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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

**If you have sold or transferred** all your shares in Anxin-China Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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### **Anxin-China Holdings Limited** **中國安芯控股有限公司**

*(Incorporated in the Caymans Islands with limited liability)*

**(Stock code: 1149)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**TC Capital Asia Limited**  
**天財資本亞洲有限公司**

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A letter from the Board is set out on pages 4 to 10 of this circular; a letter from the Independent Board Committee is set out on page 11 of this circular; a letter from the Independent Financial Adviser is set out on page 12 to 18 of this circular.

A notice convening the EGM to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 21 February 2011 (Monday) at 11:00 a.m. is set out on pages 29 to 31 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish.

31 January 2011

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context otherwise requires:*

“Acquisition”	the acquisition of the entire interest in the Target Property by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Announcement”	the announcement of the Company dated 28 December 2010
“Anxin Digital”	Shenzhen Anxin Digital Development Co., Limited ( 深圳市安芯數字發展有限公司 ), a company incorporated in the PRC with limited liability and an indirectly and wholly owned subsidiary of the Company
“associate(s)”	has the meaning given to that term in the Listing Rules
“Board”	the board of Directors
“Company”	Anxin-China Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Completion Date”	the day on which the completion of the Acquisition takes place under the Sale and Purchase Agreement
“connected person(s)”	have the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration payable by the Purchaser in respect of the Acquisition pursuant to the Sale and Purchase Agreement, equivalent to RMB82,000,000 (equivalent to approximately HK\$96,309,000)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the Acquisition

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board consisting of all the independent non-executive Directors
“Independent Financial Adviser”	TC Capital Asia Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Chen and his associates
“Latest Practicable Date”	27 January 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chen”	Mr. Chen Hong (陳洪)
“Ms. Hu”	Ms. Hu Peilan (胡佩蘭)
“Ms. Niu”	Ms. Niu Chengjun (牛成俊)
“PRC”	The People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Purchaser”	Jiangsu Hongxin Intelligence Technology Co., Limited (江蘇省洪芯智能技術有限公司), a company incorporated in the PRC with limited liability, being an indirectly and wholly owned subsidiary of the Company

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## DEFINITIONS

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“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 December 2010 entered into between the Purchaser and the Vendor
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Property”	the commodity property located on the land at the south of Eastern Road No. 9 and between Eastern Street No. 11 and Pingju Waihuan Road in Hongze Prefecture of Jiangsu Province (江蘇省洪澤縣東九道南側、東十一街評劇外環路之間), being the whole building comprising eight floors with a gross floor area of 12,683.91 m <sup>2</sup>
“Vendor”	Jiangsu Anxin Digital Property Co., Limited (江蘇省安芯數字置業有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

*If there is any inconsistency between the Chinese name of any PRC entity, department, facility or title mentioned in this circular and its English translation, the Chinese version shall prevail.*

*For reference purpose only, all exchanges between Hong Kong dollars and Renminbi in this circular are based on the exchange rate of RMB1 to HK\$1.1745.*

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## LETTER FROM THE BOARD

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### **Anxin-China Holdings Limited** **中國安芯控股有限公司**

*(Incorporated in the Caymans Islands with limited liability)*

**(Stock code: 1149)**

*Directors:*

***Executive Directors:***

Mr. Zhong Houtai  
Mr. Zhong Houyao  
Mr. Lin Supeng  
Mr. Yang Ma

***Independent non-executive Directors:***

Mr. Pei Renjiu  
Mr. Li Kai Ming  
Mr. Cheung Chuen

*Registered Office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Unit 1903, Allied Kajima Building  
138 Gloucester Road  
Wan Chai  
Hong Kong

31 January 2011

*To the Independent Shareholders,*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

#### **INTRODUCTION**

##### **Background**

On 28 December 2010, the Company announced that the Purchaser, an indirectly and wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Target Property at a consideration of RMB82,000,000 (equivalent to approximately HK\$96,309,000).

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with further information in relation to the Acquisition. In particular, this circular will set out the opinions and recommendations of the Independent Board Committee and the Independent Financial Adviser on the Acquisition, and give you notice of the EGM to approve the Acquisition.

### THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

#### Date

28 December 2010

#### Parties

- (1) Jiangsu Anxin Digital Property Co., Limited (江蘇省安芯數字置業有限公司), as vendor; and
- (2) Jiangsu Hongxin Intelligence Technology Co., Limited (江蘇省洪芯智能技術有限公司), as purchaser, a company incorporated in the PRC with limited liability and an indirectly and wholly owned subsidiary of the Company

#### Subject Matter

Subject to the terms and conditions of the Sale and Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the entire interest in the Target Property.

