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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)

LETTER OF INTENT FOR PROPOSED ESTABLISHMENT OF JOINT VENTURE FOR THE RURAL DIGITAL CABLE TELEVISION PROJECT IN ANHUI

The Board is pleased to announce that on 16 May 2012, Shenzhen Champion and 安徽廣電信息網絡股份有限公司 (Anhui Radio and Television Information Network Co., Ltd.) entered into a letter of intent for the proposed establishment of a new joint venture company in Anhui province which will principally engaged in the design, construction, development, operation, charge and maintenance of the digital cable television broadcasting network in rural areas in the whole Anhui province in China. The Joint Venture is targeted to achieve subscriber base of the digital cable television of not less than 3 million in Anhui province within the next three years. The details of the Joint Venture such as the total investment, registered capital, forms of capital contributions, shareholding and composition of the board of directors are yet to be determined.

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.

PROPOSED ESTABLISHMENT OF JOINT VENTURE

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 16 May 2012, Shenzhen Champion Maxiumic Group Co., Ltd. (“Shenzhen Champion”), a wholly owned subsidiary of the Company, and 安徽廣電信息網絡股份有限公司 (Anhui Radio and Television Information Network Co., Ltd. (“**ARTINCL**”)) entered into a letter of intent (the “**Letter of Intent**”) for the proposed establishment of a new joint venture company in Anhui province (the “**Joint Venture**”).

The Joint Venture will principally engage in the design, construction, development, operation, charge and maintenance of the digital cable television broadcasting network in rural areas in the whole Anhui province in China. The Joint Venture is targeted to achieve subscriber base of the digital cable television of not less than 3 million in Anhui province within the next three years. The details of the Joint Venture such as the total investment, registered capital, forms of capital contributions, shareholding and composition of the board of directors are yet to be determined. It is expected that Shenzhen Champion will be responsible for the operation of the Joint Venture. The parties will sign a formal joint venture agreement in due course.

* For identification purposes only

At present, the project has been launched in Huainan City (淮南市) and Suzhou City (宿州市) of Anhui province. The target subscriber base developed in Huainan City is not less than 100,000 by 2013 and 250,000 by 2015. The target subscriber base developed in Suzhou City is not less than 100,000 by 2013, 150,000 by 2014 and 250,000 by 2015.

ARTINCL is a subsidiary of 安徽廣電傳媒產業集團有限責任公司 (Anhui Television Broadcasts and Media Industry Group Co., Ltd. (“**Anhui TVB**”)), a state-owned company in Anhui province. ARTINCL is the sole cable television network constructor and operator in Anhui province which owns 4,500 km network covering all cities and counties across the Anhui province, connecting the four million users in the province and providing e-commerce, education, finance, lifestyle information and other information service to subscribers. Since 2010, the Group has started to cooperate with ARTINCL and Anhui TVB to create the digital cable television two-way interactive network and jointly develop and operate the value-added services for the existing subscribers of ARTINCL for 12 years (from the launch of the value-added services in each administrative areas) in return for the value-added services revenue sharing.

The Board believes that the proposed new cooperation structure by a mean of establishment of the Joint Venture will increase the Group’s operational efficiency in its cable digital television business and provide an opportunity for the Group to access greater resources especially financial resources. The Group is also able to further expand its operational scale in cable digital television business in Anhui province and gain more significant prominence in the PRC broadcasting infrastructure platform and increase its revenue and profit in the future.

GENERAL

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, ARTINCL, Anhui TVB and their ultimate beneficial owners are third parties independent of the Company and its connected persons at the date of this announcement.

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

Hong Kong, 16 May 2012

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 (“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