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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: 0922)

CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION

1. CONTINUING CONNECTED TRANSACTIONS

Since January 2012, Zhejiang Anxian Yuan, a non-wholly owned subsidiary of the Company, had entered into three guarantee contracts (being the First Guarantee, Second Guarantee, and Third Guarantee) as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An, a Connected Person, under the Loan Agreements made between Fu An as borrower and the Bank as lender.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the First Guarantee was higher than 5% and less than 25% but the total value of the financial assistance to the connected person was higher than HK\$10,000,000, the transaction contemplated under the First Guarantee should be subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Second Guarantee and Third Guarantee was less than 5%, the transaction contemplated under each of the Second Guarantee and Third Guarantee should be subject to the reporting and announcement requirements under the Listing Rules, but was exempt from the circular, independent financial advice and shareholders' approval requirements.

* For identification purposes only

2. DISCLOSEABLE TRANSACTION

Since December 2012, Zhejiang Anxian Yuan has entered into three guarantee contracts as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Haoletian Company under the loan agreements made between Haoletian Company as borrower and the Bank as lender.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the guarantee contract dated 6 December 2012 was higher than 5% but below 25%, the said guarantee contract constituted a discloseable transaction of the Company and should be subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

1. CONTINUING CONNECTED TRANSACTIONS

Since January 2012, Zhejiang Anxian Yuan, a non-wholly owned subsidiary of the Company, has entered into three guarantee contracts (being the First Guarantee, Second Guarantee, and Third Guarantee) as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An, a Connected Person, under the Loan Agreements made between Fu An as borrower and the Bank as lender.

The Company has failed to comply with the announcement requirements in relation to the First Guarantee, Second Guarantee and Third Guarantee pursuant to Chapter 14A of the Listing Rules on a timely basis. The Company considers that this was an inadvertent oversight and an unintentional non-compliance with the Listing Rules. As at the date of this announcement, and as confirmed by Fu An, the loan amount under the Loan Agreements has been fully repaid to the Bank by Fu An, the First Guarantee has expired and the Second Guarantee and Third Guarantee will have no further effect on the Company as there is no outstanding amount due from Fu An to the Bank.

Financial assistance

The provisions of the First Guarantee, Second Guarantee and Third Guarantee were substantially the same save and except the references to the loan agreement and the term of the guarantee period.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Bank and its ultimate beneficial owners are Independent Third Parties.

First Guarantee

The major terms of the First Guarantee are as follows:

Date	6 January 2012
Parties	Zhejiang Anxian Yuan and the Bank
Major terms	<ol style="list-style-type: none">1. On 6 January 2012, Fu An as borrower entered into a loan agreement in respect of a sum of RMB20,000,000 with the Bank as lender. The term of the loan was for a period of 12 months which commenced from 6 January 2012 and ended on 6 January 2013.2. Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An under the First Loan Agreement.3. The maximum amount under the guarantee was RMB24,000,000.4. The guarantee period was two years which commenced on 6 January 2013 and ended on 6 January 2015.

Second Guarantee

The major terms of the Second Guarantee are as follows:

Date	26 November 2013
Parties	Zhejiang Anxian Yuan and the Bank
Major terms	<ol style="list-style-type: none">1. On 26 November 2013, Fu An as borrower entered into a loan agreement in respect of a sum of RMB20,000,000 with the Bank as lender. The term of the loan was for a period of 12 months which commenced from 26 November 2013 and ended on 26 November 2014.2. Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An under the Third Loan Agreement.3. The maximum amount under the guarantee was RMB20,000,000.4. The guarantee period is two years which commenced on 26 November 2014 and will end on 26 November 2016.

Third Guarantee

The major terms of the Third Guarantee are as follows:

Date 23 May 2014

Parties Zhejiang Anxian Yuan and the Bank

Major terms

1. On 23 May 2014, Fu An as borrower entered into a loan agreement in respect of a sum of RMB20,000,000 with the Bank as lender. The term of the loan was for a period of 12 months which commenced from 23 May 2014 and ended on 23 May 2015.
2. Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An under the Fourth Loan Agreement.
3. The maximum amount under the guarantee was RMB24,000,000.
4. The guarantee period is two years which commenced on 23 May 2015 and will end on 23 May 2017.

