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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 BUSINESS UPDATE

The Board is delighted to announce that Shenzhen Champion, the Company's wholly owned subsidiary, and Beijing Champion, a wholly owned subsidiary of Shenzhen Champion, have officially launched the operations of television broadcasting value-added services, for which have respectively entered into various cooperation agreements in relation to its digital cable television value-added services with several content providers recently.

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 (the “**Board**”) of directors (the “**Directors**”) of the Company is delighted to announce that Shenzhen Champion Maxiumic Technologies Co., Ltd. (“**Shenzhen Champion**”), a wholly owned subsidiary of the Company, and Beijing Champion Maxiumic Technologies Co., Ltd. (“**Beijing Champion**”), a wholly owned subsidiary of Shenzhen Champion, have respectively entered into the following business cooperation agreements.

CABLE TELEVISION CONVENIENT PAYMENT SERVICES STRATEGIC COOPERATION AGREEMENT

To speed up the launch of the cable television network value-added services and build up a comprehensive payment platform system, on 11 July 2011, Shenzhen Champion has entered into a ten-year term strategic cooperation agreement with 北京海科融通信息技術有限公司 (Beijing Haike Rongtong Info & Tech Co., Ltd. (“**Beijing Haike**”)), a subsidiary of 北京海澱科技發展有限公司, together with financial institutions to build up an electronic payment platform for digital television value-added services. Beijing Haike is an integrated high-tech enterprises specialising in the field of electronic payment and has developed a “pay through” smart financial payment terminal products supporting the Unionpay card transactions. Under this cooperation agreement, both parties will establish long-term strategic partnership to jointly use their own advantages to construct a business platform for financial institutions to provide users with a full range of convenient financial services. Both parties will cooperate with financial institutions to provide consumers with electronic payment

* For identification purposes only

applications such as water, electricity, gas, communications and other public utilities payments, mobile recharge, ticketing, internet shopping, TV value-added services payments, and etc. through the digital cable television systems. The end users will include but not limited to the cable television subscribers in Anhui, Hebei, Jiangxi, Shanxi and other provinces. Both parties will cooperate with profit sharing and the specific sharing ratio is yet to be confirmed.

REMOTE MEDICAL CENTRE HOSPITAL SERVICES COOPERATION AGREEMENT

In order to meet people's needs such as medical diagnosis of the vast of subscribers of television, on 12 July 2011, Beijing Champion has entered into a six-year term cooperation agreement with 中國人民解放軍總醫院遠程醫學中心 (Chinese PLA General Hospital Telemedicine Center (PLAGHTC) (also Hospital 301)), under which Beijing Champion is the exclusive partner of PLAGHTC to provide information services outside the hospital and both parties will utilise information technology network or media to organise service resources to provide hospital services such as remote consultation, internet education and etc. to the subscribers of digital cable television operated by Shenzhen Champion. Both parties will cooperate with profit sharing and the specific sharing ratio is yet to be confirmed.

DIGITAL TV DISTANCE LEARNING PROJECT STRATEGIC COOPERATION AGREEMENT

To enhance the education level of the vast of subscribers of television, on 12 July 2011, Shenzhen Champion has entered into a three-year term cooperation agreement with 北京凌鴻智業教育科技有限公司 (Beijing Hong-Plus Education & Technology Co., Ltd. (“**Hong-Plus**”)), a leading distance learning technology and industry application development company in PRC which currently has around 3 million end-users. Under this cooperation agreement, Shenzhen Champion will provide television broadcasting network channel and Hong-Plus will provide its unique distance learning content and services for the subscribers of the digital cable television. Both parties will cooperate with profit sharing and the specific sharing ratio is yet to be confirmed.

ADVERTISING BUSINESS COOPERATION AGREEMENT

In order to take full advantage of television advertising resources generated from the development of the end-users of the television network, on 11 July 2011, Shenzhen Champion has entered into a cooperation agreement with 北京市引力光華國際廣告有限公司 (Inly Communication Group (“**INLY**”)), a well-known television advertising company in PRC. Under this cooperation agreement, INLY will solicit customers and produce advertisements to be broadcasted in the cable television network operated by Shenzhen Champion. Both parties will cooperate with profit sharing and the specific sharing ratio is yet to be confirmed. The cooperation term of this agreement is in consistent with the terms of the framework agreements entered between Shenzhen Champion and the respective cable television broadcasting companies.

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. 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, Jiangxi and Shanxi provinces, PRC, respectively. The entering into of the above cooperation agreements represents a great leap forward for the Group's cable television value-added services in the integration of the telecommunication network, broadcasting TV network and internet (三網融合). The Group will focus on developing digital cable television value-added services, partnering many content providers who have strengths to carry out comprehensive cooperation in the form of profit sharing and providing wide range of quality and extensive services for the vast of the television subscribers. The Directors believe that the signing of the cooperation agreements will further strengthen the Group's revenue and profit in the future.

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. 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, 12 July 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