HUAXI HOLDINGS COMPANY LIMITED
華禧控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01689)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 September 2014 was approximately HK$143.6 million, increased by 11.1% as compared with approximately HK$129.2 million for the corresponding period in 2013
- Gross profit for the six months ended 30 September 2014 was approximately HK$48.5 million, increased by 5.2% as compared with approximately HK$46.1 million for the corresponding period in 2013
- Profit attributable to equity holders for the six months ended 30 September 2014 was approximately HK$31.5 million, increased by 26.6% as compared with approximately HK$24.9 million for the corresponding period in 2013
- Basic earnings per share for the current period was HK10.01 cents (six months ended 30 September 2013: HK10.36 cents)
- The Board of Directors recommends to declare an interim dividend of HK4.0 cents per share for the six months ended 30 September 2014

The board of directors (the "Board") of Huaxi Holdings Company Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2014, together with the comparative figures for the corresponding period in 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2014

		Six months ended 30 September	
		2014	2013
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**143,599**	129,155
Cost of sales	*5*	**(95,147)**	(83,085)
Gross profit		**48,452**	46,070
Distribution costs	*5*	**(1,352)**	(903)
Administrative expenses	*5*	**(10,530)**	(13,873)
Other gains – net		**404**	11
Operating profit		**36,974**	31,305
Finance income		**2,252**	1,085
Profit before income tax		**39,226**	32,390
Income tax expense	*6*	**(7,763)**	(7,535)
Profit for the period attributable to owners of the Company		**31,463**	24,855
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Currency translation differences		**234**	3,275
Other comprehensive income for the period		**234**	3,275
Total comprehensive income for the period attributable to owners of the Company		**31,697**	28,130
Earnings per share			
– Basic and diluted	*7*	**HK10.01 cents**	HK10.36 cents
Dividends	*8*	**13,570**	35,975

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Note	30 September 2014 HK$'000 (Unaudited)	31 March 2014 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**50,584**	46,784
Prepaid operating lease		**6,866**	6,944
Deferred tax assets		**655**	686
Prepayments		**767**	1,606
		58,872	56,020
Current assets			
Inventories		**34,456**	30,821
Trade receivables	*9*	**99,220**	81,589
Prepayments and other receivables		**5,583**	2,441
Other financial assets		**32,046**	–
Restricted cash		**40,579**	52,299
Bank deposits with maturity over three months		**47,332**	60,450
Cash and cash equivalents		**83,232**	53,226
		342,448	280,826
Total assets		**401,320**	336,846
EQUITY			
Equity attributable to owners of the Company			
Share capital	*11*	**3,393**	3,113
Other reserves		**194,890**	147,980
Retained earnings			
– Proposed dividends		**13,570**	21,788
– Others		**77,734**	59,841
Total equity		**289,587**	232,722
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**3,715**	2,161
Current liabilities			
Trade and notes payable	*10*	**82,170**	73,508
Other payables		**17,809**	18,456
Amounts due to related parties		**–**	714
Current income tax liabilities		**8,039**	9,285
		108,018	101,963
Total liabilities		**111,733**	104,124
Total equity and liabilities		**401,320**	336,846
Net current assets		**234,430**	178,863
Total assets less current liabilities		**293,302**	234,883

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION:

1 GENERAL INFORMATION

Huaxi Holdings Company Limited was incorporated in the Cayman Islands on 29 April 2013 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is the offices of Appleby Trust (Cayman) Ltd., Clifton House, P.O. Box 1350, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. The Company is an investment holding company. The Group is principally engaged in manufacturing and sales of cigarette packing materials in the People's Republic of China (the "PRC").

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 December 2013 ("the Listing").

This condensed consolidated interim financial information for the six months ended 30 September 2014 ("Interim Financial Information") is presented in thousands of Hong Kong dollar ("HK$"), unless otherwise stated. This Interim Financial Information was approved for issue on 14 November 2014.

The Interim Financial Information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

Except as described below, the accounting policies applied are consistent with those described in the annual financial statements for the year ended 31 March 2014.

(a) The following new standards and interpretations and amendments to standards have been issued but are not effective for the financial year beginning 1 April 2014 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendment to IAS/HKAS 19	Defined benefit plans	1 July 2014
Annual improvements 2012	Annual improvements 2010-2012 cycle	1 July 2014
Annual improvements 2013	Annual improvements 2011-2013 cycle	1 July 2014
IFRS/HKFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendment to IFRS/HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
Amendments to IAS/HKAS 16 and IAS/HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
IFRS/HKFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

Management is in the process of assessing the impact of the above new standards and interpretations and is not yet in a position to state whether there will be any substantial changes to the Group's significant accounting policies and presentation of the financial information as a result of adoption of the above new standards and interpretations.

(b) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the manufacturing and sales of packing materials for cigarette in the in PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the directors consider that there is only one segment being used to make strategic decisions.