Reasons for the Guarantees

Fu An is a limited liability company incorporated under the laws of the PRC which is owned as to 42.5% by Mr. Shi Hua, 10% by Mr. Shi Jun, 5% by Ms. Shen Mingzhen, 5% by Ms. Chen Jinjuan, 5% by Mr. Lu Guofu, 5% by Mr. Pan Guoqiang and the remaining 27.5% by the other senior management of Fu An.

Based on the understanding and the previous experience of the management of the Company, the approval process of the Bank in respect of an application for a banking facility from a domestic company required comparatively less time to complete. In light of this, the Company had, in the past years, nominated a domestic company as its borrower for banking facilities from the Bank. The following loan agreements have been entered into in respect of the loan arrangements involving Fu An, a domestic company:

Date of loan agreement	Loan amount	Term of loan	Guarantee contract – guarantee period	Guarantee amount
6 January 2012 (Note 1)	RMB20,000,000	6 January 2012 to 6 January 2013	First Guarantee – 6 January 2013 to 6 January 2015	RMB24,000,000
31 December 2012 (Note 2)	RMB20,000,000	31 December 2012 to 31 December 2013	First Guarantee – 6 January 2013 to 6 January 2015	RMB24,000,000
26 November 2013 (Note 3)	RMB20,000,000	26 November 2013 to 26 November 2014	Second Guarantee – 26 November 2014 to 26 November 2016	RMB20,000,000
23 May 2014 (Note 4)	RMB20,000,000	23 May 2014 to 23 May 2015	Third Guarantee – 23 May 2015 to 23 May 2017	RMB24,000,000 (Note 5)

Notes:

- (1) By the First Loan Agreement, the Bank made available to Fu An a term loan up to RMB20,000,000 which had been fully drawn by Fu An and provided to Zhejiang Anxian Yuan. For the purpose of securing the payment obligations of Fu An under the First Loan Agreement, on 6 January 2012, Zhejiang Anxian Yuan entered into the First Guarantee as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An under the First Loan Agreement. The guarantee period under the First Guarantee was two years which commenced on 6 January 2013 and ended on 6 January 2015. The loan amount under the First Loan Agreement had been repaid to the Bank prior to the expiry of the term of the First Loan Agreement.
- (2) By the Second Loan Agreement, the Bank made available to Fu An a term loan up to RMB20,000,000 which had been fully drawn by Fu An and provided to Zhejiang Anxian Yuan. As the guarantee period under the First Guarantee did not expire until 6 January 2015, the Bank did not require Zhejiang Anxian Yuan to enter into another guarantee contract with the Bank to guarantee the due performance of the payment obligations of Fu An under the Second Loan Agreement. The loan amount under the Second Loan Agreement had been repaid to the Bank prior to the expiry of the term of the Second Loan Agreement.

- (3) By the Third Loan Agreement, the Bank made available to Fu An a term loan up to RMB20,000,000 which had been fully drawn by Fu An and provided to Zhejiang Anxian Yuan. For the purpose of securing the payment obligations of Fu An under the Third Loan Agreement, on 26 November 2013, Zhejiang Anxian Yuan entered into the Second Guarantee as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An under the Third Loan Agreement. The guarantee period under the Second Guarantee is two years which commenced on 26 November 2014 and would end on 26 November 2016. The loan amount under the Third Loan Agreement had been repaid to the Bank prior to the expiry of the term of the Third Loan Agreement.
- (4) By the Fourth Loan Agreement, the Bank made available to Fu An a term loan up to RMB20,000,000 which had been fully drawn by Fu An and provided to Zhejiang Anxian Yuan. For the purpose of securing the payment obligations of Fu An under the Fourth Loan Agreement, on 23 May 2014, Zhejiang Anxian Yuan entered into the Third Guarantee as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Fu An under the Fourth Loan Agreement. The guarantee period under the Third Guarantee is two years which commenced on 23 May 2015 and would end on 23 May 2017. The loan amount under the Fourth Loan Agreement had been repaid to the Bank in January 2015.
- (5) Clarification – The Board wishes to clarify and make good the typographical error on page 34 of the Company’s interim report 2015 (for the six months ended 30 September 2014) in which it was disclosed that as at 30 September 2014 Zhejiang Anxian Yuan provided financial guarantee as a security for a banking facility granted to Zhejiang Anxian Yuan with the aggregate amount of RMB20,000,000. The Board wishes to clarify that the guarantee amount should be “RMB24,000,000” instead of “RMB20,000,000”. The Company apologises for the inadvertent mistake and undertakes that subsequent disclosure will be correct and not misleading.