#### Consideration

The Consideration under the Sale and Purchase Agreement is RMB82,000,000 (equivalent to approximately HK\$96,309,000). The entire amount of the Consideration has been pre-paid as refundable pre-payment upon the signing of the Sale and Purchase Agreement. The Vendor allows the Purchaser to have possession of the Target Property on a rent-free basis pending completion of the Acquisition. If completion of the Acquisition does not take place for any reason whatsoever, the pre-paid Consideration shall be refunded to the Purchaser in full within 5 business days upon receiving the Purchaser's notice.

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## LETTER FROM THE BOARD

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To secure the Vendor's obligation to repay the pre-paid Consideration if the completion of the Acquisition does not take place, the Vendor has delivered the pre-sale permit in respect of the Target Property to the Purchaser as security. If completion of the Acquisition does not take place for any reason whatsoever, the Purchaser shall return the pre-sale permit to the Vendor within 5 business days upon receipt of the pre-paid Consideration in full.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser having regard to the recent market prices of the properties in the proximity of the Target Property.

The appraised value of the Target Property as at 28 December 2010, as set out in the property valuation report dated 31 January 2011 prepared by Jones Lang LaSalle Sallmanns, an independent valuer, based on the depreciated replacement cost method approach, is RMB82,308,000 (equivalent to approximately HK\$96,670,746), which is in line with the Consideration.

### **Condition Precedents for the Acquisition**

Pursuant to the Sale and Purchase Agreement, completion of the Acquisition shall be conditional upon the followings:

- (i) the Independent Shareholders having approved by poll at the EGM the Sale and Purchase Agreement and the transactions contemplated by it;
- (ii) the Purchaser being satisfied with the due diligence result on the title of the Target Property and the valuation on the Target Property as given by an independent valuer to be engaged by the Purchaser;
- (iii) all warranties given by the Vendor in the Sale and Purchase Agreement having remained true and accurate in all material respects; and
- (iv) the Vendor and the Purchaser having obtained all necessary consents and approvals, and having complied with and fully observed the relevant laws or regulations (including but not limited to those issued by the relevant authorities in the PRC) for the transactions contemplated by the Sale and Purchase Agreement PROVIDED THAT if the granting of such consents and approvals are subject to conditions, those conditions shall be reasonably acceptable by the Purchaser at its discretion.



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## LETTER FROM THE BOARD

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If the condition precedents have not been fulfilled or waived by the Purchaser (where conditions (i) and (iv) are not waivable) on or before 30 June 2011 (or such other date as the parties may agree), the Sale and Purchase Agreement shall lapse, and thereafter the parties to the Sale and Purchase Agreement shall not owe any liability to each other save for any antecedent breaches.

As at the Latest Practicable Date, none of the above conditions was fulfilled.

### **Completion of the Acquisition**

Completion of the Acquisition shall take place on or before 30 June 2011.

### **Registration of Transfer of Ownership of the Property**

Pursuant to the Sale and Purchase Agreement, the Vendor and the Purchaser shall register the transfer of the ownership of the Target Property with the relevant real estate authorities in the PRC upon completion of the Acquisition.

## **FUNDING FOR THE ACQUISITION**

The aggregate Consideration of the Acquisition of RMB82,000,000 (equivalent to approximately HK\$96,309,000) will be funded by the Group's internal resources.

## **REASONS AND BENEFITS FOR THE ACQUISITION**

The Target Property is a commodity property located on the land at the south of Eastern Road No. 9 and between Eastern Street No. 11 and Pingju Waihuan Road in Hongze Prefecture of Jiangsu Province (江蘇省洪澤縣東九道南側、東十一街評劇外環路之間). The Target Property comprises the whole building with eight floors and a gross floor area of 12,683.91 m<sup>2</sup>. The construction of the Target Property was completed in October 2010. The Vendor is the developer of the Target Property.

The Target Property is intended to be used as (i) the base of the research and production logistics of the Group's operations in the PRC; (ii) as the Group's headquarter in Eastern China; and (iii) for leasing out to third parties. The Directors consider that the establishment of a regional head office by way of the Acquisition will enable the Company to further expand its business in the PRC at a reasonable relocation cost, and is beneficial to the Group's development and expansion in the long run. The leasing of part of the Target Property will provide a stable source of revenue to the Group until such space is fully utilized by the expansion of the Group.

