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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)

BUSINESS COOPERATION AGREEMENTS IN RELATION TO THE RURAL DIGITAL CABLE TELEVISION PROJECT IN SHANXI

Following the launch of the digital cable television projects in Anhui, Hebei and Jiangxi provinces, the Board is pleased to announce that on 28 May 2011, Shenzhen Champion has entered into the Cooperation Agreements with Yanggao County Television Broadcasts of Datong City in Shanxi Province (山西省大同市陽高縣廣播電視台) and Tianzhen County Television Broadcasts and Network Co., Ltd. of Datong City in Shanxi Province (山西省大同市天鎮縣廣電網路有限責任公司) respectively, both are government authorised digital cable television network constructors and operators in Shanxi province, pursuant to which the parties will develop and construct strategic cooperation relationships to develop the digital cable television broadcasting network and expand the subscriber base in digital cable television in the rural areas in Shanxi province in China. The cooperation lasts for 15 years in return for revenue sharing.

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.

BUSINESS COOPERATION AGREEMENTS

Following the launch of the digital cable television projects in Anhui, Hebei and Jiangxi provinces, the board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 28 May 2011, Shenzhen Champion Maxiumic Technologies Co., Ltd (“**Shenzhen Champion**”), a wholly owned subsidiary of the Company, has entered into business cooperation agreements (the “**Cooperation Agreements**”) with Yanggao County Television Broadcasts of Datong City in Shanxi Province (“**YTVB**”) (山西省大同市陽高縣廣播電視台) and Tianzhen County Television Broadcasts and Network Co., Ltd. of Datong City in Shanxi Province (“**TCTBN**”) (山西省大同市天鎮縣廣電網路有限責任公司) respectively, pursuant to which the parties will develop and construct strategic cooperation relationships to develop and construct the digital cable television broadcasting network and expand the subscriber base in digital cable television in the rural areas in Shanxi province in China. The parties will cooperate with the Group to construct the digital television network infrastructure and perform the overall conversion of digital television standards including platforms construction, networks planning, and equipment and digital terminals configurations in their operating regions. Each party will apply their respective resources on the investments and exploration of new digital cable television projects in the rural areas for 15 years.

* *For identification purposes only*

The total initial subscriber base of the digital cable television under the Cooperating Agreements is approximately 100,000 in Yanggao County (陽高縣) and Tianzhen County (天鎮縣) in Datong City (大同市) as the pilot regions. The total number of subscribers in the rural areas of Daong City is around 700,000. After the completion of the cooperation for the first 100,000 subscribers in the two pilot regions in the first year, the cooperation model will be gradually extended to other regions of Shanxi province. The Cooperation Agreements will allow the Group to share net income (including monthly basic subscription fee of not lower than RMB16 per subscriber, other pay channel fee, self-operation channel fee, advertising fee and value-added service fee etc.) ranging from 50% to 70% generated from the project.

The Cooperation Agreements set out the general principles of cooperation between the parties. Detailed terms of further technical cooperation will be subject to definitive contracts to be entered into by the parties.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE COOPERATION AGREEMENTS

The Group has previously entered into business cooperation agreements to provide cable digital television two-way conversion equipment and services and develop and operate value-added services in Anhui, Hebei and Jiangxi provinces, PRC, respectively. With the support from the PRC government to promote the integration of the telecommunication network, broadcasting TV network and internet (三網融合), the Board believes that the entering into of the Cooperation Agreements will increase the Group's market share and operational efficiency in its cable digital television business and allow the Group to enhance its competitiveness and gain a technological edge over its competitors in the respective market in other provinces. Through the cooperation, the Group is able to expand its operational influence into Shanxi province. By collaborating with the authorising Shanxi provincial broadcasting entities, the Group is gaining further significant prominence in the PRC broadcasting infrastructure platform and will undoubtedly increase its revenue and profit in the future.

GENERAL

The Group is principally engaged in wireless digital terrestrial television network equipment integrated business, digital cable television two-way conversion business, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services.

YTVB and TCTBN are the sole government authorised digital cable television network constructors and operators that are responsible for digital television network constructions, conversions, digitalisations and related technical standard settings in the rural areas in Yanggao County and Tianzhen County, Datong City, Shanxi province respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, YTVB and TCTBN, and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons at the date of this announcement.

The entering into of the Cooperation Agreements is conducted in the usual and ordinary course of business of the Company and does not constitute a notifiable transaction for the Company under Chapter 19 of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules").

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

Hong Kong, 30 May 2011

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 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 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