The loan arrangements involving Fu An, a domestic company, as contemplated under the Loan Agreements together with the Guarantees were entered into for the purpose of obtaining a banking facility in the PRC from the Bank with the proceeds of the facility to be advanced to and used by Zhejiang Anxian Yuan.

The Directors (including the independent non-executive Directors) consider that (a) the terms of the Guarantees and the loan arrangement were fair and reasonable, (b) the Guarantees were on normal commercial terms and were entered into in the ordinary and usual course of business of the Group, and (c) the Guarantees were in the interests of the Company and its shareholders as a whole. As Fu An is controlled by Mr. Shi Hua, Mr. Shi Hua is deemed to have a material interest in the connected transactions contemplated under the Guarantees and hence is required to abstain from voting on the board resolutions approving and ratifying the loan arrangements involving Fu An and the Guarantees in accordance with the Listing Rules.

Listing rules implications

As Mr. Shi Hua, an executive Director, owns 42.5% of Fu An, Fu An is regarded as a Connected Person of the Company. As such the provision of the financial assistance by the Group to Fu An in the form of a guarantee constituted a continuing connected transaction under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the First Guarantee was higher than 5% and less than 25% but the total value of the financial assistance to the connected person was higher than HK\$10,000,000, the transaction contemplated under the First Guarantee should be subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Second Guarantee and Third Guarantee was less than 5%, the transaction contemplated under each of the Second Guarantee and Third Guarantee should be subject to the reporting and announcement requirements under the Listing Rules, but was exempt from the circular, independent financial advice and shareholders' approval requirements.

Non-compliance with the Listing Rules

The Company's failure to comply with the announcement and shareholders' approval requirements at the time when the First Guarantee, Second Guarantee and Third Guarantee were entered into constituted breaches of the relevant Listing Rules. The Company has also failed to disclose the financial guarantee as contemplated under the First Guarantee in its 2012 annual report (for the financial year ended 31 March 2012) and 2013 interim report (for the six months ended 30 September 2012) pursuant to the Listing Rules. The Company considers that the above mentioned failure was an inadvertent oversight and an unintentional non-compliance with the Listing Rules. The Company had inadvertently overlooked the financial guarantee provided by Zhejiang Anxian Yuan as security for a banking facility granted to Fu An as the purpose of the loan arrangement involving Fu An, a domestic company, was to obtain a banking facility in the PRC with the proceeds of the facility to be advanced to and used by Zhejiang Anxian Yuan. The Company had unintentionally focused on the recipient of the proceeds, i.e., Zhejiang Anxian Yuan.

Under Chapter 14A of the Listing Rules, the First Guarantee should also be subject to independent shareholders' approval. Considering that (a) the First Guarantee was on normal commercial terms and was entered into in the ordinary and usual course of business of the Group, (b) as at the date of this announcement, the loan under the First Loan Agreement had been fully repaid by Fu An to the Bank and the guarantee period under the First Guarantee had expired with no detrimental effect on the Company, and (c) compliance with the independent shareholders' approval requirements in respect of the First Guarantee at this point in time would be impractical and would add additional administrative costs to the Company, the Company will not convene an extraordinary general meeting to ratify the First Guarantee.