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## LETTER FROM THE BOARD

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The Directors (including the independent non-executive Directors) consider that the Acquisition is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### INFORMATION ON THE PARTIES INVOLVED

The Group is principally engaged in the manufacture, research and development and sale of system hardware and application software for installation of high technology intelligent security warning systems and provision of system solutions services and investment holding.

The Vendor is principally engaged in property development and has no other business except for the holding of the Target Property. The entire equity interest of the Vendor is owned by Shenzhen Anxuan Investment Group Co., Limited (深圳市安軒投資集團有限公司), which is in turn owned as to 92% by Ms. Hu, 6% by Ms. Niu and 2% by Mr. Chen.

### IMPLICATIONS UNDER THE LISTING RULES

Ms. Hu and Mr. Chen are both director of Anxin Digital, an indirectly and wholly owned subsidiary of the Company. In addition, Mr. Chen owns the entire issued share capital of Jin Yong Investments Limited, a substantial Shareholder which owns 210,000,000 Shares (representing approximately 9.33% of the issued share capital of the Company as at the Latest Practicable Date). Because each of Ms. Hu and Mr. Chen respectively owns 92% and 2% of the equity interests in the immediate holding company of the Vendor, the Vendor therefore is a connected person of the Company within the meaning of the Listing Rules. The entering into of the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of 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 contemplated under the Sale and Purchase Agreement exceed 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

The Acquisition, being a discloseable and connected transaction under the Listing Rules, is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Acquisition. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

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## LETTER FROM THE BOARD

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Mr. Chen, Ms. Hu and Ms. Niu and their respective associates, being connected persons of the Company and having material interests in the Acquisition (which are different from those of the Independent Shareholders), will abstain from voting at the EGM for the relevant resolution in respect of the Shares held by them. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save and except Mr. Chen and his associates (who control the voting rights in respect of 210,000,000 Shares (representing approximately 9.33% of the issued share capital of the Company as at the Latest Practicable Date)), no other Shareholder is required to abstain from voting on the resolution in relation to the Acquisition to be proposed at the EGM.

No Director has a material interest in the Acquisition.

### EGM

A notice convening the EGM is set out on pages 29 to 31 of this circular.

You will find enclosed a form of proxy for use at the EGM. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof, should you so wish.

### PROCEDURE TO DEMAND A POLL AT GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote at the EGM. An announcement on the poll results will be made by the Company after the EGM.

### RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the Acquisition is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

The Directors (including independent non-executive Directors) therefore recommend all Shareholders to vote in favour of the resolution as set out in the notice of the EGM to approve, among other things, the acquisition of the Target Property at the EGM.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee (which is set out on page 11 of this circular) setting out its recommendation to the Independent Shareholders, the letter from the Independent Financial Adviser (which is set out on pages 12 to 18 of this circular) containing its advice to the Independent Board Committee and the Independent Shareholders, the additional information set out in the appendix to this circular and the notice of EGM.

By the order of the board of  
**Anxin-China Holdings Limited**  
**Mr. Lin Supeng**  
*Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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**Anxin-China Holdings Limited**

**中國安芯控股有限公司**

*(Incorporated in the Caymans Islands with limited liability)*

**(Stock code: 1149)**

31 January 2011

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
ACQUISITION OF PROPERTY**

We refer to the circular of the Company dated 31 January 2011 (the “Circular”) of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the Acquisition are fair and reasonable so far as the Company and the Independent Shareholders are concerned and whether entering into of the Acquisition is in the interests of the Company and its Shareholders as a whole. The Independent Financial Adviser has been appointed as the independent financial adviser to advise us and you in this respect.

We have considered the various details of the Acquisition, in particular, the reasons for the Acquisition and the effect thereof. We have also reviewed the advice given by the Independent Financial Adviser on the terms of the Acquisition as set out in its letter reproduced on pages 12 to 18 of the Circular.

Having considered the information set out in the letter from the Board and taking into account the advice from the Independent Financial Adviser, we consider the terms of the Acquisition are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Acquisition.

Yours faithfully,

**Mr. Pei Renjiu**

**Mr. Li Kai Ming**

**Mr. Cheung Chuen**

*Independent Board Committee*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from TC Capital Asia Limited dated 31 January 2011 prepared for incorporation in this circular:*



**TC Capital Asia Limited**  
天財資本亞洲有限公司

31 January 2011

*The Independent Board Committee and the Independent Shareholders of  
Anxin-China Holdings Limited*

Dear Sirs/Madams,

### **DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF PROPERTY**

#### **INTRODUCTION**

We refer to our appointment as Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders of the Company relating to the discloseable and connected transaction as described in the letter from the Board within the circular to Shareholders dated 31 January 2011 (the “**Circular**”). Our letter is made for incorporation into the Circular. Capitalized terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise requires.

