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ANXIAN YUAN CHINA HOLDINGS LIMITED

安賢園中國控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00922)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The Board of the Company announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2021 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2021

		Unaudited Six months ended 30 September	
		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	4	156,096	139,968
Cost of sales		<u>(49,220)</u>	<u>(57,909)</u>
Gross profit		106,876	82,059
Other income and gains	4	2,879	2,848
Selling and distribution expenses		(15,204)	(11,139)
Administrative expenses		(39,225)	(30,844)
Finance costs	6	<u>(2,263)</u>	<u>(1,913)</u>
PROFIT BEFORE INCOME TAX	5	53,063	41,011
Income tax expense	7	<u>(18,079)</u>	<u>(11,030)</u>
PROFIT FOR THE PERIOD		<u>34,984</u>	<u>29,981</u>

* *For identification purposes only*

		Unaudited	
		Six months ended	
		30 September	
		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(Loss) for the period attributable to:			
Owners of the Company		35,383	29,026
Non-controlling interests		(399)	955
		<hr/> 34,984	<hr/> 29,981
		<hr/> 34,984	<hr/> 29,981
EARNINGS PER SHARE FOR PROFIT			
ATTRIBUTABLE TO OWNERS OF THE			
COMPANY FOR THE PERIOD			
Basic and diluted (<i>HK cents</i>)	<i>9</i>	<hr/> 1.59	<hr/> 1.96

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Unaudited	
	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	34,984	29,981
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	12,371	28,950
Change in fair value of equity investments at fair value through other comprehensive income	15	106
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	12,386	29,056
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	47,370	59,037
Total comprehensive income for the period attributable to:		
Owners of the Company	47,204	56,664
Non-controlling interests	166	2,373
	47,370	59,037

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	<i>Notes</i>	Unaudited 30 September 2021 <i>HK\$'000</i>	Audited 31 March 2021 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	104,683	106,926
Right-of-use assets	<i>10</i>	2,470	2,728
Intangible assets	<i>10</i>	453,155	448,228
Goodwill		13,415	13,223
Equity investments		1,088	1,073
Cemetery assets	<i>11</i>	224,484	225,305
Loan to non-controlling shareholder		1,933	2,658
		<hr/>	<hr/>
Total non-current assets		801,228	800,141
CURRENT ASSETS			
Inventories		278,304	281,143
Trade receivables	<i>12</i>	1,413	1,446
Prepayments, deposits and other receivables		1,879	2,143
Loan to non-controlling shareholder		1,380	608
Cash and cash equivalents		302,875	255,936
		<hr/>	<hr/>
Total current assets		585,851	541,276
CURRENT LIABILITIES			
Trade payables	<i>13</i>	49,197	47,158
Other payables and accruals		12,905	7,938
Contract liabilities		25,471	23,823
Interest-bearing bank and other borrowings		42,012	39,045
Lease liabilities		628	1,233
Tax payables		44,387	46,086
Dividends payable		22,214	–
		<hr/>	<hr/>
Total current liabilities		196,814	165,283
NET CURRENT ASSETS		<hr/> 389,037 <hr/>	<hr/> 375,993 <hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 1,190,265 <hr/>	<hr/> 1,176,134 <hr/>

		Unaudited	Audited
		30 September	31 March
		2021	2021
	<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		73,653	90,348
Contract liabilities		28,618	26,376
Lease liabilities		1,265	806
Deferred tax liabilities		125,528	122,559
		<hr/>	<hr/>
Total non-current liabilities		229,064	240,089
		<hr/>	<hr/>
NET ASSETS		961,201	936,045
		<hr/>	<hr/>
EQUITY			
Share capital	<i>14</i>	222,136	222,136
Reserves		700,040	675,050
		<hr/>	<hr/>
Equity attributable to owners of the Company		922,176	897,186
		<hr/>	<hr/>
Non-controlling interests		39,025	38,859
		<hr/>	<hr/>
TOTAL EQUITY		961,201	936,045
		<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. CORPORATE AND GROUP INFORMATION

Anxian Yuan China Holdings Limited is a limited liability company incorporated in Bermuda and domiciled in Hong Kong. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's principal place of business in Hong Kong is Room 1215, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong. During the Period, the Group principally engaged in the cemetery business in the PRC.