As at the date of this announcement, and as confirmed by Fu An, the loan of RMB20,000,000 under the Fourth Loan Agreement has been fully repaid to the Bank by Fu An and the Second Guarantee and Third Guarantee will have no further effect on the Company as there is no outstanding amount due from Fu An to the Bank. The Company confirms that the Group will not enter into any further loan arrangements involving Fu An in the future. As such, despite the unintentional non-compliance with the Listing Rules, the Board is of the view that the Guarantees did not and will not have any detrimental effect on the Company.

Future compliance

The Company confirms that save as disclosed above, the Company has not entered into any continuing connected transactions which have not been disclosed as required under the Listing Rules.

In order to better ensure future compliance with the Listing Rules in relation to the connected transactions entered or to be entered into by the Group and to prevent similar incident from happening again, the Company will strengthen the internal control process by thoroughly examination of each likely connected transactions.

2. DISCLOSEABLE TRANSACTION

Since December 2012, Zhejiang Anxian Yuan has entered into three guarantee contracts as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Haoletian Company under the loan agreements made between Haoletian Company as borrower and the Bank as lender.

In the course of reviewing the financial guarantee previously disclosed in its financial statements, the Company noted that the entering into of one of the guarantee contracts by Zhejiang Anxian Yuan in favour of the Bank to secure the banking facilities provided by the Bank to Haoletian Company prior to Haoletian Company becoming a wholly-owned subsidiary of the Company on 5 November 2014 constituted a discloseable transaction of the Company. The Company has failed to comply with the announcement requirements in relation to the guarantee contract dated 6 December 2012 pursuant to Chapter 14 of the Listing Rules on a timely basis.

The following table below sets out all the loan agreements entered into by Haoletian Company and the Bank and the corresponding guarantee contracts entered into by Zhejiang Company.

Date of loan agreement made between Haoletian Company as borrower and the Bank as lender	Loan amount	Date of guarantee contract made between Zhejiang Anxian Yuan as guarantor and the Bank	Guarantee period	Guarantee amount
6 December 2012 (Note 1)	RMB30,000,000	6 December 2012	6 December 2013 to 6 December 2015	RMB30,000,000
4 December 2013 (Note 2)	RMB3,000,000	4 December 2013	4 December 2014 to 4 December 2016	RMB3,000,000
22 May 2014 (Note 3)	RMB17,000,000	22 May 2014	22 May 2015 to 22 May 2017	RMB24,000,000
4 June 2014	RMB3,000,000	22 May 2014 (Note 4)	22 May 2015 to 22 May 2017	RMB24,000,000

Notes:

1. By the loan agreement dated 6 December 2012, the Bank made available to Haoletian Company a term loan up to RMB30,000,000 which had been fully drawn by Haoletian Company and provided to Zhejiang Anxian Yuan. For the purpose of securing the payment obligations of Haoletian Company, on 6 December 2012, Zhejiang Anxian Yuan entered into a guarantee contract as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Haoletian Company. The guarantee period under the guarantee contract dated 6 December 2012 was two years which commenced on 6 December 2013 and would end on 6 December 2015. The loan amount under the loan agreement dated 6 December 2012 had been repaid to the Bank by Haoletian Company prior to the expiry of the term of the agreement.
2. By the loan agreement dated 4 December 2013, the Bank made available to Haoletian Company a term loan up to RMB3,000,000 which had been fully drawn by Haoletian Company and provided to Zhejiang Anxian Yuan. For the purpose of securing the payment obligations of Haoletian Company, on 4 December 2013, Zhejiang Anxian Yuan entered into a guarantee contract as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Haoletian Company. The guarantee period under the guarantee contract dated 4 December 2013 was two years which commenced on 4 December 2014 and would end on 4 December 2016. The loan amount under the loan agreement dated 4 December 2013 had been repaid to the Bank by Haoletian Company prior to the expiry of the term of the agreement.

