



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)

INTERIM REPORT
2022

www.anxianyuanchina.com

* For identification purposes only

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Shi Hua (*Chairman*)

Mr. Shi Jun (*Chief Executive Officer*)

Mr. Law Fei Shing (*Deputy Chief Executive Officer*)

Non-executive Director

Mr. Wang Hongjie

Independent Non-executive Directors

Mr. Chan Koon Yung

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

COMPANY SECRETARY

Ms. Chan Ka Man Karmen

(appointed on 2 July 2021)

Mr. Law Fei Shing (resigned on 2 July 2021)

AUDIT COMMITTEE

Mr. Chan Koon Yung (*Committee Chairman*)

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

REMUNERATION COMMITTEE

Mr. Chan Koon Yung (*Committee Chairman*)

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

NOMINATION COMMITTEE

Mr. Shi Hua (*Committee Chairman*)

Mr. Chan Koon Yung

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

AUTHORISED REPRESENTATIVES

Mr. Shi Hua

Mr. Law Fei Shing

AUDITOR

BDO Limited

Certified Public Accountants

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

PRINCIPAL BANKER

CMB Wing Lung Bank Limited

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1215, Leighton Centre

77 Leighton Road

Causeway Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

MUFG Fund Services (Bermuda) Limited

4th Floor North

Cedar House

41 Cedar Avenue

Hamilton HM 12, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited

Level 54, Hopewell Centre

183 Queen's Road East, Hong Kong

SHARE INFORMATION

Stock code: 00922

Board lot: 10,000 shares

WEBSITE

www.anxianyuanchina.com

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the net cash inflow was approximately HK\$44,524,000 (six months ended 30 September 2020: net cash inflow of approximately HK\$151,825,000). As at 30 September 2021, the cash and cash equivalents of the Group were approximately HK\$302,875,000 (31 March 2021: approximately HK\$255,936,000). The Group had short-term bank and other borrowings of approximately HK\$42,012,000 (31 March 2021: approximately HK\$39,045,000) and long-term bank and other borrowings of approximately HK\$73,653,000 (31 March 2021: approximately HK\$90,348,000) as at 30 September 2021.

GEARING RATIO

The gearing ratio (total liabilities/total assets) at the end of the Period was 0.31 (31 March 2021: 0.30).

PLEDGE ON ASSETS

As at 30 September 2021, no properties were pledged for certain interest-bearing bank and other borrowings (31 March 2021: Nil)

As at 30 September 2021 and 31 March 2021, 98.38% equity interest in Zhejiang Anxian Yuan was pledged to secure the bank borrowings granted to this subsidiary.

LITIGATION

No outstanding litigation as at 30 September 2021 was noted.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL GUARANTEE

No outstanding financial guarantee of the Group as at 30 September 2021 was noted.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

During the Period, the Group's businesses were mainly denominated in RMB. The PRC subsidiaries of the Group were operated in the PRC. All transactions, assets and liabilities of the PRC subsidiaries were denominated in RMB and were translated into HK\$ at the period end date as foreign operations. No foreign currency hedge was made during the Period.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2021, the Group had 12 employees (including Directors) (31 March 2021: 12 employees) and 302 employees (31 March 2021: 364 employees) in Hong Kong and the PRC respectively. The Group regularly reviews remuneration and benefits of employees according to the relevant market practice and individual performance of the employees. In addition to basic salary and mandatory provident fund, employees are entitled to other benefits such as share option scheme, of which the Directors may, at their discretion, grant options to employees of the Group. The remuneration policies of the Group's employees are subject to review regularly.

The Group has a share option scheme available for directors and employees of the Company or any of its subsidiaries.

Total staff costs (including Directors) for the Period amounted to approximately HK\$20,248,000 (six months ended 30 September 2020: approximately HK\$17,764,000), of which contribution to mandatory provident fund accounted for approximately HK\$60,000 (six months ended 30 September 2020: approximately HK\$60,000).