The Directors of the Company consider the ultimate holding company of the Company to be Master Point Overseas Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company is Mr. Shi Hua as at 30 September 2021.

2.1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the Period have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements of the Listing Rules.

These financial statements have been prepared under the historical cost convention, except for equity investments which were stated at fair value. They are presented in HK\$, which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

These financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2021.

2.2 NEW OR AMENDED HKFRSs ADOPTED BY THE GROUP

Except as described below, the accounting policies used in the unaudited condensed consolidated financial statements for the Period are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2021. In the Period, the Group has applied for the first time the following new standards, amendments and interpretation issued by the HKICPA that are relevant for the preparation of the Group's unaudited condensed consolidated financial statements.

The HKICPA has issued a number of new or amended HKFRSs that are first effective and relevant to the current accounting period of the Group:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, Interest Rate Benchmark Reform – Phase 2
HKFRS 9 and HKFRS 16

The application of the above new or amended HKFRSs in the Period has had no material effect on the amounts reported in the unaudited condensed consolidated financial statements and/or disclosures set out in these financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment which is the cemetery business. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) *Disaggregated revenue from external customers*

	Unaudited	
	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
The PRC	156,096	139,968

The revenue information above is based on the location of the customers.

(b) *Non-current assets*

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2021	2021
	HK\$'000	HK\$'000
Hong Kong	1,536	1,598
The PRC	796,671	794,812
	798,207	796,410

Non-current assets information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

No revenue from a single customer accounted for 10% or more of the Group's revenue during the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

4. REVENUE, OTHER INCOME AND GAINS

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products and services and timing of revenue recognition. The Group has only one reportable operating segment which is the cemetery business in the PRC, and the disaggregated geographic information of revenue has been set out in note 3(a) above.

	Unaudited	
	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Revenue by products and services		
Sales of tombs and niches	142,610	126,970
Management fee income	1,915	1,842
Burial services	11,571	11,156
	<u>156,096</u>	<u>139,968</u>
Timing of revenue recognition		
A point in time	142,610	126,970
Over time	13,486	12,998
	<u>156,096</u>	<u>139,968</u>
Other income and gains		
Gain on disposal of property, plant and equipment, net	20	116
Bank interest income	1,686	1,073
Others	1,173	1,659
	<u>2,879</u>	<u>2,848</u>

5. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	Unaudited Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Cost of inventories sold	39,197	47,727
Cost of services provided	4,014	4,708
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
– Wages and salaries	17,818	15,736
Amortisation of intangible assets*	1,578	1,695
Amortisation of cemetery assets*	4,430	3,779
Auditor's remuneration	400	400
Depreciation		
– Property, plant and equipment	5,166	4,758
– Right-of-use assets#	954	965
Exchange losses, net	13	32

* The amortisation of intangible assets and cemetery assets for the Period are included in "Cost of sales" in the condensed consolidated statement of profit or loss.

The depreciation of right-of-use assets of HK\$265,000 (six months ended 30 September 2020: HK\$296,000) and HK\$689,000 (six months ended 30 September 2020: HK\$669,000) are included in "Selling and distribution expenses" and "Administrative expenses" respectively.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Unaudited Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Interest on lease liabilities	80	91
Interest on interest-bearing bank and other borrowings	3,154	3,899
Less: Interest capitalised	(971)	(2,077)

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in that jurisdiction (six months ended 30 September 2020: Nil).

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Period (six months ended 30 September 2020: Nil).

