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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)

ANNOUNCEMENT

DELAY IN PUBLICATION OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014 AND RESIGNATION OF AUDITORS

This Announcement is made by Anxin-China Holdings Limited (“Company”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Reference is made to the Announcements by the Company on 18 March 2015, 31 March 2015 and 8 May 2015 in relation to the delay in publication of the 2014 Annual Results of the Company (collectively “**Earlier Announcements**”). Unless otherwise stated herein, capitalized terms used in this Announcement bear the same meanings as defined in the Earlier Announcements.

RESIGNATION OF AUDITORS

The Board of the Company wishes to announce that BDO Limited (“**BDO**”), the Auditors of the Company and its subsidiaries (“**Group**”), have resigned with effect from 11 May 2015.

In its letter of resignation to the Board and Audit Committee of the Company dated 11 May 2015, which the Company received in the afternoon of 12 May 2015, BDO stated that the reasons for their resignation are as follows:

1. The professional risks associated with the audit of the Group for the year ended 31 December 2014 arising from irregularities identified during the course of audit; and
2. Their available internal resources to continue with the 2014 audit in light of their current work flows and the Company’s audit timetable.

BDO further referred to the following factors:

3. The investigation of the Special Team established by the Company concluded that there was fraud committed by certain employees of the Company. In view thereof, on 5 May 2015 BDO requested the Company to engage forensic investigator to conduct an independent investigation into the matter to verify the full extent of the fraud and in particular, the cash and bank balances and movements of all Group companies for the year ended 31 December 2014; and the Company replied on 6 May 2015 that it would not do so, and requested BDO to resume the 2014 audit and complete the same by the end of May 2015;
4. Without an independent forensic investigation, they believe they would not be in a position to continue the 2014 audit and in any event, it would be impossible for them to complete all necessary work by the end of May 2015.

BDO confirms that other than the factors stated in their letter of resignation as mentioned above, there are no matters that need to be brought to the attention of holders of securities of the Company.

The Board emphasizes that the Company does not agree with the view expressed by BDO and their request that forensic investigator be engaged. Even if the Company agrees to engage forensic investigator, BDO still could not confirm the next step for the audit or the timetable for completing it; and the Company is unable to accept such position. Further, the Board considers that engagement of forensic investigator is not necessary since the investigation conducted by the Special Team, although internal, is thorough and complete and not directed only at the irregularities discovered by BDO, but covers the entire records for 2014. The Company wishes to reduce the impact of suspension of trading on its shareholders and business partners by publishing the 2014 Annual Results as soon as possible, and engaging forensic investigator will prolong and delay the process.

The Board also confirms that there are no other matters in respect of the resignation of BDO that need to be brought to the attention of holders of securities of the Company.

The Board proposes to nominate Elite Partners CPA Limited as the Group's auditors to fill the casual vacancy following the resignation of BDO, and to hold office until the conclusion of the next annual general meeting of the Company. Given the present circumstances, the Board reasonably believes that the 2014 Annual Results could be finalized and published by the latter part of June 2015; and the Company will keep shareholders and investors informed of further progress.

SUSPENSION OF TRADING

As a result of the delay in publishing the 2014 Annual Results and at the request of the Company, trading in its shares on the Stock Exchange has been suspended since 1 April 2015 and will remain suspended until further notice.

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

Hong Kong, 15 May 2015

As at the date of this announcement, the Board comprises four executive Directors Mr. Liu Zhongkui, Mr. Wang Bo, Mr. Lin Supeng and Mr. Yang Ma; a non-executive Director Mr. Adiv Baruch; and three independent non-executive Directors Mr. Cheung Chuen, Mr. Xie Baitang and Professor Li On Kwok, Victor.

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