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Anxin-China Holdings Limited

中國安芯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1149)

**DISCLOSEABLE TRANSACTION
INVOLVING ISSUE OF NEW SHARES**

SUMMARY

The Board is pleased to announce that on 6 July 2012 (after trading hours), the Company as purchaser, the Vendor and the Guarantor entered into the Acquisition Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, together with the Shareholder's Loan, at an aggregate consideration of HK\$300 million (subject to downward adjustments), which shall be satisfied by way of allotting and issuing up to 203,114,421 Consideration Shares by the Company to the Vendor (or its nominee) in five tranches at the Issue Price of HK\$1.477 per Consideration Share.

The Vendor is currently the sole shareholder of the Target Company, which is an investment holding company. The Target Company, through its wholly-owned subsidiary Win Technology, holds the entire equity interest in Jilin Yingke which is an ISD solution provider in the PRC.

The Guarantor, being the sole shareholder and director of the Vendor, guarantees the due and punctual performance of the Vendor's entire obligations under the Acquisition Agreement.

The Vendor and the Guarantor jointly and severally provide profit guarantee of the Target Group in favour of the Company for the periods covering the nine months ended 30 September 2012, the year ended 31 December 2012, the six months ended 30 June 2013 and the year ended 31 December 2013.

The Consideration Shares will be issued under the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the general meeting of the Company held on 18 May 2012. Assuming that no adjustment will be made to the Consideration, the Consideration Shares represent approximately 7.43% of the existing issued share capital of the Company and 6.92% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

Completion is subject to the fulfilment or waiver of certain conditions precedent. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition under the Acquisition Agreement exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

The Board is pleased to announce that on 6 July 2012 (after trading hours), the Company as purchaser, the Vendor and the Guarantor entered into the Acquisition Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share and the Shareholder's Loan.

THE ACQUISITION AGREEMENT

Details of the Acquisition Agreement are set out as follows:

Date: 6 July 2012

Parties:

Vendor: Win Tech Enterprises Co Limited, which is a company incorporated in the BVI with limited liability and is an investment holding company.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Purchaser: the Company

Guarantor: Ms. Fu Chun Man, the sole shareholder and director of the Vendor

Subject matter of the Acquisition Agreement

Pursuant to the Acquisition Agreement, the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Sale Share, representing the entire issued share capital of the Target Company as at the date of the Acquisition Agreement and on the Completion Date, together with the Shareholder's Loan, free from encumbrance and together with all rights now or hereinafter attached thereto including but not limited to all dividends and distribution declared, paid or made in respect thereof on or after the Completion Date.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

The consideration for the Acquisition

The Consideration shall be HK\$300 million (subject to downward adjustments set out below), of which HK\$6,379,600 (equivalent to US\$820,000) shall be the consideration for the Shareholder's Loan and the balance shall be the consideration for the Sale Share. The Consideration shall be satisfied by way of the Company allotting and issuing to the Vendor (or its nominee) up to 203,114,421 Consideration Shares at the Issue Price of HK\$1.477 per Consideration Share in the following manner:

- (i) The 1st Instalment Consideration, initially being HK\$45 million, shall be satisfied by way of the 1st Tranche Consideration Shares on the Completion Date;
- (ii) The 2nd Instalment Consideration, initially being the result of subtracting the 1st Instalment Consideration from HK\$90 million, shall be satisfied by way of the 2nd Tranche Consideration Shares within seven Business Days after the Company has reviewed the unaudited management accounts of the Target Group for the nine months ended 30 September 2012;
- (iii) The 3rd Instalment Consideration, initially being HK\$60 million, shall be satisfied by way of the 3rd Tranche Consideration Shares within seven Business Days after the auditor appointed by the Company has audited the accounts of the Target Group for the year ended 31 December 2012;
- (iv) The 4th Instalment Consideration, initially being HK\$75 million, shall be satisfied by way of the 4th Tranche Consideration Shares within seven Business Days after the Company has reviewed the unaudited management accounts of the Target Group for the six months ended 30 June 2013; and
- (v) The 5th Instalment Consideration, initially being HK\$75 million, shall be satisfied by way of the 5th Tranche Consideration Shares within 7 Business Days after the auditor appointed by the Company has audited the accounts of the Target Group for the year ended 31 December 2013.

