bonds due 2014/2015 in an aggregate principal amount of up to HK\$100 million to be placed by the Placing Agent |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

By order of the Board of
Heng Xin China Holdings Limited
Xiao Yan
Chief Executive Officer

Hong Kong, 22 November 2012

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 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.