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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
	HK\$131,501,000	HK\$50,011,000	HK\$81,490,000	HK\$81,490,000	

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 12 and 13 respectively.

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2021, the interests and short positions of the Directors and the chief executives of the Company (the "Chief Executives") in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO, which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be entered in the register referred to therein pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long Position in the ordinary Shares of HK\$0.1 each:

Name of Director	Nature of interest/Capacity	Number of Shares held	Approximate percentage of shareholding (Note 3)	Notes
Mr. Shi Hua	Beneficial Owner	25,795,000	1.16%	
	Interest of controlled corporation	1,273,530,616	57.33%	1
Mr. Shi Jun	Beneficial Owner	30,500,000	1.37%	
Mr. Law Fei Shing	Beneficial Owner	50,000,000	2.25%	
	Interest of controlled corporation	1,273,530,616	57.33%	2

Notes:

- 1,273,530,616 Shares were registered in the name of Master Point Overseas Limited. Master Point Overseas Limited is a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Shi Hua. Under the SFO, Mr. Shi Hua was deemed to be interested in 1,273,530,616 Shares held by Master Point Overseas Limited.
- 1,273,530,616 Shares held by Master Point Overseas Limited were subject to a share charge executed by Master Point Overseas Limited as charger in favour of Excel Precise International Limited ("Excel Precise") as chargee which is owned as to 25% by Mr. Law Fei Shing and 73.5% by True Promise Investments Limited ("True Promise"), a company which in turn is wholly-owned by Mr. Law Fei Shing. Accordingly, Mr. Law Fei Shing and True Promise were deemed to be interested in the 1,273,530,616 Shares in which Excel Precise was interested under the SFO.
- The percentages are calculated based on the total number of ordinary shares of the Company in issue as at 30 September 2021 which was 2,221,363,150.

Save as disclosed above, as at 30 September 2021, so far as was known to the Directors, none of the Directors or the Chief Executives had an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2021, so far as is known to the Directors and according to the register kept by the Company under Section 336 of the SFO, the following Shareholders, other than a Director or Chief Executive Officer, had an interest or short position in the Company's shares and underlying shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly, interested in 5% 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.

Long positions in the ordinary Shares of HK\$0.1 each:

Name of Shareholder	Nature of interest/Capacity	Number of Shares held	Approximate percentage of shareholding (Note 3)	Notes
Master Point Overseas Limited	Beneficial Owner	1,273,530,616	57.33%	1
Excel Precise International Limited	Person having a security interest in shares	1,273,530,616	57.33%	2
True Promise Investments Limited	Interest of controlled corporation	1,273,530,616	57.33%	2

Notes:

1. The interest of Master Point Overseas Limited is also disclosed as the interest of Mr. Shi Hua, the beneficial owner of Master Point Overseas Limited, in the above section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES".
2. The interests of Excel Precise and True Promise are also disclosed as the interest of Mr. Law Fei Shing in the above section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES".
3. The percentages are calculated based on the total number of ordinary shares of the Company in issue as at 30 September 2021 which was 2,221,363,150.

Save as disclosed above, as far as was known to the Directors, no other person (not being a Director or Chief Executive) had an interest or short position in the Company's shares or underlying shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

Save as disclosed above, so far as is known to the Directors, there was no other person who had interest or short position in the Shares and underlying Shares that is discloseable under section 336 of the SFO.

SHARE OPTION SCHEME

During the Period, the Company adopted a share option scheme (the “Share Option Scheme”) on 28 August 2018 (the “Adoption Date”). The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons who contribute to the success of the Group’s operations. Eligible persons of the Share Option Scheme include any full-time or part-time employee of the Company or any members of the Group, including any Executive, Non-executive Director and Independent Non-executive Director, adviser, consultant of the Company or any the subsidiaries.

