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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)

PROFIT WARNING

This announcement is made by Anxian Yuan China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Company and the preliminary assessment by the Company’s management with reference to the latest unaudited consolidated management accounts of the Group for the six months ended 30 September 2019 (the “**Period**”), the Group is expected to record a significant decrease by approximately HK\$2.9 million in net profit for the Period as compared with its financial results for the corresponding period in 2018. Such decline is mainly attributable to, among other factors:

- (i) an increase in income tax expense by approximately HK\$2.1 million in which approximately HK\$2.0 million arising from the decrease in write-back of deferred tax provision during the Period;
- (ii) a decrease in gross profit by approximately HK\$2.6 million mainly from an increase in cost of tombs during the Period; and
- (iii) the effect of the increase in income tax expense and the decrease in gross profit mentioned in paragraphs (i) and (ii) above, respectively, being partially offset by a decrease in finance costs of approximately HK\$2.3 million due to the repayment of borrowings by the Group during the Period, as compared to the corresponding period in 2018.

* *For identification purposes only*

The Group is still in the process of finalising the interim results of the Group for the six months ended 30 September 2019. The information contained in this announcement is only a preliminary assessment by the Group based on the latest unaudited consolidated management accounts of the Group for the six months ended 30 September 2019, which have not been finalised nor approved by the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 September 2019 which is expected to be published by mid of November 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 31 October 2019

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