The Consideration is subject to the following downward adjustments:

- (1) After the Monitoring Centres have been established, if the net asset value of Jilin Yingke is less than HK\$45 million according to the Valuation, the 1st Instalment Consideration shall be adjusted to an amount equivalent to such net asset value;
- (2) In the event of a failure to meet the First Profit Guarantee, the 2nd Instalment Consideration shall be adjusted by deducting the sum equivalent to the amount to be compensated for the First Guaranteed Period;
- (3) In the event of a failure to meet the Second Profit Guarantee, the 3rd Instalment Consideration shall be adjusted by deducting the sum equivalent to the amount to be compensated for the Second Guaranteed Period;
- (4) In the event of a failure to meet the Third Profit Guarantee, the 4th Instalment Consideration shall be adjusted by deducting the sum equivalent to the amount to be compensated for the Third Guaranteed Period; and
- (5) In the event of a failure to meet the Fourth Profit Guarantee, the 5th Instalment Consideration shall be adjusted by deducting the sum equivalent to the amount to be compensated for the Fourth Guaranteed Period.

Calculation of the amount to be compensated for a relevant Guaranteed Period is set out in the section headed “Profit Guarantees” below.

More details of the Consideration Shares are set out in the section headed “Consideration Shares” below.

The Consideration has been determined after arm's length negotiation between the Company and the Vendor with reference to, among other things, (i) the price-to-earnings ratio of 2.50 times and 1.92 times for the years 2012 and 2013 respectively, which the Directors think is fair and reasonable as compared to the existing price-to-earnings ratio of the Company whose principal activity is similar to that of the Target Group; and (ii) the Profit Guarantees.

The Directors consider that the terms of the Acquisition Agreement (including the consideration terms) are fair and reasonable and on normal commercial terms and that the entering into the Acquisition Agreement is in the interests of the Company and the Shareholders as a whole.

Profit Guarantees

Pursuant to the Acquisition Agreement, the Vendor and the Guarantor jointly and severally guarantee that:

- (i) the unaudited net profit after taxation but before extraordinary items of the Target Group, prepared in accordance with the Hong Kong GAAP, for the nine months ended 30 September 2012 (the “**First Guaranteed Period**”) shall not be less than HK\$36 million (the “**First Profit Guarantee**”);
- (ii) the audited net profit after taxation but before extraordinary items of the Target Group, prepared in accordance with the Hong Kong GAAP, for the year ended 31 December 2012 (the “**Second Guaranteed Period**”) shall not be less than HK\$60 million (the “**Second Profit Guarantee**”);
- (iii) the unaudited net profit after taxation but before extraordinary items of the Target Group, prepared in accordance with the Hong Kong GAAP, for the six months ended 30 June 2013 (the “**Third Guaranteed Period**”) shall not be less than HK\$39 million (the “**Third Profit Guarantee**”); and
- (iv) the audited net profit after taxation but before extraordinary items of the Target Group, prepared in accordance with the Hong Kong GAAP, for the year ended 31 December 2013 (the “**Fourth Guaranteed Period**”) shall not be less than HK\$78 million (the “**Fourth Profit Guarantee**”).

In the event that the Target Group fails to meet the First Profit Guarantee, the Vendor shall compensate the Company in accordance with the formula below:

Amount to be compensated for the First Guaranteed Period = (the First Profit Guarantee – the actual profit for the First Guaranteed Period) x 2.50

In the event that the Target Group fails to meet the Second Profit Guarantee, the Vendor shall compensate the Company in accordance with the formula below:

Amount to be compensated for the Second Guaranteed Period = (the Second Profit Guarantee – the actual profit for the Second Guaranteed Period) x 2.50

In the event that the Target Group fails to meet the Third Profit Guarantee, the Vendor shall compensate the Company in accordance with the formula below:

Amount to be compensated for the Third Guaranteed Period = (the Third Profit Guarantee – the actual profit for the Third Guaranteed Period) x 1.92

In the event that the Target Group fails to meet the Fourth Profit Guarantee, the Vendor shall compensate the Company in accordance with the formula below:

Amount to be compensated for the Fourth Guaranteed Period = (the Fourth Profit Guarantee – the actual profit for the Fourth Guaranteed Period) x 1.92

Solely for the purpose of calculation above, if the Target Group suffers net loss for a Guaranteed Period, the actual profit for that Guaranteed Period should be treated as zero.

