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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)**

### **SUBSCRIPTION OF NEW SHARES TO BE ISSUED UNDER GENERAL MANDATE**

#### **SUBSCRIPTION**

On 19 September 2014 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue 320,000,000 Subscription Shares at a price of HK\$0.17 per Subscription Share.

The Subscription Shares represent approximately 7.21% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.72% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Shares will be issued under the General Mandate and will rank pari passu in all respects among themselves and with the existing Shares.

Completion of the Subscription pursuant to the Subscription Agreement is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of and permission to deal in the Subscription Shares.

\* For identification purposes only

## **INTRODUCTION**

On 19 September 2014 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue 320,000,000 Subscription Shares at a price of HK\$0.17 per Subscription Share.

## **SUBSCRIPTION AGREEMENT**

Date: 19 September 2014 (after trading hours)

Parties: (1) The Subscriber  
(2) The Company

The Subscriber is an investment fund established in Hong Kong, the trustee of which is Taiping Trustees Limited and the manager is Taiping Assets Management (HK) Company Limited, companies ultimately controlled by China Taiping Insurance Group Limited, a PRC state-owned financial and insurance group.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owners is an Independent Third Party.

### **Subscription Shares**

The Subscription Shares represent approximately 7.21% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.72% of the issued share capital of the Company as enlarged by the Subscription Shares. The nominal value of the Subscription Shares is HK\$32,000,000.

### **Ranking of Subscription Shares**

The Subscription Shares will be issued under the General Mandate and will rank *pari passu* in all respects among themselves and with the existing Shares in issue on the completion date of the Subscription.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### **Subscription Price**

The Subscription Price of HK\$0.17 represents (i) a premium of approximately 8.28% to the closing price of HK\$0.157 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a premium of approximately 4.94% to the average closing prices of HK\$0.162 per Share for the last five consecutive trading days prior to the date of the Subscription Agreement.

Based on estimated expenses of about HK\$100,000 for the Subscription, the Company will be able to receive about HK\$54,400,000 gross proceeds and about HK\$54,300,000 net proceeds from the Subscription. On this basis, the net price per Subscription Share is approximately HK\$0.169.

The Subscription Price was determined with reference to the prevailing market price and liquidity of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber.

### **General Mandate**

The Subscription Shares will be issued under the General Mandate subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM, (i.e. 794,124,520 Shares, representing 20% of 3,970,622,600 Shares in issue as at the date of the AGM). Up to the date of this announcement, no Shares have been issued under the General Mandate. The Subscription is not subject to Shareholders' approval.

### **Condition of the Subscription**

Completion of the Subscription pursuant to the Subscription Agreement is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of and permission to deal in the Subscription Shares.

If the above condition is not fulfilled on or before 6:00 p.m. on 8 October 2014 (or such other date as may be agreed between the Company and the Subscriber), the Subscription Agreement will cease and terminate and neither the Company nor the Subscriber will have any claim against the other for costs, damages, compensation or otherwise.

### **Completion of the Subscription**

The completion of the Subscription is expected to take place on or before 10 October 2014 (or such other date as the Company and the Subscriber may agree).

## Disposal restrictions

Pursuant to the Subscription Agreement, the Subscriber has undertaken to the Company that, without the prior written consent of the Company and unless in compliance with the requirements of the Listing Rules, the Subscriber will not at any time during the period commencing from the Completion Date and ending on the date immediately preceding the third anniversary of the Completion Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Subscription Shares except in the following manner:

<b>Moratorium period</b>	<b>Maximum number of Subscription Shares that can be disposed of</b>
From the Completion Date to the date immediately preceding the first anniversary of the Completion Date	None
From first anniversary of the Completion Date to the date immediately preceding the second anniversary of the Completion Date	106,000,000
From second anniversary of the Completion Date to the date immediately preceding the third anniversary of the Completion Date	106,000,000 and any Subscription Shares rolled over from the previous moratorium period
From third anniversary of the Completion Date and thereafter	108,000,000 and any Subscription Shares rolled over from the previous moratorium period(s)
	<hr/> <b>320,000,000</b> <hr/>

## REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in the development and operation of cemeteries in the PRC.

The Board considers that the Subscription will strengthen the capital base and financial position of the Company. The net proceeds of the Subscription, after deduction of expenses, are estimated to be of approximately HK\$54,300,000 (representing a net Subscription Price of approximately HK\$0.169 per Subscription Share). The Company intends to apply the net proceeds from the Subscription for general working capital and/or to pursue suitable investment opportunities. The Company will continue to seek for suitable investment opportunities for business development. The Company will ensure compliance with the Listing Rules from time to time, and will make further announcement and seek Shareholders' approval as and when necessary. In the event that there is any change to the intended use of proceeds, further announcement will be made by the Company.

The Directors consider that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions and the Subscription is in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company immediately before and after the completion of the Subscription is set out below:

	As at the date of this announcement		Immediately upon the completion of the Subscription	
	Shares	%	Shares	%
Master Point Overseas Limited (Note)	850,000,000	19.14	850,000,000	17.85
Mr. Shi Hua	194,780,000	4.39	194,780,000	4.09
Mr. Law Fei Shing	20,000,000	0.45	20,000,000	0.42
Ms. Shen Mingzhen	95,000,000	2.14	95,000,000	2.00
Mr. Shi Jun	95,000,000	2.14	95,000,000	2.00
Public:				
Subscriber	–	–	320,000,000	6.72
Other public shareholders	<u>3,185,842,600</u>	<u>71.74</u>	<u>3,185,842,600</u>	<u>66.92</u>
Total	<u>4,440,622,600</u>	<u>100.00</u>	<u>4,760,622,600</u>	<u>100.00</u>

Note: 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, an executive director of the Company.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past twelve months.

### **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company held on 26 August 2013
“Board”	the board of Directors of the Company
“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: 00922)
“Completion Date”	the date of actual completion of the Subscription
“Directors”	directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“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

“PRC”	People’s Republic of China
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Taiping Trustees Limited – Taiping Bacui China Investment Fund, an investment fund established in Hong Kong
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	a conditional subscription agreement dated 19 September 2014 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.17 per Subscription Share
“Subscription Shares”	a total of 320,000,000 new Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 19 September 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; two non-executive directors, namely Mr. Wang Hongjie and Mr. Cheng Gang; and one independent non-executive director, namely Mr. Chan Koon Yung.*