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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)

CLARIFICATION ANNOUNCEMENT AND RESUMPTION OF TRADING

The Board makes this clarification announcement pursuant to Rule 17.10 of the GEM Listing Rules in response to certain newspaper articles on 7 May 2010.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 2:30 p.m. on Friday, 7 May 2010. Application has been made for the resumption of trading in the shares of the Company on the Stock Exchange from 9:30 a.m. on Monday, 10 May 2010.

The board (the “**Board**”) of directors (the “**Directors**”) of Heng Xin China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) makes this clarification announcement 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**”) in response to certain newspaper articles (the “**Articles**”) on 7 May 2010 following the Company’s press conference held on 6 May 2010.

The Board noted the contents of the Articles and wishes to clarify that:—

(1) Increase of revenue for the year by 40%

The increase in revenue of 40% refers to the target business development in the next financial year. For the current financial year, based on the interim report of the Company for the six months ended 31 December 2009, the unaudited revenue was approximately HK\$340 million which increases substantially comparing with the audited result of approximately HK\$339 million for the full financial year ended 30 June 2009. Based on the information disclosed in the annual report of the Company for the year ended 30 June 2009, the total contracted business from Hunan and Hubei provinces in the aspect of the ground wireless digital TV network equipment integration business reached RMB4,500 million over three to five year. The Group’s target is to increase its business volume by 40% for the next financial year ending 30 June 2011 but such target excludes the cable two-way conversion business as recently announced.

* For identification purposes only

(2) Signing of MOUs with Henan and Hebei provinces in respect of the ground wireless digital TV project

As disclosed in the third quarterly report of the Company for the nine months ended 31 March 2009, the Group has signed a memorandum of understanding (“MOUs”) with Henan and Hebei provinces respectively. However, at this stage, no formal agreement has been reached with these two provinces and the Board considers that it is not possible to quantify in any meaningful aspect the revenue and the economic benefits to be derived therefrom.

(3) Scale of coverage of 20 million subscribers in relation to the ground wireless digital TV network equipment integration business

The subscriber base as quoted is merely the Group’s interim business target over 5 years based on the signed contracts with Hunan and Hubei provinces and 8 other provinces that the Group intends to pursue in the future.

Shareholders of the Company or potential investors should exercise caution in dealing in the shares of the Company.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 2:30 p.m. on Friday, 7 May 2010. Application has been made for the resumption of trading in shares of the Company on the Stock Exchange from 9:30 a.m. on Monday, 10 May 2010.

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

Hong Kong, 7 May 2010

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. 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 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: (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 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