The amounts to be compensated for the First, Second, Third and Fourth Guaranteed Periods respectively shall be deducted from, and are capped as equivalent to, the initial amounts of the 2nd, 3rd, 4th and 5th Instalment Considerations respectively. Details of such deductions are set out in the section headed “The consideration for the Acquisition” above.

Conditions precedent to the Completion

The completion of the Acquisition is conditional upon the fulfilment or waiver (as the case may be) of the following conditions precedent:

- (i) all necessary consents and approvals (including those from the relevant government, regulatory bodies, authorities or third parties (including banks)) in relation to the transactions contemplated under the Acquisition Agreement having been obtained by the Vendor and such consents and approvals should be valid up to the Completion Date;
- (ii) the Vendor has already provided to the Company a Certificate of Incumbency and a Certificate of Good Standing of the Target Company and such certificates should not be dated earlier than seven days before the Completion Date;
- (iii) the Company being satisfied with and accepting the result of the due diligence review in relation to the Target Group;
- (iv) all warranties given by the Vendor shall remain true and accurate in all respect and not misleading;
- (v) there has been no material breach by the Vendor of the terms and conditions of the Acquisition Agreement before the Completion Date;
- (vi) the Stock Exchange has granted approval for the listing of and permission to deal in the Consideration Shares;
- (vii) Jilin Yingke has established the Monitoring Centres and the Company has accepted and recognised such establishments; and
- (viii) The Valuation has been completed.

The Company may waive any of the conditions precedent except those set out in (i) and (vi) above.

If the conditions precedent have not been fulfilled or waived by the Company on or before 30 September 2012 (or such later date as the parties may agree in writing), the Acquisition Agreement shall lapse and thereafter none of the parties to the Acquisition Agreement shall have any rights or obligations towards any other party except in respect of any antecedent breach.

Completion

Completion shall take place after the fulfilment or waiver of the conditions precedent on the Completion Date, which shall be the seventh Business Day (or such other day as agreed by the parties) after the fulfilment or waiver (as the case may be) of the conditions precedent.

Guarantee

The Guarantor guarantees the due and punctual performance of the Vendor's entire obligations under the Acquisition Agreement.

CONSIDERATION SHARES

The Consideration for the Sale Share and the Shareholder's Loan, being HK\$300 million (subject to downward adjustments), will be satisfied by the Company's issuance of up to 203,114,421 Consideration Shares to the Vendor (or its nominee) in five tranches. The Consideration Shares, when issued, will be credited as fully paid and rank pari passu in all respects with the Shares then in issue.

The number of the Consideration Shares has been calculated by dividing the Consideration by the Issue Price. The Issue Price, being HK\$1.477 per Consideration Share, has been determined with reference to the higher of (i) the average of the closing prices per Share as quoted on the Stock Exchange for the 20 consecutive trading days up to and including the date of the Acquisition Agreement; and (ii) the closing price per Share as quoted on the Stock Exchange for the date of the Acquisition Agreement. The Issue Price represents a premium of approximately 1.16% over the closing price of HK\$1.46 per Share as quoted on the Stock Exchange for 6 July 2012, being the date of the Acquisition Agreement and

represents a premium of 0.48% over the average closing price of HK\$1.470 per Share for the last five consecutive trading days up to and including 6 July 2012, being the date of the Acquisition Agreement. The issue price was arrived at after arm's length negotiation between the parties. The Directors consider that the Issue Price is fair and reasonable and the issuance of the Consideration Shares at the Issue Price is in the interests of the Company and the Shareholders as a whole.