Provision for the PRC current income tax is based on the statutory rate of 25% (six months ended 30 September 2020: 25%) of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

The major components of income tax expense are as follows:

	Unaudited	
	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Current tax		
Income tax in the PRC for the Period	18,162	10,332
Deferred tax	(83)	698
Total income tax expenses for the Period	18,079	11,030

8. DIVIDEND

The Directors have declared an interim dividend of HK0.9 cent per share for the six months ended 30 September 2021 (six months ended 30 September 2020: HK0.8 cent per share), which is payable on Monday, 10 January 2022 to the Shareholders whose names appear on the registers of members of the Company on Monday, 20 December 2021.

(a) Dividend attributable to the Period:

	Unaudited	
	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Interim dividend of HK0.9 cent (2020: HK0.8 cent) per share declared	19,992	17,771

The interim dividend was proposed after the end of the relevant financial period and has not been recognized as a liability at the end of the relevant financial period.

(b) At a meeting held on 21 June 2021, the Directors proposed a final dividend of HK1.0 cent per ordinary share for the year ended 31 March 2021 (31 March 2020: Nil), which was estimated to be HK\$22,214,000 at the time calculated on the basis of the ordinary share in issue as at 31 March 2021. The final dividend was approved by Shareholders at the annual general meeting on 24 September 2021.

9. EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the Period attributable to owners of the Company of HK\$35,383,000 (six months ended 30 September 2020: HK\$29,026,000), and the weighted average number of ordinary shares of 2,221,363,000 (six months ended 30 September 2020: 1,480,703,000) in issue during the Period.

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the period ended 30 September 2020 has been adjusted for the Rights Issue on 30 July 2020.

For the six months ended 30 September 2021, there was no dilutive potential ordinary shares (six months ended 30 September 2020: Nil) and hence the diluted earnings per share is the same as basic earnings per share.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the Period, the Group acquired items of property, plant and machinery with a cost of HK\$1,373,000 (six months ended 30 September 2020: HK\$465,000). Items of property, plant and machinery with a net carrying value of HK\$16,000 were disposed of during the Period (six months ended 30 September 2020: Nil), resulting in a gain on disposal of HK\$20,000 (six months ended 30 September 2020: HK\$116,000).

No property, plant and equipment were pledged for the banking facilities granted by the banks at the end of the Period (31 March 2021: Nil).

In addition, the Group has entered into new lease agreements during the Period. Right-of-use assets amounted to HK\$671,000 (six months ended 30 September 2020: HK\$1,329,000) has been recognised for the Period accordingly.

No additions to intangible assets was made during the Period (six months ended 30 September 2020: Nil).

11. CEMETERY ASSETS

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2021	2021
	HK\$'000	HK\$'000
Land costs	20,151	20,135
Landscape facilities	204,333	205,170
	224,484	225,305

12. TRADE RECEIVABLES

An aging analysis of the trade receivables as at the end of the Period, based on the invoice date and net of loss allowance, is as follows:

	Unaudited As at 30 September 2021 <i>HK\$'000</i>	Audited As at 31 March 2021 <i>HK\$'000</i>
Within 60 days	598	612
61 to 180 days	–	31
Over 1 year	815	803
	<hr/> 1,413 <hr/>	<hr/> 1,446 <hr/>

13. TRADE PAYABLES

An aging analysis of the trade payables as at the end of Period, based on the invoice date, is as follows:

	Unaudited As at 30 September 2021 <i>HK\$'000</i>	Audited As at 31 March 2021 <i>HK\$'000</i>
Within 90 days	27,540	40,798
91 to 180 days	11,102	1,066
181 to 365 days	3,742	10
Over 1 year	6,813	5,284
	<hr/> 49,197 <hr/>	<hr/> 47,158 <hr/>

14. SHARE CAPITAL

	Unaudited As at 30 September 2021 <i>HK\$'000</i>	Audited As at 31 March 2021 <i>HK\$'000</i>
Issued and fully paid: 2,221,363,000 (31 March 2021: 2,221,363,000) ordinary shares	<hr/> 222,136 <hr/>	<hr/> 222,136 <hr/>

A summary of movements in the Company's share capital is as follows:

	Number of shares <i>('000)</i>	Nominal value <i>HK\$'000</i>
At 31 March 2021 and 30 September 2021	<hr/> 2,221,363 <hr/>	<hr/> 222,136 <hr/>

15. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the Period.