3. By the loan agreement dated 22 May 2014, the Bank made available to Haoletian Company a term loan up to RMB17,000,000 which had been fully drawn by Haoletian Company and provided to Zhejiang Anxian Yuan. For the purpose of securing the payment obligations of Haoletian Company, on 22 May 2014, Zhejiang Anxian Yuan entered into a guarantee contract as guarantor with the Bank pursuant to which Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Haoletian Company. The guarantee period under the guarantee contract dated 22 May 2014 is two years which will commence on 22 May 2015 and will end on 22 May 2017.
4. By the loan agreement dated 4 June 2014, the Bank made available to Haoletian Company a term loan up to RMB3,000,000 which had been fully drawn by Haoletian Company and provided to Zhejiang Anxian Yuan. As the guarantee period under the guarantee contract dated 22 May 2014 would not expire until 22 May 2017, the Bank did not require Zhejiang Anxian Yuan to enter into another guarantee contract with the Bank to guarantee the due performance of the payment obligations of Haoletian Company.

The provisions of the three guarantee contracts were substantially the same save and except the references to the loan agreement and the term of the guarantee period.

Guarantee contract dated 6 December 2012

The major terms of the guarantee contract are as follows:

Date	6 December 2012
Parties	Zhejiang Anxian Yuan and the Bank
Major terms	<ol style="list-style-type: none"> 1. On 6 December 2012, Haoletian Company as borrower entered into a loan agreement in respect of a sum of RMB30,000,000 with the Bank as lender. The term of the loan was for a period of 12 months which commenced from 6 December 2012 and ended on 6 December 2013. 2. Zhejiang Anxian Yuan had agreed to guarantee the due performance of the payment obligations of Haoletian Company under the loan agreement dated 6 December 2012. 3. The maximum amount under the guarantee was RMB30,000,000. 4. The guarantee period was two years which commenced on 6 December 2013 and ended on 6 December 2015.

Reasons for the transactions

For the same reasons as disclosed under the section headed “Reasons for the Guarantees” above, namely, it was the Company’s understanding that the approval process of the Bank in respect of an application for a banking facility from a domestic company required comparatively less time to complete, the Company had nominated Haoletian Company, a domestic company, as its borrower for banking facilities from the Bank. The loan arrangements involving Haoletian Company were entered into for the purpose of obtaining a banking facility in the PRC from the Bank with the proceeds of the facility to be advanced to and used by Zhejiang Anxian Yuan.

Since 5 November 2014, Haoletian Company has become an indirect wholly-owned subsidiary of the Company.

Listing rules implications

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the guarantee contract dated 6 December 2012 as referred to in the table above was higher than 5% but below 25%, the said guarantee contract constituted a discloseable transaction of the Company and should be subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Non-compliance with the Listing Rules

The Company’s failure to comply with the announcement requirements at the time when the guarantee contracts were entered into constituted breaches of the relevant Listing Rules. By disclosing the financial guarantees provided to Haoletian Company in the Company’s annual reports and interim reports, the Company mistakenly believed that it had complied with the relevant disclosure obligations under the Listing Rules. In order to prevent similar incident from happening again, the Company will strength its internal control process in respect of the disclosure of notifiable transactions (including financial assistance) and will consult its professional advisers on a regular basis. The Company considers that the above-mentioned mistake was an unintentional non-compliance with the Listing Rules.

Clarifications

The Board wishes to clarify and make good the following typographical errors:

1. In note 28 of the financial statements of the interim report 2015 (for the six months ended 30 September 2014) and note 42 of the financial statements of the annual report 2014 (for the financial year ended 31 March 2014), it was disclosed that Haoletian Company is “a related company of which Mr. Shi is the common director with significant control”. Haoletian Company was owned as to 40% by Mr. Yu Xiaogou (俞曉苟), as to 20% by Mr. Pan Guoqiang (潘國強), as to 20% by Mr. Lu Guofu (盧國富) and as to 20% by Ms. Chen Jinjuan (陳金娟). Subsequently, on or about 5 November 2014, the entire equity interest in Haoletian Company was acquired by the Group, as result of which, Haoletian Company became an indirect wholly-owned subsidiary of the Company. Prior to the acquisition, Haoletian Company was not a connected person of the Company as defined under Chapter 14A of the Listing Rules. In this respect, the Board wishes to clarify that Haoletian Company was not a related company and the relevant disclosure in the interim report 2015 and annual report 2014 regarding the “significant control” of Haoletian Company was incorrect.
2. In note 28 of the financial statements of the interim report 2015 (for the six months ended 30 September 2014), it was disclosed that the amount of the financial guarantee provided to Haoletian Company was “RMB3,000,000”. In this respect, the Board wishes to clarify that the guarantee amount should be “RMB24,000,000” instead of “RMB3,000,000”.