Assuming that no downward adjustment will be made to the Consideration, the number of the Consideration Shares will be 203,114,421 Shares, with the 1st, 2nd, 3rd, 4th and 5th Tranches Consideration Shares being 30,467,163, 30,467,163, 40,622,884, 50,778,605 and 50,778,606 Shares respectively. The 203,114,421 Consideration Shares represent approximately 7.43% of the existing issued share capital of the Company, and approximately 6.92% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares. The following table shows the change in the shareholding structure of the Company upon issuance of each tranche of the Consideration Shares, assuming that no downward adjustment will be made to the Consideration:

	As at the date of this announcement		After issuance of 1st Tranche Consideration Shares		After issuance of 2nd Tranche Consideration Shares		After issuance of 3rd Tranche Consideration Shares		After issuance of 4th Tranche Consideration Shares		After issuance of 5th Tranche Consideration Shares	
	Shares	% (Approx.)	Shares	% (Approx.)	Shares	% (Approx.)	Shares	% (Approx.)	Shares	% (Approx.)	Shares	% (Approx.)
Vendor	–	–	30,467,163	1.10	60,934,326	2.18	101,557,210	3.58	152,335,815	5.28	203,114,421	6.92
Chen Hong (Note)	537,912,000	19.69	537,912,000	19.47	537,912,000	19.26	537,912,000	18.98	537,912,000	18.65	537,912,000	18.33
Subtotal	537,912,000	19.69	568,379,163	20.57	598,846,326	21.44	639,469,210	22.56	690,247,815	23.93	741,026,421	25.25
Other public Shareholders	2,194,314,598	80.31	2,194,314,598	79.43	2,194,314,598	78.56	2,194,314,598	77.44	2,194,314,598	76.07	2,194,314,598	74.75
Total	2,732,226,598	100	2,762,693,761	100	2,793,160,924	100	2,833,783,808	100	2,884,562,413	100	2,935,341,019	100

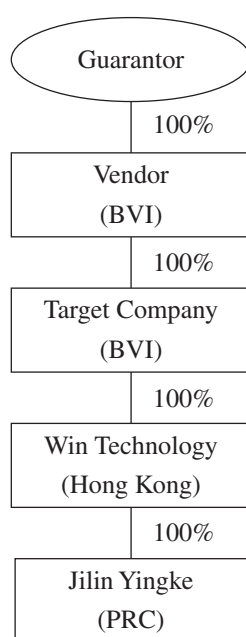
Note: Out of the 537,912,000 Shares, 94,492,000 Shares are owned by Mr. Chen Hong, 231,700,000 Shares are owned by Jin Yong Investments Limited (“**Jin Yong**”) and 211,720,000 Shares are owned by Elite Achieve Limited (“**Elite Achieve**”). As Mr. Chen Hong owns the entire share capital of each of Jin Yong and Elite Achieve, he is deemed to be interested in the 231,700,000 Shares owned by Jin Yong and the 211,720,000 Shares owned by Elite Achieve under the SFO.

The Consideration Shares will be allotted and issued under the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 18 May 2012 (the “**General Mandate**”). Under the General Mandate, a maximum of 542,645,319 new Shares may fall to be allotted and issued. As at the date of this announcement, the General Mandate has not been previously utilised. The up to 203,114,421 Consideration Shares will utilise approximately 37.43% of the General Mandate. As such, the General Mandate will be sufficient for, and no further Shareholders’ approval is required for, the allotment and issuance of the Consideration Shares.

The Company will make an application to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

INFORMATION ON THE TARGET GROUP

The following diagram illustrates the shareholding structure of the Target Group as at the date of this announcement:



The Target Company was incorporated on 8 February 2012 and Win Technology was incorporated on 20 April 2012. As at the date of this announcement, both the Target Company and Win Technology are investment holding companies and are only engaged in the business of holding the entire equity interest in Jilin Yingke.

