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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)

MARKETING SERVICES AGREEMENT — GRANT OF OPTION

The Company has conditionally granted to the Consultant the Option, which is exercisable during the Option Period, to subscribe for 90,000,000 Shares at the Exercise Price of HK\$1.32 per Option Share.

To capture the exceptional growth in the digital television transformation market in the PRC, the Company has engaged the services of the Consultant to provide marketing services to the Group and entered into the following agreement.

THE MARKETING SERVICES AGREEMENT

The services

On 30 November 2010, the Company and the Consultant entered into the Marketing Services Agreement pursuant to which the Company engages the Consultant for a period of one year from the date of the Marketing Services Agreement to provide various marketing, consulting and introduction services and advice and guidance to support the Group's business expansion and development in the PRC.

The Consultant is beneficiary owned as to 50% by Mr. Li Zhenguo (李振國) and 50% by Ms. Jing Lihua (靖莉華). Mr. Li holds a Bachelor of Science in Physics from University of Shandong and Ms. Jing was graduated from Central Broadcasting and Television University. Both of them have working experience in investments, private equity funds, finance and management and have substantial social network in China.

To the best knowledge, information and belief of the Directors, each of the Consultant and its ultimate beneficial owner is an independent third party and not a connected person of the Company within the meaning of the GEM Listing Rules.

Grant of Option

For a nominal consideration of HK\$10 (the "**Option Premium**"), the Company has, upon the signing of the Marketing Services Agreement, conditionally granted to the Consultant the Option to subscribe for 90,000,000 Shares at the Exercise Price of HK\$1.32 per Option Share.

* *For identification purposes only*

The 90,000,000 Option Shares represent: (i) approximately 4.70% of the existing issued share capital of the Company; and (ii) approximately 4.48% of the existing issued share capital of the Company as enlarged by the issue of the Option Shares.

Exercise Price

The Exercise Price of HK\$1.32 per Share was determined after arm's length negotiation between the Company and the Consultant with reference to the ten-day average closing price of the Shares immediately prior to the date of the Marketing Services Agreement. The Exercise Price represents (i) a discount of approximately 7.69% to the closing price of HK\$1.43 per Share as quoted on the Stock Exchange on 30 November 2010, being the date of the Marketing Services Agreement; and (ii) a discount of approximately 0.75% of the average closing price of HK\$1.33 per Share as quoted on the Stock Exchange over the last five trading days immediately prior to the date of the Marketing Services Agreement.

The net price to the Company of each Option Share, which is calculated by dividing the expected net proceeds from the exercise of the subscription right attached to the Option by the total number of the Option Shares, would be approximately HK\$1.32.

Option Period

Subject to the condition as specified in the paragraph headed "Condition" below, the Option is exercisable at any time during the period of one year from the date of the Marketing Services Agreement.

Condition

The grant of the Option is subject to the approval of the Stock Exchange and is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Option Shares having been obtained. If such condition is not fulfilled within 45 trading days after the signing of the Marketing Services Agreement, the Option shall be deemed to have lapsed forthwith.

General Mandate

The granting of the Option and the allotment and issue of the Option Shares are not subject to the approval of the Shareholders. The Option Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 9 November 2010. The Directors were authorised to allot and issue up to 365,540,600 Shares pursuant to the General Mandate. Since the said general meeting, the General Mandate has not been utilised up to the date of this announcement.

In the event of there being any consolidation or sub-division of the share capital of the Company or bonus issue of Shares whilst the Option or any part of it remains exercisable during the Option Period, the Exercise Price and the number of Option Shares shall be adjusted in accordance with the appendix to the letter dated 5 September 2005 issued by the Stock Exchange to all listed issuers regarding share option schemes.

Given that the Exercise Price and the number of the Option Shares may in the future be adjusted as a result of the happening of the adjustment event as mentioned above, the number of Option Shares which may fall to be issued upon exercise of the Option may exceed 90,000,000. In such case, the Company will ensure that it will have sufficient mandate, either from available unused General Mandate or by specific mandate to be obtained from Shareholders, to cover the issue of all Option Shares before carrying out any transaction which will trigger any adjustment to the Exercise Price and the number of the Option Shares.

Ranking of the Option Shares

The Option Shares, when issued, will rank pari passu in all respects with all other Shares in issue at the date of issue and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of issue.

Transfer

The Option shall be fully assignable by the Consultant to any party which is not a connected person (as defined in the GEM Listing Rules) of the Company and upon notice to the Company.