(a) Other transactions with related parties

	Unaudited Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Consultancy fee to a related company in which one of the Executive Directors has control (<i>note (i)</i>)	1,446	1,331

Note:

- (i) The transaction constitute a de minimis transactions under Rule 14A.76(1)(c) of Chapter 14A of the Listing Rules and are therefore fully exempted from all disclosure requirements.

(b) Outstanding balances with related parties

The Group had outstanding balance to a related company, included in “Other payables”, of HK\$30,000 (31 March 2021: HK\$30,000) as at the end of the reporting period. The amount was non-trade in nature, unsecured, interest-free and repayable on demand.

(c) Compensation of key management personnel of the Group

The Directors are of the opinion that the key management are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and are defined as the Executive Directors, Non-executive Directors and the Chief Executive Officer of the Company.

16. EVENTS AFTER THE REPORTING DATE

There was no event occurring after the reporting date to be disclosed by the Group up to the approval date of the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

As one of the traditional Chinese virtues, filial piety has a profound influence on Chinese generations by generations. The cultural heritage of “filial piety” has also laid a solid foundation for the existence and development of the funeral and burial industry in China.

Despite of the continuous COVID-19 pandemic and complicated and severe global economy, China has basically controlled the pandemic and embarked on the resumption of economic and social order, which ushered in a new development picture under the “14th Five-Year Plan”. With the increasing per capita disposable income in China, more demands were generated for funeral and burial services in emotional and quality sense.

According to the Seventh National Population Census in 2020, there were approximately 260 million persons in the age group of 60 and above in China, up by 5.44% compared with 2010. Driven by the further aging of the population, China’s huge population base and continuing urbanisation, the funeral and burial industry has developed as one of the most stable industries in China with a bright prospect.

BUSINESS REVIEW AND OUTLOOK

As one of the earliest service providers in the funeral and burial industry in the PRC, the Group remains true to its original aspiration, and is always committed to providing quality funeral and burial services, so that every customer can feel the respect and dignity, and express their mourning and filial piety.

During the period under review, under the correct leadership of the Board, all employees of the Group had worked together and united as one to achieve a good performance of both economic and social benefits, which enabled more standardised internal management and orderly development of various tasks. During the period, the Group’s overall operations were stable. Sales continued to maintain a steady upward trend, financial costs and debt scale both realised a further reduction, and economic efficiency was significantly improved, which further consolidated the foundation for achieving the Group’s medium and long-term development goals. The Group closely followed the “14th Five-Year Plan for Civil Affairs Development” promulgated by the state, continued to play its leading role in the industry, actively promoted the construction of civilised and green funeral and burial, and encouraged the use of environmentally friendly materials, land conservation, and ecological burial.

On the other hand, the Group had actively undertaken social responsibilities with organising several commemorations on heroic sacrifices and humanities memorial halls in various parks, covering fields such as environmental protection and cultural education, so as to inherit the eternal humanistic spirit of the nation and create a spiritual homeland of life care.

Activities such as “Anxian Yuan Ching Ming Public Memorial Ceremony cum Memorial Exhibition of Patriotic Celebrities”, and “The 20th Anniversary Commemoration on the Sacrifice of Wang Wei, the Defender of Our Air and Maritime”, which were extremely powerful and widespread, had received focus and support from all sectors of the community and sparked a boom on patriotic education.

2021 kicks off another two decades of the Group. The Group will continue to advocate and practise the business philosophy of “people-oriented, rooted in culture, with science as guidelines, and service provision as missions”. With persistence in enterprise spirit of “carry forward old traditions and establish new ideology” and taking “Class• Anxian (品位•安賢)” as its core of construction, the Group will start a new chapter in the development history, and strive to forge a premium brand with social responsibility, strength and warming of the funeral and burial industry in the PRC.