The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and other schemes must not, in aggregate, exceed 10% of the shares in issue as at the Adoption Date as altered by the capital reorganisation undertaken by the Company which became effective on 29 August 2018 (the “Scheme Mandate Limit”). The total number of shares issued and to be issued upon exercise of the options granted to a participant under the Share Option Scheme and other schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time. Where any further grant of options to a participant (the “Further Grant”) would result in the shares issued and to be issued upon exercise of all options granted and to be granted under the Share Option Scheme and other schemes to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares in issue from time to time, the Further Grant must be separately approved by the shareholders in general meeting with such participant and his close associates (as defined in the Listing Rules) (or his associates (as defined in the Listing Rules) if the participant is a connected person) abstaining from voting.

Notwithstanding the foregoing, the Company may not grant any option if the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other schemes exceeds 30% of the shares in issue from time to time.

The Board may, at its discretion, invite any eligible persons to take up options at a price calculated as mentioned below. Upon acceptance of the option, the eligible person shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of 28 days from the date on which the option is granted.

The Share Option Scheme will be valid and effective for a period of ten years commencing on the date of approval of the Share Option Scheme (i.e. 28 August 2018), after which period no further options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

The exercise price for the shares subject to options will be a price determined by the Board and notified to each participant and must be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the options, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the five trading days immediately preceding the date of grant of the options.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing shares. The share options do not confer rights on the holders to dividends or to vote at Shareholders’ meetings.

The directors of the Company confirm that the Share Option Scheme is in compliance with Chapter 17 of the Listing Rules. During the Period and up to the date of this report, no option had been granted by the Company under the Share Option Scheme. No share option was outstanding as at 30 September 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.

CHANGE IN DIRECTORS' INFORMATION

During the six months ended 30 September 2021, there was no changes in Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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.

OTHER INFORMATION

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at 30 September 2021 and the date of this report, the Company has maintained the prescribed minimum public float as required under the Listing Rules.

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

The interim results announcement of the Company has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.anxianyuanchina.com). This interim report, containing all the information required by the Listing Rules, has also been published on the above websites.

APPRECIATION

The Board would like to thank the management of the Group and all our staff for their hard work and dedication, as well as its shareholders, for their support to the Group.

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

Hong Kong, 26 November 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2021

		Unaudited Six months ended 30 September	
	Notes	2021 HK\$'000	2020 HK\$'000
REVENUE	5	156,096	139,968
Cost of sales		(49,220)	(57,909)
Gross profit		106,876	82,059
Other income and gains	5	2,879	2,848
Selling and distribution expenses		(15,204)	(11,139)
Administrative expenses		(39,225)	(30,844)
Finance costs	7	(2,263)	(1,913)
PROFIT BEFORE INCOME TAX	6	53,063	41,011
Income tax expense	9	(18,079)	(11,030)
PROFIT FOR THE PERIOD		34,984	29,981
Profit/(Loss) for the period attributable to:			
Owners of the Company		35,383	29,026
Non-controlling interests		(399)	955
		34,984	29,981
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD			
Basic and diluted (<i>HK cents</i>)	11	1.59	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 HK\$'000	Audited 31 March 2021 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	104,683	106,926
Right-of-use assets	12	2,470	2,728
Intangible assets	12	453,155	448,228
Goodwill		13,415	13,223
Equity investments		1,088	1,073
Cemetery assets	13	224,484	225,305
Loan to non-controlling shareholder	16	1,933	2,658
Total non-current assets		801,228	800,141
CURRENT ASSETS			
Inventories	14	278,304	281,143
Trade receivables	15	1,413	1,446
Prepayments, deposits and other receivables		1,879	2,143
Loan to non-controlling shareholder	16	1,380	608
Cash and cash equivalents		302,875	255,936
Total current assets		585,851	541,276
CURRENT LIABILITIES			
Trade payables	17	49,197	47,158
Other payables and accruals		12,905	7,938
Contract liabilities		25,471	23,823
Interest-bearing bank and other borrowings	18	42,012	39,045
Lease liabilities		628	1,233
Tax payables		44,387	46,086
Dividends payable		22,214	–
Total current liabilities		196,814	165,283
NET CURRENT ASSETS		389,037	375,993
TOTAL ASSETS LESS CURRENT LIABILITIES		1,190,265	1,176,134