Voting

The holder of the Option will not be entitled to attend or vote at any meetings of the Company by reason only of it being the holder of the Option and will not be entitled to receive notice of any meetings of the Company.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in the Option Shares.

USE OF PROCEEDS

The net proceeds to be received by the Company upon the exercise of the Option in full are estimated to be about HK\$119 million and are intended to be used by the Company as general working capital and business expansion purposes.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Date of announcement	Fund-raising activity	Net proceeds raised (approximately)	Use of proceeds
14 September 2010	Placing of 200,000,000 Shares at HK\$0.75 each	HK\$148 million	Providing capital for the Company's expansion initiatives and general working capital purposes

Save as disclosed above, the Company has not carried out any fund raising activities in the 12 months immediately preceding the date of this announcement.

REASONS FOR THE GRANT OF THE OPTION

The Company is an investment holding company. The principal activities of the subsidiaries of the Company are engaged in ground wireless digital television network equipment integrated business, digital cable television two-way conversion and value added services, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services. The grant of the Option is part of the incentive offered to the Consultant to provide the services to the Group.

The grant of the Option to the Consultant as an incentive will not have any adverse impact on the cashflow of the Group while the shareholder base of the Company will be enlarged and the Company can receive subscription proceeds upon the exercise of the Option. The Directors believe that the terms of the Marketing Services Agreement (including the grant of the Option and the Exercise Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save and except the convertible notes issued by the Company with the outstanding principal amount of HK\$264,725,020 which may be convertible into 804,635,319 Shares (as adjusted) and options granted under an employee share option scheme to subscribe for up to 6,509,999 Shares (as adjusted), the Company has no other warrants, options or other convertible securities which are still outstanding as at the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates (i) the shareholding structure of the Company as at the date of this announcement; (ii) the shareholding structure of the Company immediately following the exercise of the Option in full:

	As at the date of this announcement		Immediately following the exercise of the Option in full	
	No. of Shares	%	No. of Shares	%
Team Effort Investments Limited and Mr. Choi Chung Lam (<i>note 1</i>)	208,049,996	10.86	208,049,996	10.37
Lomond Group Limited and Mr. Li Haoping (<i>note 2</i>)	39,164,000	2.04	39,164,000	1.95
The Consultant	—	—	90,000,000	4.48
Other public	1,669,612,431	87.10	1,669,612,431	83.20
Total	1,916,826,427	100.00	2,006,826,427	100.00

Notes:

1. Team Effort Investments Limited is wholly owned by Mr. Choi Chung Lam. Team Effort Investment Limited is also the holder of the convertible notes of the Company in the principal amount of \$159,700,040 convertible into Shares at \$0.329 per share (as adjusted).
2. Lomond Group Limited is wholly owned by Mr. Li Haoping. Lomond Group Limited is also the holder of the convertible notes of the Company in the Principal amount of \$105,024,980 convertible into Shares at \$0.329 per share (as adjusted).

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Consultant”	Shenzhen Wan He Cheng Da Investment Holding Co., Ltd., (深圳市萬禾成達投資有限公司) a company incorporated in PRC.
“Marketing Services Agreement”	the marketing services agreement entered into between the Company and the Consultant dated 30 November 2010
“Board”	the board of Directors
“Company”	Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“Directors”	the directors of the Company
“Exercise Price”	HK\$1.32 per Share, subject to adjustments for any consolidation or subdivision of Shares or bonus issue of Shares
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 9 November 2010 to allot or otherwise deal with the unissued Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Option”	the option conditionally granted by the Company to the Consultant attached with it the right to subscribe for the Option Shares at the Exercise Price
“Option Period”	the period of one year commencing from the date of grant of the Option
“Option Shares”	90,000,000 Shares to be issued upon the exercise of the subscription rights attaching to the Options which Shares shall rank pari passu in all respects with the Shares in issue at the date of allotment of the Option Shares
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders 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
Heng Xin China Holdings Limited
Xiao Yan
Chief Executive Officer

Hong Kong, 30 November 2010

As at the date of this announcement, the Board comprises Mr. Xiao Yan (CEO), Mr. Li Tao and Mr. Feng Yongming as executive Directors; Mr. Xu Lei as non-executive Director; Mr. Leung Wo Ping JP, Mr. Dong Shi and Mr. Wu Dingdong as independent non-executive Directors.

This announcement, for which the directors of the issuer 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 issuer. 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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven (7) days from the date of its publication and on the website of the Company at www.hengxinchina.com.hk.