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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)

UPDATE ON BUSINESS DEVELOPMENT ON THE DIGITAL MOBILE TELEVISION PROJECT IN HEBEI

The Board is pleased to announce that on 24 August 2011, Beijing Champion and Shenzhen Champion, wholly owned subsidiaries of the Company, have entered into the Cooperation Agreement with 北京華夏力通傳媒科技有限公司 (Beijing Huaxia Innomedia Technology Co., Ltd.), to jointly operate and develop the advertising business and value-added services of the digital mobile television project and 60,000 electronic displays in Hebei province for 10 years.

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.

Reference is made to the announcements of the Company dated 18 July 2011 and 12 August 2011 in relation to the cooperation agreement and supplemental agreement with 河北廣電移動數字電視有限責任公司 (Hebei Digital Mobile Television Broadcasting Co., Ltd. (“**HDMTV**”)) regarding the advertising business and value-added services of the digital mobile television project and around 60,000 electronic displays in Hebei province.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 24 August 2011, Beijing Champion Maxiumic Technologies Co., Ltd. (“**Beijing Champion**”) and Shenzhen Champion Maxiumic Group Co., Ltd. (“**Shenzhen Champion**”), wholly owned subsidiaries of the Company, have entered into a cooperation agreement (the “**Cooperation Agreement**”) with 北京華夏力通傳媒科技有限公司 (Beijing Huaxia Innomedia Technology Co., Ltd.) (“**Beijing Huaxia**”), pursuant to which the parties agreed to jointly operate and develop the advertising business and value-added services of the digital mobile television project and 60,000 electronic displays in Hebei province for 10 years (“**Hebei Mobile Advertising Business**”). Beijing Huaxia will share 50% gross revenue from Beijing Champion out of its profit portion after sharing with HDMTV and Beijing Huaxia will receive not lower than RMB35 million (equivalent to approximately HK\$42.7 million), RMB40 million (equivalent to approximately HK\$48.8 million) and RMB45 million (equivalent to approximately HK\$54.9 million) in 2012, 2013 and 2014 respectively. Beijing Huaxia shall contribute to the Hebei Mobile Advertising Business a cooperation development fee of RMB200 million (equivalent to approximately HK\$244 million) in two installments on the fifteenth business day and the thirtieth business day from the date of the Cooperation Agreement to accelerate the development of the project. If the

* For identification purposes only

revenue allocated to Beijing Huaxia is not less than RMB80 million (equivalent to approximately HK\$97.6 million) in the first two calendar year (i.e. 2012 and 2013), Beijing Huaxia will have an option to negotiate with Beijing Champion and Shenzhen Champion and contribute a cooperation development fee of no less than RMB200 million (equivalent to approximately HK\$244 million) to extend the cooperation period to a further five years.

The Cooperation Agreement sets 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.

BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The Cooperation Agreement relates only to the Group's Hebei digital mobile television advertising business. Apart from the digital mobile television project in Hebei province, the Group has also entered into business cooperation agreements to provide digital cable television two-way conversion equipment and services, and develop and operate value-added services in Anhui, Hebei, Jiangxi and Shanxi provinces, PRC, respectively. In addition, the Group's value-added service for digital cable television has been officially launched recently. The Group requires a large amount of working capital to support its business expansion. By entering into of the Cooperation Agreement, the Group can receive a lump sum to implement its projects immediately which can improve its liquidity and consolidate its financial position as well as accelerate its growth.

GENERAL

Beijing Huaxia is engaged in operating a wide range of integrated digital content international distribution platform of comic books and is the biggest copyright holder of the caricatures in Asia.

The entering into of the Cooperation Agreement 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, 24 August 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