Heng Xin China Holdings Limited
恒 芯 中 國 控 股 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

ANNOUNCEMENT

AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY FILED A STATEMENT OF CLAIM

This announcement is made by Heng Xin China Holdings Limited (the "**Company**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 31 December 2013 and the circular of the Company dated 21 February 2014 (the "**Circular**") regarding the conditional termination agreement dated 31 December 2013 entered into between深圳中澤明芯集團有限公司 (Shenzhen Champion Maxiumic Group Co., Limited), an indirect wholly-owned subsidiary of the Company, as vendor (the "**Vendor**") and 河北廣電網絡投資有限公司 (Hebei Guangdian Network Investment Limited) as purchaser (the "**Purchaser**") in relation to, among others, the sale and purchase of the telecommunication equipment in relation to digital cable television broadcasting network and the termination of the Cooperation Agreement. Unless otherwise defined, capitalized used in this announcement should have the meanings as those defined in the Circular.

The board (the "**Board**") of directors (the "**Directors**") of the Company announces that on 1 December 2014, the Vendor has filed a statement of claim (民事起訴狀) to the Shijiazhuang Intermediate People's Court in the Hebei Province, the PRC (the "**Court**") and has received a notification of acceptance from the Court, pursuant to which, the Vendor has initiated a civil action against the Purchaser concerning the Vendor's claim for payment by the Purchaser in accordance with the terms of the Termination Agreement of (i) the overdue payment penalty of approximately RMB597,000 due to the delay in settlement of the First Payment amounting to RMB30,000,000; (ii) the Second Payment amounting to RMB20,000,000 and the relevant default interest accrued on the Second Payment (calculated based on the prevailing bank

interest rate up to the date of full settlement of the Second Payment); and (iii) the court costs of the above civil action.

The Company will make further announcement(s) to keep the Shareholders informed of further developments of the above civil action as and when appropriate.

By Order of the Board
HENG XIN CHINA HOLDINGS IMITED
Tse Kam Fai
Company Secretary

Hong Kong, 3 December 2014

As at the date of this announcement, the Board comprises Mr. Xiao Yan (Chief Executive Officer), Mr. Qiu Bin and Mr. Li Tao as executive Directors; Mr. Xu Lei as non-executive Director; and 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 at www.hkgem.com 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.

* For identification purposes only