The Company apologises for the inadvertent mistakes above and undertakes that the subsequent disclosure will be correct and not misleading.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“Bank”	Hangzhou Yu Hang Branch of China CITIC Bank Corporation Limited (中信銀行股份有限公司杭州余杭分行)
“Board”	the board of Directors
“Company”	Anxian Yuan China Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Stock Exchange (stock code: 922)
“Connected Person”	has the meaning ascribed to it under the Listing Rules

“Directors”	directors of the Company
“First Guarantee”	a guarantee contract (保證合同) dated 6 January 2012 made between Zhejiang Anxian Yuan as guarantor and the Bank
“First Loan Agreement”	a loan agreement in respect of a term loan up to RMB20,000,000 dated 6 January 2012 made between Fu An as borrower and the Bank as lender
“Fourth Loan Agreement”	a loan agreement in respect of a term loan up to RMB20,000,000 dated 23 May 2014 made between Fu An as borrower and the Bank as lender
“Fu An”	浙江富安移民經濟開發有限公司 (in English, for identification purpose only, Zhejiang Fu An Immigration Economic Development Company Limited), a limited liability company established under the laws of the PRC and owned as 42.5% by Mr. Shi Hua
“Group”	the Company and its subsidiaries
“Guarantees”	First Guarantee, Second Guarantee and Third Guarantee
“Haoletian Company”	杭州好樂天禮儀服務有限公司 (in English, for identification purposes, Hangzhou Haoletian Etiquette Services Co. Ltd.), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected or acting in concert with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules) and are not connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	First Loan Agreement, Second Loan Agreement, Third Loan Agreement and Fourth Loan Agreement
“PRC”	People’s Republic of China
“RMB”	Renminbi, lawful currency of the PRC

“Second Guarantee”	a guarantee contract (保證合同) dated 26 November 2013 made between Zhejiang Anxian Yuan as guarantor and the Bank
“Second Loan Agreement”	a loan agreement in respect of a term loan up to RMB20,000,000 dated 31 December 2012 made between Fu An as borrower and the Bank as lender
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Third Guarantee”	a guarantee contract (保證合同) dated 23 May 2014 made between Zhejiang Anxian Yuan as guarantor and the Bank
“Third Loan Agreement”	a loan agreement in respect of a term loan up to RMB20,000,000 dated 26 November 2013 made between Fu An as borrower and the Bank as lender
“Zhejiang Anxian Yuan”	浙江安賢陵園有限責任公司 (in English, for identification purpose only, Zhejiang Anxian Ling Yuan Company Limited), a limited liability company established under the laws of the PRC and a subsidiary of the Company owned as to 98.38% by the Company and as to 1.62% by Fu An
“%”	per cent.

For the purpose of this announcement, the exchange rate at HK\$1.00 = RMB0.788 has been used, where applicable, for purpose of illustration only.

By Order of the Board
ANXIAN YUAN CHINA HOLDINGS LIMITED
Shi Hua
Chairman

Hong Kong, 13 January 2015

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Shi Hua, Mr. Shi Jun, Mr. Law Fei Shing and Ms. Shen Mingzhen; two non-executive directors, namely Mr. Wang Hongjie and Mr. Cheng Gang; and three independent non-executive directors, namely Mr. Chan Koon Yung, Mr. Lai Chun Yu and Mr. Li Xigang.