FINANCIAL REVIEW

For the Period, the Group recorded net profit of approximately HK\$34,984,000 (six months ended 30 September 2020: approximately HK\$29,981,000) and revenue of approximately HK\$156,096,000 (six months ended 30 September 2020: approximately HK\$139,968,000). The Group’s net profit increased period-on-period by approximately HK\$5,003,000 was mainly due to the increase in gross profit, which offset the increase in selling and distribution expenses and administrative expenses.

Gross profit increased from HK\$82,059,000 to HK\$106,876,000, an increase of HK\$24,817,000 compared with the period-on-period. It was mainly attributable to the increased revenue from HK\$139,968,000 to HK\$156,096,000 and better cost control of new types of tombs during the Period.

Selling and distribution expenses increased from HK\$11,139,000 to HK\$15,204,000, an increase of 36% compared with the period-on-period. It was mainly attributable to the increased spending on promotional activities.

Administrative expenses increased from HK\$30,844,000 to HK\$39,225,000 compared with the period-on-period. It was mainly due to the increase of cemetery related costs and employee benefit expenses.

The net assets of the Group as at 30 September 2021 was approximately HK\$961,201,000 (31 March 2021: approximately HK\$936,045,000). The Group’s net assets increased period-on-period by approximately HK\$25,156,000 was mainly attributable to the increase in net profit and exchange gain on translation of financial statements of foreign operations of approximately HK\$12,371,000 due to the appreciation in RMB as at 30 September 2021.

RIGHTS ISSUE AND USE OF THE NET PROCEEDS

On 25 March 2020, the Company announced that the Board proposed to implement the Rights Issue on the basis of three rights shares for every two Shares in issue at the subscription price of HK\$0.1 per rights share, to raise up to approximately HK\$133.3 million before expenses by way of issuing up to 1,332,817,890 rights shares (“Rights Issue”).

On 30 July 2020, the Company completed the Rights Issue and issued 1,332,817,890 rights shares. The net proceeds from the Rights Issue was approximately HK\$131.5 million.

Further details of the Rights Issue were set out in the Company’s announcements dated 25 March 2020, 28 May 2020, 29 July 2020, 30 July 2020 and 18 September 2020, Company’s circular dated 29 April 2020 and Company’s prospectus dated 8 July 2020 (collectively “Rights Issue Documents”).

Pursuant to the Company’s announcement dated 26 November 2021 in relation to the change in use of proceeds from Rights Issue, in light of the current market conditions, the Board has resolved that it would be in the best interest of the Company and the Shareholders to reallocate the unutilized net proceeds of HK\$81,490,000 which was originally allocated for potential strategic investment opportunity(ies) to (i) the repayment of existing debts and payables, which will allow the Group to lower its gearing ratio, reduce its interest expenses and financing costs and to achieve greater flexibility on the allocation of the Group’s internal resources for the daily operation of the Group; and (ii) as general working capital to meet the Group’s business development and allow the Group to deploy its financial resources to cope with the economic uncertainties in the future.

The following table sets out the details of the intended use of net proceeds as stated in the Rights Issue Documents, the actual use of net proceeds up to 30 September 2021, the remaining balance of unutilised net proceeds as at 30 September 2021, the reallocation of unutilized net proceeds and the expected timeline for utilising the remaining unutilised net proceeds:

Original intended use of Net Proceeds	Intended use of net proceeds as stated in the Rights Issue Documents (%)	Actual use of net proceeds up to 30 September 2021	Remaining balance of unutilised net proceeds as at 30 September 2021	Reallocation of unutilized net proceeds	Expected timeline for utilization (Note)
Potential opportunity (ies) in strategic investment	HK\$81,490,000 (62%)	–	HK\$81,490,000	–	–
Repayment of existing debts and payables	HK\$28,891,000 (22%)	HK\$28,891,000	–	HK\$60,000,000	By 30 April 2023
General working capital	HK\$21,120,000 (16%)	HK\$21,120,000	–	HK\$21,490,000	By 28 February 2022
	<u>HK\$131,501,000</u>	<u>HK\$50,011,000</u>	<u>HK\$81,490,000</u>	<u>HK\$81,490,000</u>	

Note: The expected timeline for using the unutilised net proceeds is based on the best estimation of the present and future business market situations made by the Board, and it will be subject to changes based on the future development of market conditions.