Background of and reasons for the Acquisition are set out in the letter from the Board within the Circular. Our role as Independent Financial Adviser is to give our opinion as to whether the Acquisition is fair and reasonable insofar as the Independent Shareholders are concerned and in the interest of the Company and Shareholders as a whole.

In formulating our recommendation, we have considered, among other things, (i) the Sale and Purchase Agreement; (ii) the valuation report of the Target Property by Jones Lang LaSalle Sallmanns Limited (the “**Valuer**”); (iii) the Company’s 2009 annual report and 2010 interim report; and (iv) other information as set out in the appendices to the Circular. We have also discussed with the management of the Group their plans and prospects for the Group and the Valuer on the valuation done by them on the Target Property.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In putting forth our recommendation, we have relied on all relevant information, opinions and facts supplied, and representation made to us by the representatives of the Company, including details of the Acquisition. We have assumed that all such information, opinions, facts and representations, which have been provided by the representatives of the Company, for which they are fully responsible, are true, accurate and complete in all respects. The representatives of the Company have also confirmed to us that no material facts have been omitted from the information supplied and we have no reason to suspect that any material information has been withheld by the Company or is misleading. We consider that we have sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, for the purpose of this exercise, conducted any form of detailed investigation or audit into the businesses or affairs of the Group.

### PRINCIPAL FACTORS AND REASONS CONSIDERED IN RELATION TO THE ACQUISITION

In arriving at our opinion on the Acquisition, we have taken into consideration the following factors and reasons:

#### Background of the Acquisition

On 28 December 2010, the Purchaser, an indirectly and wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Target Property at a consideration of RMB82,000,000 (equivalent to approximately HK\$96,309,000).

The Target Property is a commodity property located on the land at the south of Eastern Road No. 9 and between Eastern Street No. 11 and Pingju Waihuan Road in Hongze Prefecture of Jiangsu Province (江蘇省洪澤縣東九道南側、東十一街評劇外環路之間). The Target Property comprises the whole building with eight floors and a gross floor area of 12,683.91 m<sup>2</sup>.

The Target Property is intended to be used as the headquarter of the Group's operations in the PRC as well as for leasing out to third parties. The Directors consider that establishment of the headquarter by way of the Acquisition will enable the Company to further expand its business in the PRC at a reasonable price, and is beneficial to the Group's development in the long run. And the leasing of part of the Target Property will provide a stable source of revenue to the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Key terms of the Sale and Purchase Agreement

Key terms of the Sale and Purchase Agreement for the Acquisition of the Target Property as follows:

Date of agreement	:	28 December 2010
Parties	:	<ul style="list-style-type: none"><li>• Jiangsu Anxin Digital Property Co., Limited (江蘇省安芯數字置業有限公司), as Vendor</li><li>• Jiangsu Hongxin Intelligence Technology Co., Limited (江蘇省洪芯智能技術有限公司), a wholly owned subsidiary of the Company as Purchaser.</li></ul>
Subject matter	:	Subject to the terms and conditions of the Sale and Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the entire interest in the Target Property.
Consideration	:	RMB82,000,000 (approximately HK\$96,309,000)
Payment terms	:	The entire amount, which is refundable if completion of the Sale and Purchase Agreement does not occur for whatever reason, upon signing of the Sale and Purchase Agreement.
Possession	:	Purchaser shall have possession of the Target Property immediately while pending the completion of the Acquisition.
Security	:	Pre-sale permit of the Target Property should be delivered to the Purchaser as security to repay the pre-paid Consideration.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- Condition precedents : (i) the Independent Shareholders having approved by poll at the EGM the Sale and Purchase Agreement and the transactions contemplated by it;
- (ii) the Purchaser being satisfied with the due diligence result on the title of the Target Property and the valuation on the Target Property as given by an independent valuer to be engaged by the Purchaser;
- (iii) all warranties given by the Vendor in the Sale and Purchase Agreement having remained true and accurate in all material respects; and
- (iv) the Vendor and the Purchaser having obtained all necessary consents and approvals, and having complied with and fully observed the relevant laws or regulations (including but not limited to those issued by the relevant authorities in the PRC) for the transactions contemplated by the Sale and Purchase Agreement PROVIDED THAT if the granting of such consents and approvals are subject to conditions, those conditions shall be reasonably acceptable by the Purchaser at its discretion.
- Expiration date : If the condition precedents have not been fulfilled or waived by the Purchaser (where conditions (i) and (iv) are not waivable) on or before 30 June 2011 (or such other date as the parties may agree), the Sale and Purchase Agreement shall lapse, and thereafter the parties to the Sale and Purchase Agreement shall not owe any liability to each other save for any antecedent breaches.