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	<i>Notes</i>	Unaudited 30 September 2021 HK\$'000	Audited 31 March 2021 HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	18	73,653	90,348
Contract liabilities		28,618	26,376
Lease liabilities		1,265	806
Deferred tax liabilities		125,528	122,559
Total non-current liabilities		229,064	240,089
NET ASSETS		961,201	936,045
EQUITY			
Share capital	19	222,136	222,136
Reserves		700,040	675,050
Equity attributable to owners of the Company		922,176	897,186
Non-controlling interests		39,025	38,859
TOTAL EQUITY		961,201	936,045

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Unaudited										
	Attributable to owners of the Company										Non-controlling interests HK\$'000
	Share capital HK\$'000	Share premium* HK\$'000	Equity investments at FVTOCI reserve* HK\$'000	Contributed surplus reserve* HK\$'000	Statutory reserve fund* HK\$'000	Exchange fluctuation reserve* HK\$'000	Other reserve* HK\$'000	Retained profits* HK\$'000	Total HK\$'000	Total equity HK\$'000	
At 1 April 2021	222,136	151,136	(1,333)	171,719	29,925	4,509	(10,687)	329,781	897,186	38,859	936,045
Profit for the Period	-	-	-	-	-	-	-	35,383	35,383	(399)	34,984
Other comprehensive income for the Period:											
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	11,806	-	-	11,806	565	12,371
Change in fair value of equity investments at fair value through other comprehensive income ("FVTOCI")	-	-	-	-	-	15	-	-	15	-	15
Total comprehensive income for the Period	-	-	-	-	-	11,821	-	35,383	47,204	166	47,370
Final dividend approved in respect of previous financial year of HK1.0 cent (note 10(b))	-	-	-	(22,214)	-	-	-	-	(22,214)	-	(22,214)
At 30 September 2021	222,136	151,136	(1,333)	149,505	29,925	16,330	(10,687)	365,164	922,176	39,025	961,201

* These reserve accounts comprise the consolidated reserves as at 30 September 2021 in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

Unaudited

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium* HK\$'000	Equity investments at FVTOCI reserve* HK\$'000	Contributed surplus reserve* HK\$'000	Statutory reserve fund* HK\$'000	Exchange fluctuation reserve* HK\$'000	Other reserve* HK\$'000	Retained profits* HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2020	88,855	152,916	476	189,490	20,152	(55,126)	(10,687)	259,259	645,335	34,993	680,328
Profit for the period	-	-	-	-	-	-	-	29,026	29,026	955	29,981
Other comprehensive income for the period:											
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	27,532	-	-	27,532	1,418	28,950
Change in fair value of equity investments at FVTOCI	-	-	-	-	-	106	-	-	106	-	106
	-	-	-	-	-	27,638	-	29,026	56,664	2,373	59,037
Total comprehensive income for the period	133,281	(1,780)	-	-	-	-	-	-	131,501	-	131,501
Issue of shares upon completion of Rights Issue	222,136	151,136	476	189,490	20,152	(27,488)	(10,687)	288,285	833,500	37,366	870,866
At 30 September 2020											

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Unaudited	
	Six months ended 30 September 2021 HK\$'000	Six months ended 30 September 2020 HK\$'000
Net cash flows generated from operating activities	60,690	51,785
Net cash flows generated from investing activities	349	724
Net cash flows (used in)/generated from financing activities	(16,515)	99,316
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,524	151,825
Cash and cash equivalents at beginning of period	255,936	77,657
Effect of foreign exchange rate changes, net	2,415	6,320
CASH AND CASH EQUIVALENTS AT END OF PERIOD	302,875	235,802
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	302,875	235,802

