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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)

**MEMORANDUM OF UNDERSTANDING
IN RESPECT OF A POSSIBLE ACQUISITION**

This announcement is made by Anxin-China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

POSSIBLE ACQUISITION

The board (the “**Board**”) of directors of the Company (the “**Directors**”) announces that on 20 November 2013 (after trading hours), the Company and an independent third party (the “**Vendor**”) entered into a memorandum of understanding (the “**MOU**”) in relation to the Group’s possible acquisition (the “**Possible Acquisition**”) of the entire equity interest in a company whose group company (the “**Operating Company**”) is a technology and system service provider that is principally engaged in providing special equipment security monitoring system, particularly for elevators.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its beneficial owner(s) is a third party independent of and not connected with the Company and connected persons (as defined in the Listing Rules) of the Company.

MAJOR TERMS OF THE MOU

The Vendor and the Company intends to enter into a formal and binding agreement (the **"Definitive Agreement"**) in respect of the Possible Acquisition, in form and content acceptable to the Vendor and the Company.

During the period of four months from the date of the MOU (the **"Exclusivity Period"**), the Vendor has undertaken to the Company that, without the consent of the Company, the Vendor will not sell, or enter into any negotiations or discussions with any person other than the Company with a view to selling, any of the shares of the Operating Company owned by the Vendor or any part of the assets and business of the Operating Company during the Exclusivity Period.

The Company has the right to conduct the due diligence review on the financial, legal and other affairs of the Operating Company during the Exclusivity Period and determines whether or not to proceed with the signing of the Definitive Agreement and the Possible Acquisition.

Save for the legally binding provisions relating to conduct of confidentiality, exclusivity, due diligence and governing law in the MOU, the MOU is not legally binding on the parties to the MOU in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Definitive Agreement.

REASONS FOR ENTERING INTO THE MOU

The Company is an investment holding company and its subsidiaries are principally engaged in sale of system hardware and application software for installation of Intelligent Surveillance Disaster Alert & Rescue Coordination System and Intelligent Safety System and provision of system solutions services.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Operating Company is a technology and system service provider that is principally engaged in providing special equipment security monitoring system ("System"), particularly for elevators. The System involves, among others, the implementation of (i) Internet-of-Things technology, (ii) data aggregating technology, (iii) wireless communication system development and other expertise that requires generous amount of research and development efforts. Given the increasing focus on the safety of elevators in the People's Republic of China, the System can provide real time information on the daily operation of elevators in order to achieve better elevator management and substantially increases government agency's efficiency on elevator status monitoring.

The Group has been seeking opportunities to expand and develop its existing business in order to enhance the value of the shares of the Company. The management of the Company considers that the Possible Acquisition provides the Company with an opportunity to consider acquiring interests in a business for further expanding its existing business and the Company believes the business of the Operating Company will provide synergy to the Group.

The Board wishes to emphasise that as the Possible Acquisition may or may not proceed, shareholders and investors of the Company should exercise caution when dealing in the shares of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any binding agreement has been signed or as and when required by the Listing Rules.

By order of the Board
Anxin-China Holdings Limited
Liu Zhongkui
Executive Director

Hong Kong, 20 November 2013

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Liu Zhongkui, Mr. Wang Bo, Mr. Lin Supeng and Mr. Yang Ma; two non-executive directors, namely Mr. Adiv Baruch and Mr. Wang, John Peter Ben; and three independent non-executive directors, namely Mr. Cheung Chuen, Mr. Xie Baitang and Professor Li On-kwok, Victor.