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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)

VOLUNTARY ANNOUNCEMENT ON MATURITY OF CONVERTIBLE BONDS AND ISSUE OF 6% COUPON BOND DUE 2014

This is a voluntary announcement of the Company.

REDEMPTION OF CONVERTIBLE BONDS AT MATURITY

On 27 December 2012, the Company redeemed the Convertible Bonds upon their maturity.

ISSUE OF BOND

On 27 December 2012, the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber subscribed for the Bond in an aggregate principal amount of HK\$100 million on the same day. The Bond carries interest at the rate of 6% per annum and will mature for redemption on 26 December 2014.

This is a voluntary announcement of the Company.

REDEMPTION OF CONVERTIBLE BONDS AT MATURITY

On 27 December 2012, the Company redeemed the Convertible Bonds upon their maturity.

ISSUE OF BOND

The Subscription Agreement

Date

27 December 2012

** For identification purposes only*

Parties

Issuer	:	the Company
Subscriber	:	Sandmartin International Holdings Limited

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Subscriber is an Independent Third Party and has been the holder of the Convertible Bonds prior to its redemption at maturity. Based on the public information available to the Company, the Subscriber is an investment holding company and its shares are listed on the Main Board of the Stock Exchange (stock code 482), and the Subscriber and its subsidiaries are principally engaged in the design, manufacturing and trading of media entertainment platform related products and connectors, cables and assorted electronic accessories.

Principal terms

The principal terms of the Bond are summarized below:

Issuer	:	The Company
Principal amount	:	HK\$100 million
Issue price	:	100% of the principal amount of the Bond
Maturity date	:	26 December 2014
Interest rate	:	6% per annum, accrued daily on a 365-day year basis and payable quarterly in arrears, up to the maturity date
Status	:	The Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company.
Listing	:	No application has been or will be made for the listing of the Bond.
Transferability	:	The Bond is transferrable in whole or in part (in the integral multiples of HK\$1,000,000) but not to any connected person of the Company (as defined in the GEM Listing Rules).
Early redemption	:	The Company may at any time before the maturity date redeem the Bond (in whole or in part) at 100% of the total principal amount of the Bond together with payment of interests accrued up to the date of such early redemption by serving at least ten (10) days written notice. Save for the occurrence of any event of default of the Company set out in the terms and conditions of the Bond, the Subscriber is not entitled to demand for early redemption of the Bond

The terms of the Bond were determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market conditions and the terms of the outstanding bonds of the Company.

Completion

Completion of the subscription the Bond took place upon signing of the Subscription Agreement on 27 December 2012. The subscription price payable by the Subscriber for the Bond was set off against the same amount due and payable by the Company to the Subscriber for redemption of the Convertible Bonds at their maturity.

Reasons for the issue of the Bond 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 issue of the Bond represents a good opportunity to raise additional funds for the Company. The maximum gross and net proceeds (after deduction of the related costs) of the issue of the Bond are estimated to be HK\$100 million and approximately HK\$99 million respectively. The Directors intend to apply the net proceeds of the issue of the Bond as funding for general working capital.

The Board considers that the terms of the Subscription Agreement and the Bond are on normal commercial terms and are fair and reasonable and the issue of the Bond is in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on GEM
“Director(s)”	director(s) of the Company
“Bonds”	the 6% coupon bond due 2014 in the principal amount of HK\$100 million issued by the Company to the Subscriber
“Convertible Bonds”	convertible bonds of the Company in the principal amount of HK\$200,000,000 issued to the Subscriber on 28 December 2010, details of which are set out in the announcement of the Company dated 17 December 2010
“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”	person or corporation who/which is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules) of the Company
“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
“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
“Subscriber”	Sandmartin International Holdings Limited, a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange
“Subscription Agreement”	the subscription agreement dated 27 December 2012 and entered into between the Company and the Subscriber in relation to the subscription of the Bond
“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, 27 December 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.