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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)

**SUPPLEMENTAL AGREEMENT RELATING TO
THE ACQUISITION OF YU HONG INVESTMENTS LIMITED
AND COMPLETION OF THE ACQUISITION**

The Board announces that on 10 January 2012, the Company, the Vendor and the Guarantor entered into a supplemental acquisition agreement (the “**Supplemental Acquisition Agreement**”), pursuant to which the cash portion of the consideration for the Acquisition (“**Cash Consideration**”) in the sum of HK\$126 million shall be paid by the Company to the Vendor by 3 installments and payment of which together with the Promissory Note is subject to certain conditions. The Board is also pleased to announce that the completion of the Acquisition Agreement (supplemented by the Supplemental Acquisition Agreement) took place on 10 January 2012.

Reference is made to the announcement of Anxin-China Holdings Limited (the “**Company**”) dated 14 November 2011 (the “**Announcement**”) in relation to the Company’s acquisition of the entire issued share capital in Yu Hong Investments Limited (the “**Target Company**”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

On 10 January 2012, the Company, the Vendor and the Guarantor entered into the Supplemental Acquisition Agreement pursuant to which the Cash Consideration in the sum of HK\$126 million shall be paid by the Company to the Vendor by 3 installments and payment of which is subject to certain conditions and in the following manner:–

- (A) A sum of HK\$29.3 million be paid within 7 Business Days from the day of Completion of the Acquisition;
- (B) A sum of HK\$40 million be paid within 1 month after the Company has received the Target Group's audited financial statements for the year ended 31 December 2011 and Target Group's management account for the three months ending 31 March 2012, which shows that the Target Group's profits after tax but before extraordinary items for the year ended 31 December 2011 and profits for the three months ending 31 March 2012 is not less than HK\$29,888,560 and HK\$8,654,592 respectively. For the avoidance of doubt, if the Target Group's financial performance during the aforesaid periods cannot fulfill this condition, the Company shall not, in any event, be liable to pay the said sum of HK\$40 million to the Vendor and the amount of the Cash Consideration shall be reduced accordingly.
- (C) The balance of the Cash Consideration in the sum of HK\$56.7 million shall be paid within 1 month after the Company has received the Target Group's management account for the six months ending 30 June 2012, which shows that the Target Group's profits is not less than HK\$30 millions. For the avoidance of doubt, if the Target Group's financial performance for the six months ending 30 June 2012 cannot fulfill this condition, the Company shall not, in any event, be liable to pay the said sum of HK\$56.7 million to the Vendor and the amount of the Cash Consideration shall be reduced accordingly.

The payment of the part of the Cash Consideration set out in (B) and (C) above and the payment of the principal amount under the Promissory Note shall also be subject to the completion of filing of the change of the registered owner of four Licensed Patents and Trademark to the PRC Company with the State Intellectual Property Office of the PRC though the registered owners thereof had executed the transfer documents of all the six Licensed Patents effectuating the transfer of the ownership of the Licensed Patents and the Trademark to the PRC Company and the filing of two of which was completed and filing of the change of registered owner of the remaining four Licensed Patents and the Trademark is in progress.

Save for the changes set out in this announcement, there is no other amendment to the Acquisition Agreement. The Directors consider that the terms of the Supplemental Acquisition Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Board is also pleased to announce that the completion of the Acquisition Agreement (supplemented by the Supplemental Acquisition Agreement) took place on 10 January 2012. Upon completion, the Company owns the entire issued capital of Yu Hong Investments Limited.

By Order of the Board
Anxin-China Holdings Limited
Mr. Liu Zhongkui
Chairman

Hong Kong, 10 January 2012

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

For reference purpose only, all exchanges between Hong Kong dollars and Renminbi in this announcement are based on the exchange rate of HK\$1 = RMB0.82