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, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
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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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

2.3 AMENDED HKFRSs ISSUED BUT NOT YET EFFECTIVE

The following amended HKFRSs, potentially relevant to the Group's unaudited condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Annual improvements to HKFRSs Amendments to HKAS 1	Annual Improvements to HKFRSs 2018-2020 ¹ Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Disclosure of Accounting Estimates ²
Amendments to HKAS 12	Recognition of Deferred Tax Liabilities and Deferred Tax Assets ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ³

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022

The Group has already commenced an assessment of the impact of adopting the above amendments to the existing standards to the Group. The Directors anticipate that the application of amended HKFRSs will have no material impact on the Group's financial performance and positions and/or the disclosures to the unaudited condensed consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 March 2021.

4. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

(b) Non-current assets

	Unaudited As at 30 September 2021 HK\$'000	Audited As at 31 March 2021 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).

5. 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 4(a) above.

	Unaudited Six months ended 30 September 2021 HK\$'000	2020 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
	156,096	139,968
Timing of revenue recognition		
A point in time	142,610	126,970
Over time	13,486	12,998
	156,096	139,968
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
	2,879	2,848

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

6. 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 (<i>note 8</i>)):		
– 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.

7. 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)
	2,263	1,913

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Period, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Unaudited Six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Fees	234	150
Other emoluments:		
Salaries, allowances and benefits in kind	2,178	1,860
Pension scheme contributions	18	18
	2,196	1,878
	2,430	2,028

(a) Independent Non-executive Directors

	Note	Salaries, allowances and benefits in kind HK\$'000
Six months ended 30 September 2021		
Mr. Chan Koon Yung		78
Mr. Lum Pak Sum		78
Ms. Hung Wan Fong, Joanne		78
		234
Six months ended 30 September 2020		
Mr. Chan Koon Yung		60
Mr. Lum Pak Sum		60
Mr. Yao Hong	(i)	30
		150

Note:

(i) Resigned on 21 July 2020.

There were no other emoluments payable to the Independent Non-executive Directors during the Period (six months ended 30 September 2020: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive Directors and Non-executive Director

	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
Six months ended 30 September 2021			
Executive Directors:			
Mr. Shi Hua	780	–	780
Mr. Shi Jun	660	9	669
Mr. Law Fei Shing	660	9	669
	2,100	18	2,118
Non-executive Director:			
Mr. Wang Hongjie	78	–	78
	2,178	18	2,196
Six months ended 30 September 2020			
Executive Directors:			
Mr. Shi Hua	780	–	780
Mr. Shi Jun	420	9	429
Mr. Law Fei Shing	600	9	609
	1,800	18	1,818
Non-executive Director:			
Mr. Wang Hongjie	60	–	60
	1,860	18	1,878

There was no arrangement under which a Director or the chief executive waived or agreed to waive any remuneration during the Period (six months ended 30 September 2020: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

9. 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

10. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

10. DIVIDEND (CONTINUED)

- (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.

11. 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.

12. 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).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

13. CEMETERY ASSETS

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

14. INVENTORIES

	Unaudited As at 30 September 2021 HK\$'000	Audited As at 31 March 2021 HK\$'000
Inventories – Tombs	278,304	281,143

As at 30 September 2021, inventories of approximately HK\$192,072,000 (31 March 2021: HK\$212,174,000) are expected to be recovered in more than one year.

15. 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 HK\$'000	Audited As at 31 March 2021 HK\$'000
Within 60 days	598	612
61 to 180 days	–	31
Over 1 year	815	803
	1,413	1,446

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

16. LOAN TO NON-CONTROLLING SHAREHOLDER

During the year ended 31 March 2021, Anxian Yuan (Zhejiang), a wholly-owned subsidiary of the Group, granted a loan to a non-controlling shareholder of Yin Chuan Fu Shou Yuan, the subsidiary of the Group, with principal amount of RMB3,000,000 (equivalent to approximately of HK\$3,550,000). This loan is interest-bearing at 1% per annum with an effective interest rate of 4.64% per annum. The loan and the accrued interest are repayable in five years annually and secured by 30% equity interests of Yin Chuan Fu Shou Yuan held by this non-controlling shareholder.