For the six months ended 30 September 2014, the major operating entity of the Group is domiciled in the PRC. Accordingly, majority of the Group's revenue were derived in the PRC (six months ended 30 September 2013: same).

As at 30 September 2014, majority of the non-current assets were located in the PRC (31 March 2014: same).

4 REVENUE

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
Sales of cigarette packaging and other products	**143,599**	129,155

Except for the two customers below, no other customers individually accounted for more than 10% of the Group's revenue for the six months ended 30 September 2014 (for the six months ended 30 September 2013: same):

	Six months ended 30 September	
	2014	2013
Customer A	**54.6%**	59.7%
Customer B	**18.2%**	19.8%
	72.8%	79.5%

All of the Group's sales are carried out by its subsidiary in the PRC.

5 EXPENSES BY NATURE

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
Cost of inventories sold	**87,813**	76,667
Staff costs (including directors' emoluments)	**8,367**	6,237
Depreciation and amortisation	**2,635**	2,856
Utilities	**1,946**	1,743
Business tax and other taxes	**1,358**	1,096
Transportation	**1,009**	667
Rental expenses	**586**	–
Travelling expenses	**392**	83
Office expenses	**319**	436
Expenses related to initial public offering	**–**	7,431
Other expenses	**2,604**	645
Total cost of sales, distribution costs and administrative expenses	**107,029**	97,861

6 INCOME TAX EXPENSE

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
Current income tax		
– PRC corporate income tax	**6,066**	6,098
Deferred income tax		
– PRC corporate income tax	**144**	(20)
– Withholding income tax for profit to be distributed from the PRC	**1,553**	1,457
	7,763	7,535

No income tax charges relating to components of other comprehensive income existed for the six months ended 30 September 2014 (six months ended 30 September 2013: nil).

7 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2014	2013
Profit attributable to owners of the Company *(HK$'000)*	**31,463**	24,855
Weighted average number of ordinary shares in issue	**314,206,000**	240,000,000
Basic earnings per share	**HK10.01 cents**	HK10.36 cents

In determining the numbers of ordinary shares in issue for the six months ended 30 September 2013, total of 240,000,000 ordinary shares were deemed to be in issue at the beginning of the earliest period presented in the condensed consolidated interim financial statements.

(b) Diluted

There were no potential dilutive ordinary shares outstanding during the six months ended 30 September 2014 (six months ended 30 September 2013: same) and hence the diluted earnings per share is the same as basic earnings per share.

8 DIVIDENDS

A final dividend of HK7.00 cents per ordinary share in respect of the year ended 31 March 2014, totalling approximately HK$21,788,000, were paid during the period.

On 14 November 2014, the Board has resolved to declare an interim dividend of HK4.00 cents per ordinary share, which is payable on or around 30 December 2014 to shareholders who are on the register at 17 December 2014. This interim dividend, amounting to HK$13,570,000, has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year ending 31 March 2015.

9 TRADE RECEIVABLES

	30 September 2014 HK$'000	31 March 2014 HK$'000
Trade receivables	**99,220**	81,589

(a) Ageing analysis of trade receivables at respective balance sheet dates is as follows:

	30 September 2014 HK$'000	31 March 2014 HK$'000
Less than 30 days	**95,312**	76,886
31 days to 60 days	**3,293**	3,301
61 days to 90 days	**30**	750
91 days to 180 days	**474**	35
Over 180 days	**111**	617
	99,220	81,589

As at 30 September 2014, trade receivables of HK$615,000 (31 March 2014: HK$652,000) were past due but not impaired. These relate to two independent customers for whom there is no financial difficulty and the executive directors, based on past experience, consider that those amounts can be recovered.

(b) The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	30 September 2014 HK$'000	31 March 2014 HK$'000
Denominated in RMB	**98,258**	80,636
Denominated in HK$	**962**	953
	99,220	81,589

As at 30 September 2014, the Group's maximum exposure to credit risk was the carrying value of each class of trading receivables mentioned above. The Group does not hold any collateral as security (31 March 2014: same).

10 TRADE AND NOTES PAYABLE

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
Trade payables *(Note (a))*	**41,003**	20,927
Notes payable – bank acceptance notes	**41,167**	52,581
	82,170	73,508

(a) The ageing analysis of trade payables of the Group is as follows:

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
Within 90 days	**39,047**	20,172
91 to 180 days	**1,768**	600
Over 180 days	**188**	155
	41,003	20,927

(b) The Group's trade payables were interest-free and denominated in RMB.