### **Basis of the Consideration**

We were advised by the Company that the Consideration of RMB82,000,000 (equivalent to approximately HK\$96,309,000) for the Target Property was decided after arm's length negotiations between the parties.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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According to the valuation report performed by the Valuer dated 31 January 2011 (the “Valuation Report”), we noted that the valuation was done using the depreciated replacement cost method as there are no readily available market sales that is comparable to the Target Property. According to the Valuation Report, the valuation of the Target Property based on depreciated replacement cost method is RMB82,308,000, which the Consideration is in line with.

We have discussed with the Valuer and noted their expertise and confirmed that they have neither current nor prior relationships with the Company, the Vendor and connected persons of either the Company or the Vendor. We have also discussed their terms of engagement and their scope of work in arriving at the conclusion of the Valuation Report, which was not adversely impact by any limitations to their work performed. In respect of the formal and informal representation made to them by the Company, they were in-line with the information as given to and understood by us from the Company.

In view of Valuation Report that considered the Target Property on the basis of depreciated replacement cost method, of which the valuation is in line with the Consideration, we are of the view that the Consideration is fair and reasonable as far as the Company and its Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

### **Payment terms**

We noted that the payment term for the entire Consideration was due upon signing the Sales and Purchase Agreement. In our opinion, this payment term is not in line with standard market practice for property transactions.

We have discussed with the Company on the rationale of full payment upon signing the agreement and noted that the Company was in an urgent need of the new office and has moved into the Target Property since December 2010. In consideration for foregoing the rent and allowing the Company to move in as soon as possible, the Vendor has requested for a fully refundable full payment of the Consideration.

The Company presented to us that they were required to move out of their existing office as the landlord wanted the property for their own use by end of 2010. As such, there was an urgent need for a new office space. Furthermore, the Company was expanding and the then existing office space was insufficient. Therefore, the Company identified the 12,683.91 m<sup>2</sup> gross floor area Target Property and decided to buy or lease it to ensure any future office space needs are met. We have discussed with the Valuer and based on their assumptions arrived at an estimated minimal rental cost of approximately RMB190,000 per month for the Target Property.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have also considered the savings that the Company could have gained by making an initial 10% deposit payment followed by 90% payment upon completion in approximately 2 months. If the payment terms were to be based on such normal commercial terms, the Company would have earned interest on the 90% balance payment of RMB73,800,000 for a 2 month period. Based on the current 3 months deposit rate published by the People's Bank of China of 2.25%, the Company would have earned two months interest of RMB276,750 or an interest earnings of RMB138,375 per month.

Comparing the opportunity cost of earning a small deposit interest from a bank to (i) the savings on rental of new office for the Company and (ii) resolving the Company's immediate need for a new office, which provides minimal disruption to the operations of the Company, we are of the opinion that making this upfront payment is fair and reasonable as far as the Company and Shareholders are concerned and in the interest of the Company and Shareholders as a whole.

### **Reasons and benefit for the Sale and Purchase Agreement**

According to the Company's plan, they intend to expand their operations in security management over the next few years by increasing their existing headcount significantly. In line with this expansion plan, additional office space would be required to accommodate these new employees. The Company is currently utilizing a 3 storey bungalow with approximately 1,500 m<sup>2</sup> gross built up area in Hongze City of Jiangsu as the main office building. This building is insufficient for current usage and thus limits the expansion plans of the Company. Therefore, the Target Property could address this need of the Company immediately.