Jilin Yingke, which was incorporated in April 2010, is an ISD solution provider in the PRC. As at the date of this announcement, Jilin Yingke has been establishing the Monitoring Centres and providing maintenance services to more than 900 surveillance points in the Jilin Province. It is a condition precedent to the completion of the Acquisition that Jilin Yingke shall have completed establishing the Monitoring Centres.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

Neither the Target Company nor Win Technology has recorded any revenue or profit since their respective incorporation. According to the unaudited accounts of Jilin Yingke for the year ended 31 December 2010 and the audited accounts of Jilin Yingke prepared in accordance with the PRC GAAP for the year ended 31 December 2011, the net profit/loss before and after taxation of Jilin Yingke for the two years ended 31 December were as follows:

	For the year ended 31 December 2010 (unaudited) (RMB'000) (Approx.)	For the year ended 31 December 2011 (audited) (RMB'000) (Approx.)
Net profit/(loss) before taxation	<u>(109)</u>	<u>9,856</u>
Net profit/(loss) after taxation	<u>(109)</u>	<u>9,856</u>

According to the audited accounts of Jilin Yingke prepared in accordance with the PRC GAAP, the net asset value of Jilin Yingke as at 31 December 2011 was approximately RMB14,746,883.00, equivalent to HK\$18,138,666.09.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Group is an ISD solution provider in the PRC. It derives its income from: (i) customizing ISD solutions according to customer needs; (ii) the provision of ISD hardware and software; and (iii) ongoing ISD agency operations and maintenance services. The target customers of the Group are primarily government authorities, including the Administration of Work Safety, the Administration of Coal Mine Safety and the Production Safety Emergency Control Center, etc.

As mentioned in the Company's annual report for the year ended 31 December 2011, the Group's footprint spanned across 30 municipalities in 9 provinces and covered a total of 30 monitoring centres and 13,002 surveillance points in the PRC as at the end of 2011.

REASONS FOR THE ACQUISITION

The Acquisition enables the Group to expand its coverage to the four ISD Monitoring Centres and over 900 surveillance points owned by the Target Group in the Jilin Province, which will increase its market share in the PRC ISD industry. The Directors are of the view that the Acquisition will strengthen the Group's position as the largest integrated solution provider of ISD systems in the PRC.

The Directors are also of the view that the Profit Guarantees provide an opportunity for the Group to broaden its revenue base.

In consideration of the benefits of the Acquisition, the Directors (including the independent non-executive Directors) believe that the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition under the Acquisition Agreement exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“1st Instalment Consideration”	HK\$45 million (subject to adjustment)
“1st Tranche Consideration Shares”	30,467,163 new Shares to be allotted and issued by the Company to the Vendor (or its nominee) according to the Acquisition Agreement, subject to adjustment
“2nd Instalment Consideration”	HK\$45 million (subject to adjustment)
“2nd Tranche Consideration Shares”	30,467,163 new Shares to be allotted and issued by the Company to the Vendor (or its nominee) according to the Acquisition Agreement, subject to adjustment
“3rd Instalment Consideration”	HK\$60 million (subject to adjustment)
“3rd Tranche Consideration Shares”	40,622,884 new Shares to be allotted and issued by the Company to the Vendor (or its nominee) according to the Acquisition Agreement, subject to adjustment
“4th Instalment Consideration”	HK\$75 million (subject to adjustment)
“4th Tranche Consideration Shares”	50,778,605 new Shares to be allotted and issued by the Company to the Vendor (or its nominee) according to the Acquisition Agreement, subject to adjustment
“5th Instalment Consideration”	HK\$75 million (subject to adjustment)

“5th Tranche Consideration Shares”	50,778,606 new Shares to be allotted and issued by the Company to the Vendor (or its nominee) according to the Acquisition Agreement, subject to adjustment
“Acquisition”	the acquisition of the Sale Share and the Shareholder’s Loan by the Company from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 6 July 2012 entered into between the Company, the Vendor and the Guarantor in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and Sunday) on which banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“Company”	Anxin-China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1149)
“Completion”	the completion of the Acquisition in accordance with the terms of the Acquisition Agreement
“Completion Date”	the date of Completion, which shall be the seventh Business Day (or such other day as agreed by the parties) after the fulfilment or waiver (as the case may be) of the conditions precedent
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration for the Acquisition, being HK\$300 million (subject to downward adjustments), which consists of the 1st Instalment Consideration, 2nd Instalment Consideration, 3rd Instalment Consideration, 4th Instalment Consideration and 5th Instalment Consideration

