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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 **UPDATE ON BUSINESS DEVELOPMENT ON THE DIGITAL CABLE** **TELEVISION PROJECT IN HEBEI**

The Board of Directors of the Company is pleased to announce that the digital cable television cooperation project with the Hebei Television Broadcasts and Information Network Group Co., Ltd in Hebei has successfully been launched. This marks the commencement of the sharing of operating net income from the Hebei project for the first 100,000 subscribers being recognized by the Group in just about one month after the entering into of the Cooperation Agreement.

In addition, the Board also announced that, to support the expected significant growth in the digital television transformation and broadcasting business in China, supply contracts in the amount of approximately HK\$390 million have been entered into between the Group and Sandmartin International Holdings Limited, a company listed on the mainboard of the Stock Exchange.

Reference is made to the announcement of the Company dated 26 November 2010 in relation to the entering into a cooperation agreement with Hebei Television Broadcasts and Information Network Group Co., Ltd. (the “**Announcement**”). Capitalised terms in this announcement shall have the same meanings as that in the Announcement unless otherwise specified.

This announcement is made by Heng Xin China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis with the purpose of keeping shareholders and potential investors of the Company informed of its latest business development.

The board of directors of the Company (the “**Directors**”) is pleased to announce that the cooperation project in Hebei with HBTN has been launched and the Group’s share of operating net income for the first 100,000 subscribers for the digital cable television service has been transferred to the Group. Pursuant to the Cooperation Agreement, the Group is entitled to share net revenues ranging from 50% to 80% of the subscription and other fees income arising from such subscribers for provision of the digital cable television related service.

* For identification purposes only

Given that not less than 100,000 subscribers having already subscribed for the digital cable television service in about one month after the entering of the Cooperation Agreement, the Directors are optimistic about the prospects of the project and expect that considerable sustainable operational income will be enjoyed by the Group in the coming years.

In addition, the Board also announced that, to support the expected significant growth in the digital television transformation and broadcasting business in China, supply contracts in the amount of approximately HK\$390 million have been entered into between the Group and Sandmartin International Holdings Limited (“**Sandmartin**”), a company listed on the mainboard of the Stock Exchange (stock code 482) for the supply of set-up-boxes and other core equipment for use in connection with the delivery of the digital television broadcasting service. Sandmartin is a major global producer of precision digital TV broadcasting products.

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

Hong Kong, 27 December 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. 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 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