The Company believes housing all the divisions of the Company within a single building would provide greater benefit and efficiency than expanding the Company into various buildings as and when additional space is needed. We are of the opinion that establishing a headquarter office and assembling all departments of the Company within the same building would improve not just efficiency but also communications within the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Company also considers the Acquisition as a way to ensure stability in the Company's office space needs when compared to a leased property that could expose the Company to operations disruptions from lease termination and unduly rental increases. Furthermore, in view of the Company's cash and bank balances of HK\$229,501,000 as at 30 June 2010, the Company should utilize this sum to generate better returns for the Company in view of the current low deposit interest rates. In addition, the Company intends to lease out any unused space among the 12,683.91 m<sup>2</sup> gross floor area of the Target Property to earn some rental income until such space is fully utilized by the expansion of the Company. We have discussed with the Company and noted that their expansion plan would entail occupying up to 7,000 m<sup>2</sup> gross floor area of the Target Property by end of 2011 and the whole Target Property by end of 2012.

Therefore, we are of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole.

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the terms of the Sale and Purchase Agreement although not on a normal commercial terms, is fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolutions to approve the Sale and Purchase Agreement at the upcoming EGM.

Yours faithfully,  
For and on behalf of  
**TC Capital Asia Limited**  
**Edward Wu**  
*Managing Director*

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this Circular received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 28 December 2010 of the property interest of Anxin-China Holdings Limited (the “Company”).*



Jones Lang LaSalle Sallmanns Limited  
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1 Queen's Road East Hong Kong  
tel +852 2169 6000 fax +852 2169 6001  
Licence No: C-030171

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香港皇后大道東1號太古廣場三期6樓  
電話 +852 2169 6000 傳真 +852 2169 6001  
牌照號碼: C-030171

31 January 2011

The Board of Directors  
**Anxin-China Holdings Limited**  
Unit 1903, Allied Kajima Building  
138 Gloucester Road  
Wan Chai  
Hong Kong

Dear Sirs,

Jiangsu Hongxin Intelligence Technology Co., Limited (“Hongxin Intelligence”, an indirect wholly-owned subsidiary of Anxin-China Holdings Limited, the “Company”), entered into a Sale and Purchase Agreement, dated 28 December 2010 with Jiangsu Anxin Digital Property Co., Limited (“Anxin Digital Property”, a connected party of the Company), pursuant to which Hongxin Intelligence agreed to purchase, and Anxin Digital Property agreed to sell, an office building at a total consideration of RMB82,000,000.

In accordance with your instructions to value the property interest contracted to be acquired by Hongxin Intelligence in the People's Republic of China (the “PRC”) we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interest as at 28 December 2010 (the “date of valuation”).

Our valuation of the property interest represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

Due to the nature of the property, there are no market sales comparables readily available, the property interest has therefore been valued on the basis of its depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificate, official plans, Pre-Sale Permit, Construction Work Planning Permit, Construction Work Commencement Permit and Sale and Purchase Agreement relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing titles to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company’s PRC legal advisers – Guangdong Huatu Law Firm (廣東華途律師事務所), concerning the validity of titles of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services of the property. Our valuations have been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,  
for and on behalf of

**Jones Lang LaSalle Sallmanns Limited**

**Eddie T.W. Yiu**  
*MRICS MHKIS RPS (GP)*  
*Associate Director*

**Paul L. Brown**  
*B.Sc. FRICS FHKIS*  
*Chief Valuation Adviser*

*Note: Paul L. Brown is a Chartered Surveyor who has 28 years' experience in the valuation of properties in the PRC and 31 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.*

*Eddie T.W. Yiu is a Chartered Surveyor who has 17 years' experience in the valuation of properties in Hong Kong and the PRC*

VALUATION CERTIFICATE

Property interest contracted to be acquired by Hongxin Intelligence

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 December 2010 RMB
An office building located at the south of Eastern Road No. 9 and between Eastern Street No. 11 and Pingju Waihuan Road in Hongze Prefecture Jiangsu Province The PRC	<p>The property comprises an 8-storey office building which was completed in 2010.</p> <p>The building has a gross floor area of approximately 12,683.91 sq.m.</p> <p>The land use rights of the property have been granted for a term of 50 years with the expiry date on 30 December 2058 for office use.</p>	Portions of the property with a total gross floor area of approximately 3,500 sq.m. were occupied by various subsidiaries of the Company whilst the remaining portions were vacant as at the date of valuation.	No commercial value

Notes:

- Hongxin Intelligence (the “Purchaser”) entered into a Sale and Purchase Agreement dated 28 December 2010 with Anxin Digital Property (the “Vendor”), pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, an office building at a total consideration of RMB82,000,000.
- Pursuant to a State-owned Land Use Rights Certificate – Hong Guo Yong (2009) Di No. 748 dated 29 June 2009, issued by the Land Resources Bureau of Hongze County, the land use rights of a parcel of land with a site area of approximately 171,800 sq.m. have been granted to Anxin Digital Property for various terms with the expiry dates on 30 December 2048, 30 December 2058 and 30 December 2078 for retail, office and residential uses respectively. The property, among others, is constructed on the above-mentioned land parcel. There are also various other residential and commercial buildings constructed on this land.
- Pursuant to a Construction Work Planning Permit – Hong Gui Gong Zi Di Jian Zi Di No. 3208292009000028-1 in favour of Anxin Digital Property, the office building with a gross floor area of approximately 12,614.2 sq.m. has been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 3208292009071500001B in favour of Anxin Digital Property, permission by the relevant local authority was given to commence the construction work.
- Pursuant to a Pre-sales Permit – (Hong Ze) Fang Yu Shou Zheng Di No. 201004 in favour of Anxin Digital Property, Anxin Digital Property is freely entitled to sell the subject development with a gross floor area of approximately 12,683.91 sq.m. to local and overseas purchasers.



6. As at the date of valuation, the property has not been assigned to Hongxin Intelligence and thus the title of the property has not been vested in Hongxin Intelligence. In our valuation, we have attributed no commercial value to the property due to lack of relevant title certificates. However, for reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB82,308,000, on condition that the relevant title certificates have been obtained by Hongxin Intelligence and Hongxin Intelligence is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.
7. As confirmed by Hongxin Intelligence, a sum of approximately RMB82,000,000 had been paid by Hongxin Intelligence to purchase the property.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. The Sale and Purchase Agreement is valid, enforceable and binding on the two signing parties;
  - b. There is no legal impediment for Hongxin Intelligence to obtain title certificate of the property; and
  - c. Hongxin Intelligence is entitled to use the property and will have rights to transfer, lease, mortgage or otherwise dispose of the property after changing the title register name under Hongxin Intelligence.

1. RESPONSIBILITY STATEMENT

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interest of Directors and chief executive in the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Name of Director	Capacity	Approximate percentage of the issued share capital of the Company	
		Number of Shares held	
Zhong Houtai (Note)	Interest in controlled corporations	211,720,000	9.41%

*Note:* As at the Latest Practicable Date, 211,720,000 Shares were registered under the name of Elite Achieve Limited. The entire issued share capital of Elite Achieve Limited was legally and beneficially owned by Mr. Zhong Houtai. Mr. Zhong Houtai was therefore deemed to be interested in all the Shares registered in the name of Elite Achieve Limited under the SFO.

(b) Interests of substantial shareholders and other persons required to be disclosed under the SFO

So far as was known to any Director or the chief executive of the Company, as at the Latest Practicable Date, the following persons (not being a Director or the chief executive of the Company) had interests or short positions, if any, in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	Capacity	Number of Shares and/or underlying Shares held	Approximate percentage of the issued share capital of the Company
Yang Kezhi (Note 1)	Interest in controlled corporations	438,692,307	19.50%
Wang Huiru (Note 2)	Interest in controlled corporations	148,480,000	6.60%
Chen Hong (Note 3)	Interest in controlled corporations	210,000,000	9.33%
Niu Cheng Ying (Note 4)	Beneficial owner	136,153,846	6.05%

Note:

- As at the Latest Practicable Date, Mr. Yang Kezhi directly owned the entire issued share capital of Golden Bright Holdings Limited; Golden Bright Holdings Limited in turn directly owned the entire issued share capital of Talent Eagle Holdings Limited. Golden Bright Holdings Limited beneficially owned 55,000,000 Shares; Talent Eagle Holdings Limited beneficially owned 76,000,000 Shares and convertible notes which, when fully exercised, would be convertible into 307,692,307 Shares at the initial conversion price of HK\$0.65. Mr. Yang Kezhi was deemed to be interested in the Shares and underlying Shares held by Golden Bright Holdings Limited and Talent Eagle Holdings Limited under the SFO.

2. As at the Latest Practicable Date, Ms. Wang Huiru beneficially owned the entire share capital of Top Service Holdings Limited, which in turn beneficially owned 148,480,000 Shares. Therefore, Ms. Wang Huiru was deemed to be interested in the Shares held by Top Service Holdings Limited under the SFO.
3. As at the Latest Practicable Date, Mr. Chen Hong beneficially owned the entire share capital of Jin Yong Investments Limited, which in turn beneficially owned 210,000,000 Shares. Therefore, Mr. Chen Hong was deemed to be interested in the Shares held by Jin Yong Investments Limited under the SFO.
4. As at the Latest Practicable Date, Ms. Niu Cheng Ying beneficially owned 11,538,461 Shares and convertible notes which, when fully exercised, would be convertible into 124,615,385 Shares at the initial conversion price of HK\$0.65.