“Consideration Shares”	the aggregate of the 1st Tranche Consideration Shares, 2nd Tranche Consideration Shares, 3rd Tranche Consideration Shares, 4th Tranche Consideration Shares and 5th Tranche Consideration Shares, being at maximum 203,114,421 new Shares
“Director(s)”	director(s) of the Company
“First Guaranteed Period”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above
“First Profit Guarantee”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above
“Fourth Guaranteed Period”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above
“Fourth Profit Guarantee”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above
“Group”	the Company and its subsidiaries
“Guaranteed Period”	any of the First Guaranteed Period, the Second Guaranteed Period, the Third Guaranteed Period and the Fourth Guaranteed Period
“Guarantor”	Ms. Fu Chun Man (符春敏)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong GAAP”	Hong Kong Generally Accepted Accounting Principles
“Independent Third Party”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons (as defined under the Listing Rules)

“ISD”	intelligent surveillance, disaster alert and rescue coordination
“Issue Price”	the issue price for the Consideration Shares, being HK\$1.477 per Consideration Share
“Jilin Province”	Jilin Province (吉林省) of the PRC
“Jilin Yingke”	Jilin Province YingKe Information Technology Co., Ltd. (吉林省贏科信息技術有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Monitoring Centres”	Monitoring Centre for the Production Safety Supervisory and Administration Bureau of Jilin City (吉林市安全生產監督管理局監控中心), Monitoring Centre for the Housing and Urban-Rural Development Bureau of Jilin Province (吉林省住房和城鄉建設廳監控中心), Monitoring Centre for the Housing and Urban-Rural Development Bureau of Yanbian Korean Autonomous Prefecture (延邊州住房和城鄉建設局監控中心) and Urban Fire Remote Monitoring Centre for the Fire Services Department of Yanji City (延吉市公安消防大隊城市消防遠程監控指揮中心), all located in the Jilin Province
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, does not include Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	the PRC Generally Accepted Accounting Principles

“Profit Guarantees”	the First Profit Guarantee, the Second Profit Guarantee, the Third Profit Guarantee and the Fourth Profit Guarantee; the term “Profit Guarantee” shall mean any of them
“Sale Share”	one share of US\$1.00 in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company as at the date of the Acquisition Agreement and the Completion Date
“Second Guaranteed Period”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above
“Second Profit Guarantee”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder’s Loan”	the loan due from the Target Group to the Vendor or its ultimate shareholder at Completion, the amount of which was US\$820,000 as at the date of the Acquisition Agreement
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tech Praise Limited (達嘉有限公司), a company incorporated in the BVI with limited liability
“Target Group”	the Target Company, Win Technology and Jilin Yingke
“Third Guaranteed Period”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above
“Third Profit Guarantee”	shall have the meaning ascribed to it in the section headed “Profit Guarantees” above

“Valuation”	a valuation by an appraisal institute agreed by the Vendor and the Company on the net asset value of Jilin Yingke after the Monitoring Centres have been established
“Vendor”	Win Tech Enterprises Co Limited (贏科企業有限公司) , a company incorporated in the BVI with limited liability
“Win Technology”	Win Technology Investment Co., Limited (贏科投資有限公司) , a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%” or “per cent”	percentage

By Order of the Board
Anxin-China Holdings Limited
Liu Zhongkui
Chairman and Chief Executive Officer

Hong Kong, 6 July 2012

As at the date of this announcement, the Board comprises Mr. Liu Zhongkui, Mr. Lin Supeng, Mr. Yang Ma and Mr. Wang Bo, all being executive Directors, and Mr. Cheung Chuen, Mr. Xie Baitang and Mr. Chen Feng, all being independent non-executive Directors.

If there is any inconsistency between the Chinese names of PRC entities, departments, facilities or titles mentioned in this announcement and their English translation, the Chinese version shall prevail.

Unless the context requires otherwise, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.78 and the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.23. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate at all.