	Unaudited As at 30 September 2021 HK\$'000	Audited As at 31 March 2021 HK\$'000
Analysed into:		
Current	1,380	608
Non-current	1,933	2,658
	3,313	3,266

17. 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 HK\$'000	Audited As at 31 March 2021 HK\$'000
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
	49,197	47,158

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

Unaudited As at 30 September 2021			
	Effective interest rate (%)	Repayment dates	HK\$'000
Current			
Current portion of long-term bank loans			
– guaranteed and secured (<i>note (a)</i>)	4.75	October 2021 – July 2022	36,010
Other borrowings			
– unsecured (<i>note (b)</i>)	12.00	September 2022	6,002
			42,012
Non-current			
Bank loans			
– guaranteed and secured (<i>note (a)</i>)	4.75	October 2022 – July 2024	73,653
			115,665
Audited As at 31 March 2021			
	Effective interest rate (%)	Repayment dates	HK\$'000
Current			
Current portion of long-term bank loans			
– guaranteed and secured (<i>note (a)</i>)	4.75	April 2021 – January 2022	33,129
Other borrowings			
– unsecured (<i>note (b)</i>)	12.00	September 2022	5,916
			39,045
Non-current			
Bank loans			
– guaranteed and secured (<i>note (a)</i>)	4.75	April 2022 – July 2024	90,348
			129,393

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	Unaudited As at 30 September 2021 HK\$'000	Audited As at 31 March 2021 HK\$'000
Based on the repayment schedules and analysed into:		
Bank loans repayable:		
Within one year	36,010	33,129
In the second year	36,010	35,496
In the third to fifth years, inclusive	37,643	54,852
	109,663	123,477
Other borrowings repayable:		
Within one year	6,002	–
In the second year	–	5,916
	6,002	5,916
	115,665	129,393

Notes:

- (a) As at 30 September 2021, the Group's bank loans amounting to HK\$109,663,000 (31 March 2021: HK\$123,477,000) are secured by 98.38% equity interests in a subsidiary of the Company and properties owned by a related company in which one of the Executive Directors has control, together with the rental income receivables from these properties and guaranteed by a subsidiary.

On 5 November 2021, the Group has early repaid the bank loans in part amounting to HK\$48,013,000, the final repayment date will be revised to April 2023.

- (b) The balance is unsecured and due in September 2022. As this loan contains a repayment on demand clause, it is classified as current liabilities accordingly.
- (c) All borrowings are denominated in RMB.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

19. SHARE CAPITAL

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

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

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

20. CAPITAL COMMITMENTS

The Group had no material capital commitment at the end of the Period (31 March 2021: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

21. 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 (note (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. Details of the key management remuneration are set out in note 8 to the financial statements.

22. 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.

23. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board on 26 November 2021.

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

Anxian Yuan (Zhejiang)	安賢園(浙江)投資管理有限公司 (in English, for identification purpose, Anxian Yuan (Zhejiang) Investment Management Company Limited), a limited liability company established under the laws of the PRC
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)

GLOSSARY

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
Yin Chuan Fu Shou Yuan	銀川福壽園人文紀念園有限公司 (in English, for identification purpose, Yin Chuan Fu Shou Yuan Humanistic Cultural Memorial Park Co. Ltd.), a limited liability company established under the laws of the PRC
Zhejiang Anxian Yuan	浙江安賢陵園有限責任公司 (in English, for identification purpose, Zhejiang Anxian Yuan Company Limited), a limited liability company established under the laws of the PRC
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
RMB	Renminbi, the lawful currency of PRC
%	per cent