Save as disclosed above, as at the Latest Practicable date, so far as is known to the Directors or the chief executive of the Company, no persons (not being a Director or the chief executive of the Company) had any interest in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

### **3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2009 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to the Group, or are proposed to be acquired or disposed of by or lease to the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Group, which was subsisting and was significant in relation to the business of the Group.

**4. SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or its subsidiaries (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

**5. DIRECTORS’ INTERESTS IN COMPETING BUSINESSES**

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors and their respective associates were considered to have interests in any business which competes or may compete, either directly or indirectly, with the businesses of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

**6. EXPERT AND CONSENT**

The following is the qualification of the experts who have given advice contained in this circular:

Name	Qualification
TC Capital Asia Limited	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
Jones Lang LaSalle Sallmanns	Registered valuer

The above experts are not beneficially interested in the share capital of any member of the Group and have no right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and have no interest, either directly or indirectly, in any assets which have been, since 31 December 2009, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

The letter given by the Independent Financial Adviser is given as of the date of this circular for incorporation herein. Both the Independent Financial Adviser and Jones Lang LaSalle Sallmanns have given and have not withdrawn its written consent to the issue of this circular with the inclusion of their statements in the form and context in which they appear.

**7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, the date to which the latest published audited financial statements of the Group were made up.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Sale and Purchase Agreement is available for inspection during normal business hours at Unit 1903, Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong for 14 days from the date of this circular.

**9. MISCELLANEOUS**

The English text of this circular shall prevail over the Chinese text.

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## NOTICE OF EGM

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### Anxin-China Holdings Limited 中國安芯控股有限公司

*(Incorporated in the Caymans Islands with limited liability)*

**(Stock code: 1149)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Anxin-China Holdings Limited (the “**Company**”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 21 February 2011 (Monday) at 11:00 a.m. for the purpose of considering and if thought fit, passing the following resolution as ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT:**

- (a) the sale and purchase agreement dated 28 December 2010 (the “**Sale and Purchase Agreement**”) (a copy of which has been signed by the Chairman of the meeting and marked “**A**” for identification purpose and produced to the meeting) and entered into between Jiangsu Anxin Digital Property Co., Limited (江蘇省安芯數字置業有限公司) as vendor, and Jiangsu Hongxin Intelligence Technology Co., Limited (江蘇省洪芯智能技術有限公司) (a company incorporated in the PRC with limited liability and an indirectly and wholly owned subsidiary of the Company) (the “**Purchaser**”) as purchaser in relation to the acquisition of the commodity property located on the land at the south of Eastern Road No. 9 and between Eastern Street No. 11 and Pingju Waihuan Road in Hongze Prefecture of Jiangsu Province (江蘇省洪澤縣東九道南側、東十一街評劇外環路之間) and the transactions contemplated thereby be and are hereby approved;
- (b) the entering into of the Sale and Purchase Agreement by the Purchaser be and is hereby approved, confirmed and ratified;

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## NOTICE OF EGM

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- (c) the directors of the Company be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable or expedient in connection with or to give effect to the Sale and Purchase Agreement and the transactions contemplated thereby and to agree to such variations, amendments or waivers thereto as are, in the opinion of the directors of the Company, in the interest of the Company.”

By the order of the board of  
**Anxin-China Holdings Limited**  
**Mr. Lin Supeng**  
*Executive Director*

Hong Kong, 31 January 2011

*Registered office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Head office and principal place of business in Hong Kong:*

Unit 1903, Allied Kajima Building  
138 Gloucester Road  
Wan Chai  
Hong Kong



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## NOTICE OF EGM

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*Notes:*

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he holds two or more shares, more proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (2) Completion and return of the form of proxy will not preclude members from attending and voting in person at the extraordinary general meeting or any adjournment.
- (3) In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members.
- (4) The register of members of the Company will be closed from 18 February 2011 to 21 February 2011, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending and voting at the extraordinary general meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 17 February 2011.
- (5) As at the date hereof, the board of directors of the Company comprises Mr. Zhong Houtai, Mr. Zhong Houyao, Mr. Lin Supeng and Mr. Yang Ma, all being executive Directors and Mr. Pei Renjiu, Mr. Li Kai Ming and Mr. Cheung Chuen, all being independent non-executive Directors.