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ANXIAN YUAN CHINA HOLDINGS LIMITED
安賢園中國控股有限公司*

(formerly known as China Boon Holdings Limited 中福控股發展有限公司*)

(incorporated in Bermuda with limited liability)

(Stock Code: 0922)

DISCLOSEABLE TRANSACTION

The Board is pleased to announce that on 8 May 2014, Shanghai Anxian Yuan (a wholly-owned subsidiary of the Company) entered into the Investment Agreement with two Independent Third Parties in relation to the establishment of the Joint Venture Company, which will be principally engaged in the operation and management of cemeteries and the provision of funeral services in the PRC.

Given that the Percentage Ratios exceed 5% but does not exceed 25% of one or more of the applicable Percentage Ratios, it constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Group's investment in the Joint Venture Company is subject to, among other things, all necessary approvals from the relevant PRC government and regulatory authorities, which may or may not be forthcoming. The transactions contemplated under the Investment Agreement therefore may or may not proceed. Investors or prospective investors are advised to exercise cautions in investing or dealing in the shares of the Company.

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* For identification purposes only

THE INVESTMENT AGREEMENT

Summarised below are the principal terms of the Investment Agreement:

- Date** 8 May 2014
- Parties**
- (1) Shanghai Anxian Yuan
 - (2) Ms. Yu Hui Ying
 - (3) Mr. Wang Wei

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Ms. Yu Hui Ying and Mr. Wang Wei are Independent Third Parties.

Capital contribution by the parties

Pursuant to the Investment Agreement, the registered capital of the Joint Venture Company will be RMB10,000,000, which will be owned as to 51% by Shanghai Anxian Yuan, 29% by Ms. Yu Hui Ying and 20% by Mr. Wang Wei. It is expected that the total investment amount of the Joint Venture Company will be RMB60,000,000. The Group's contribution to the Joint Venture Company will be by way of cash while the contribution of Ms. Yu Hui Ying and Mr. Wang Wei will be by way of the transfer of the land use rights of a piece of land situated at 中國貴州省六盤水市紅果經濟開發區兩河新區花椒水井旁 (in English, for identification purpose only, beside the Huajiao well in Lianghe New District of Hongguo Economic Development Zone, Liupanshui City, Guizhou province, the PRC), with a total site area of approximately 382.78 mu (equivalent to approximately 254,931 square meters) and the related operation permits to the Joint Venture Company. The total amount of contribution by Ms. Yu Hui Ying and Mr. Wang Wei will be equivalent to the total amount payable to the local PRC authority for the transfer of the land use rights of the said land. In the event that the total amount payable to the local PRC authority is less than the total amount agreed to be contributed by Ms. Yu Hui Ying and Mr. Wang Wei, Ms. Yu Hui Ying and Mr. Wang Wei will need to contribution an amount equivalent to the shortfall to the Joint Venture Company by way of cash.

The Joint Venture Company will become a subsidiary of the Company.

Business scope of the Joint Venture Company

The Joint Venture Company will, subject to the approvals from the PRC government and regulatory authorities, be principally engaged in the operation and management of cemeteries and the provision of funeral services in the PRC.

Conditions precedent

The commencement of the business of the Joint Venture Company will be subject to, among others, the following conditions:

- (a) the Joint Venture Company having obtained the land use rights of a piece of land with a total floor area of approximately 382.78 mu (equivalent to approximately 254,931 square meters), of which approximately 20 mu (equivalent to approximately 13,320 square meters) shall be approved to be used for the construction of a funeral parlour and the remaining 362.78 mu (equivalent to approximately 241,611 square meters) shall be approved to be used for the construction of burial sites;
- (b) the Joint Venture Company having obtained a cemetery operation permit; and
- (c) Shanghai Anxian Yuan having completed the due diligence investigation on the investment and is satisfied with the results of the due diligence investigation.

Management organisation

According to the Investment Agreement, the board of directors of the Joint Venture Company will consist of five directors, of whom three will be nominated by the Group and the remaining two will be nominated by Ms. Yu Hui Ying and Mr. Wang Wei. The chairman of the board and the financial controller will be nominated by the Group while the general manager and the legal representative of the Joint Venture Company will be nominated by Ms. Yu Hui Ying and Mr. Wang Wei. In addition, the Joint Venture Company will also establish a supervising committee, which will consist of three members, of whom two will be nominated by the Group and the remaining one will be nominated by Ms. Yu Hui Ying and Mr. Wang Wei. The chairman of the supervising committee will be nominated by the Group.

INFORMATION ON THE JOINT VENTURE COMPANY

The Joint Venture Company was established under the laws of the PRC with a registered capital of RMB10,000,000 (nil paid) and its business licence was issued on 12 May 2014. The parties to the Investment Agreement expect that the business of the Joint Venture Company will commence as soon as practicable after (a) the land use rights of a piece of land with a total floor area of approximately 382.78 mu (equivalent to approximately 254,931 square meters) is transferred to the Joint Venture Company, and (b) the Joint Venture Company obtains the cemetery operation permit from the PRC authority.

REASONS FOR THE INVESTMENT

The Company is an investment holding company and its subsidiaries are principally engaged in the development and operation of cemeteries in the PRC. The investment in the Joint Venture Company is conducted in the ordinary and usual course of business of the Group and will be funded by the Group's internal resources. The Company intends to continue to focus on the cemetery business which the Directors believe has ample growth opportunities due to the growing trend of aged population by further developing its existing cemetery and by acquiring new cemetery in the PRC. The Directors believe that the investment is in line with the business plan of the Company and the investment is in the best interest of the Company and the terms of the Investment Agreement are in normal commercial terms, which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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The Group's investment in the Joint Venture Company is subject to, among other things, all necessary approvals from the relevant PRC government and regulatory authorities, which may or may not be forthcoming. The transactions contemplated under the Investment Agreement therefore may or may not proceed. Investors or prospective investors are advised to exercise cautions in investing or dealing in the shares of the Company.

DEFINITIONS

“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 of Hong Kong Limited (stock code: 00922)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	(a) party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company

“Investment Agreement”	an investment agreement dated 8 May 2014 made between Shanghai Anxian Yuan, Ms. Yu Hui Ying and Mr. Wang Wei in relation to the establishment of the Joint Venture Company
“Joint Venture Company”	貴州盤縣安賢園藝術陵園有限責任公司 (in English, for identification purpose only, Guizhou Pan County Anxian Yuan Cemetery Arts Company Limited), a limited liability company established under the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Percentage Ratios”	the “percentage ratios” as defined in rule 14.04(9) of the Listing Rules
“PRC”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Anxian Yuan”	安賢園(上海)陵園投資管理有限公司 (in English, for identification purpose only, Anxian Yuan (Shanghai) Cemeteries Investment Management Company Limited), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“%”	per cent.

By Order of the Board
ANXIAN YUAN CHINA HOLDINGS LIMITED
SHI HUA
Chairman

Hong Kong, 15 May 2014

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; one non-executive director, namely Mr. Wang Hongjie; and two independent non-executive directors namely Ms. Tang Yan and Mr. Fu Xiao Dong.