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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)

TERMINATION OF DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 7 December 2012, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Vendor 25% equity interests in the Target Company, at a cash consideration of RMB139,000,000 (equivalent to approximately HK\$175,140,000).

The Purchaser has reached an agreement with the Vendor on 31 July 2013 to terminate the Sale and Purchase Agreement. As a result, the Acquisition was terminated and the deposit of RMB10,000,000 (equivalent to approximately HK\$12,600,000), after netting off the professional expenses, paid by the Purchaser will be refunded to the Purchaser within 15 business days from the date of termination agreement.

TERMINATION OF DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 7 December 2012 in relation to the Sale and Purchase Agreement in respect of an acquisition of 25% equity interests in the Target Company (the “Announcement”). Terms used in this announcement shall have the same meanings as defined in the Announcement.

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Vendor 25% equity interests in the Target Company, at a cash consideration of RMB139,000,000 (equivalent to approximately HK\$175,140,000).

As an investor did not acquire the equity interests in the Target Company as anticipated by the Vendor and the Purchaser, the Vendor and the Purchaser considered that it is no longer in the parties’ interest to carry on with the Acquisition and reached an agreement on 31 July 2013 to terminate the Sale and Purchase Agreement.

* For identification purposes only

As a result of the termination of the Sale and Purchase Agreement, the Acquisition was terminated and the deposit of RMB10,000,000 (equivalent to approximately HK\$12,600,000), after netting off the professional expenses, paid by the Purchaser will be refunded to the Purchaser within 15 business days from the date of termination agreement. The Group does not expect the termination of the Sale and Purchase Agreement would have any material adverse effect on the current business operation and financial position of the Group. As stated in the section headed “Financial Effect of the Disposal” of the circular dated 7 December 2012 of the Company, the Company intended to use approximately HK\$150 million, part of the proceeds from the disposal of the sale share of Magic Golden Limited (the “Subject Proceed”) to settle the consideration for the Acquisition. Upon the termination of the Acquisition, the Subject Proceed will be used for general working capital purposes.

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.

For illustrative purpose only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1 to HK\$1.26. No representation is made that any amount into HK\$ and RMB have been, could have been or could be converted at the above rate or any other rate.

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

Hong Kong, 31 July 2013

As at the date of this announcement, the Board comprises Mr. Xiao Yan (CEO), Mr. Li Tao and Mr. Qiu Bin 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 of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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