RESULTS AND DIVIDEND

The results of the Group for the Period are set out under the condensed consolidated statement of profit or loss and the condensed consolidated statement of comprehensive income on pages 1 to 3.

The Directors have declared an interim dividend of HK0.9 cent per share for the six months ended 30 September 2021 (six months ended 30 September 2020: HK0.8 cent), which is payable on Monday, 10 January 2022 to the Shareholders whose names appear on the registers of members of the Company on Monday, 20 December 2021.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPETING BUSINESS

As at 30 September 2021, none of the Directors, substantial shareholders of the Company and their respective associates (as defined in the Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

Throughout the Period, the Company has complied with the Code in so far as they are applicable except for the deviation from Code A.1.1 of the Code.

Code provision A.1.1 of the Code

Code provision A.1.1 of the Code stipulates that the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the Period, only one regular board meeting was held to review and discuss the annual results. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary.

Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices.

AUDIT COMMITTEE REVIEW

The Company has an Audit Committee which was established with written terms of reference, in accordance with Appendix 14 to the Listing Rules, for the purposes of, among others, reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management system. The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. Chan Koon Yung, Mr. Lum Pak Sum and Ms. Hung Wan Fong, Joanne. Mr. Chan Koon Yung is the chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and policies adopted by the Group and has discussed and reviewed the internal controls and financial reporting matters of the Group, including the review of the unaudited consolidated interim results of the Group and interim report of the Company for the six months ended 30 September 2021, with the management of the Company and has no disagreement with the accounting treatments adopted.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Period. No incident of non-compliance was noted by the Company during the Period.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members will be closed on Monday, 20 December 2021 for the purpose of determining the entitlement of the Shareholders to the interim dividend and no transfer of shares will be effected on that date. In order to qualify for the interim dividend, all share transfers accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Friday, 17 December 2021. The interim dividend is payable on Monday, 10 January 2022 to the Shareholders whose names appear on the registers of members of the Company on Monday, 20 December 2021.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.anxianyuanchina.com. The interim report of the Company for the six months ended 30 September 2021 containing all the information required by the Listing Rules will be dispatched to Shareholders and published on the above websites in due course.

By order of the Board
Anxian Yuan China Holdings Limited
Shi Hua
Chairman

Hong Kong, 26 November 2021

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Shi Hua, Mr. Shi Jun and Mr. Law Fei Shing; one non-executive director, namely Mr. Wang Hongjie; and three independent non-executive directors, namely Mr. Chan Koon Yung, Mr. Lum Pak Sum and Ms. Hung Wan Fong, Joanne.

GLOSSARY

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

Board	the board of Directors
Chairman	the chairman of the Board
Chief Executive Officer	the chief executive officer of the Company
Code	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules
Company/Anxian Yuan	Anxian Yuan China Holdings Limited, a company incorporated in the Bermuda with limited liability and the issued Shares are listed on the Stock Exchange
Company Secretary	The company secretary of the Company
Director(s)	the director(s) of the Company
Executive Director(s)	the executive Director(s)
Group	the Company and its subsidiaries
HKAS	the Hong Kong Accounting Standards issued by the HKICPA
HKFRS(s)	the Hong Kong Financial Reporting Standards, collectively includes all applicable individual Hong Kong Financial Reporting Standards, HKAS and Interpretations issued by the HKICPA
HKICPA	the Hong Kong Institute of Certified Public Accountants
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Independent Non-executive Director(s)	the independent non-executive Director(s)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
Non-executive Director(s)	the non-executive Director(s)

Period	the six months ended 30 September 2021
PRC	the People's Republic of China, which for the purpose of this report exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
Shareholder(s)	holder(s) of the Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
RMB	Renminbi, the lawful currency of PRC
%	per cent