11 SHARE CAPITAL

Authorised share capital	**Number of ordinary shares**	**Nominal value of ordinary shares**	**Equivalent nominal value of ordinary shares**
		HK$	*HK$*
At 29 April 2013 and 30 September 2013	38,000,000	0.01	380,000
Increase in authorised share capital	1,962,000,000	0.01	19,620,000
At 6 December 2013 and 31 March 2014	2,000,000,000	0.01	20,000,000

Issued share capital	**Number of issued shares**	**Amount**
		HK$
At 31 March 2014	311,250,000	3,112,500
Issuance of ordinary shares *(Note (i))*	28,000,000	280,000
At 30 September 2014	339,250,000	3,392,500

(i) On 12 September 2014, the Company issued 28,000,000 ordinary shares of HK$0.01 each at HK$1.70 per share to not less than six placees. Total proceeds from issuance of such new shares before issuance expenses amounted to HK$47,600,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Huaxi Holdings Company Limited (the "Company") together with its subsidiaries (together, the "Group" or "we") is one of the major cigarette-related packaging materials manufacturers and suppliers in the Peoples Republic of China ("the PRC"). Our key products are inner frame paper, cigarette box frame paper, tipping paper, cigarette trademark label, cigarette paper box and other related printing and packaging materials. With such a comprehensive product range, the Group is a trusted packing materials supplier to two of the national backbone cigarette brands, which are among the 30 key cigarette brands across the national market identified by the State Tobacco Monopoly Administration (中國國家煙草專賣局).

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2014, the Group's revenue was approximately HK$143.6 million (for the six month ended 30 September 2013: HK$129.2 million), representing an increase of 11.1% as compared to the corresponding period of 2013. The increase was mainly resulted from our new products, such as transfer printing cardboard and transfer art paper supplied to new customers, who are cigarette packaging manufacturers.

The following table sets forth the breakdown of the Group's revenue by product category for the six months ended 30 September 2014 and 2013:

	Six months ended 30 September			
	2014		**2013**	
	HK$'000	*%*	*HK$'000*	*%*
	(unaudited)		(unaudited)	
Inner frame paper	**65,455**	**45.6**	73,010	56.6
Cigarette box frame paper	**20,873**	**14.6**	15,903	12.3
Tipping paper	**35,236**	**24.5**	31,440	24.3
Cigarette trademark labels	**5,355**	**3.7**	7,127	5.5
Cigarette paper boxes	**1,156**	**0.8**	1,468	1.1
Transfer printing cardboard and transfer art paper	**15,524**	**10.8**	–	–
Others	**–**	**–**	207	0.2
	143,599	**100.0**	129,155	100.0

Gross Profit and Gross Profit Margin

Gross profit of the Group for the period under review was approximately HK$48.5 million, an increase of approximately 5.2% as compared with approximately HK$46.1 million for the corresponding period in 2013. The Group's gross profit margin was approximately 33.7% for the six months ended 30 September 2014, a slight decrease of 2.0% compared with 35.7% for the corresponding period in 2013.

Distribution Costs

Distribution costs primarily consist of transportation expenses for the delivery of products to customers. The total distribution costs increased by HK$0.5 million from approximately HK$0.9 million for the six months ended 30 September 2013 to HK$1.4 million for the corresponding period in 2014. The increase was primarily due to increase in sales and transportation costs, insurance premium and other travelling expenses.

Administrative Expenses

Administrative expenses decreased by approximately HK$3.4 million from approximately HK$13.9 million for the six months ended 30 September 2013 to approximately HK$10.5 million for the six months ended 30 September 2014. The decrease was mainly due to the absence of expenses related to initial public offering of approximately HK$7.4 million which was one-off in nature and was written off in 2013. The Group's regulatory expenses increased by approximately HK$4.0 million which was resulted from an increase of administrative staff costs, legal and professional fees, business development and entertainment expenses and travelling during the period under reviewed.

Finance Income

Finance income of the Group increased from approximately HK$1.1 million for the six months ended 30 September 2013 to approximately HK$2.3 million for the six months ended 30 September 2014. The increase was due to the average increase in bank deposits of the Group during the period.

Income Tax Expenses

The Group's income tax expense increased by approximately HK$0.3 million from approximately HK$7.5 million for the six months ended 30 September 2013 to approximately HK$7.8 million for the six months ended 30 September 2014. The effective tax rate of the Group was approximately 19.8% for the six months ended 30 September 2014, which decreased by approximately 3.5% when compared with approximately 23.3% for the corresponding period in 2013. The decrease was attributable to the decrease of non-deductible initial public offering expenses before tax incurred during the period.

Interim Dividend

The directors recommended the payment of an interim dividend of HK4.00 cent per share amounting to approximately HK$13.6 million. The interim dividend will be paid on or around 30 December 2014 to shareholders whose names appear on the Register of Members of the Company on 17 December 2014.

Closure of registered members

The Register of Members of the Company will be closed from 15 December 2014 to 17 December 2014 (both days inclusive) for the purpose of determining the entitlement to the interim dividend in respect of the six months ended 30 September 2014. In order to be qualified for the interim dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's branch share registrar and transfer office Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 12 December 2014.

Capital structure, liquidity and financial resources

During the period under review, there was an increase in the capital structure through issuance of 28,000,000 new ordinary shares to enhance its capital base and broaden its shareholders' base. The total issued share capital of the Company as at 30 September 2014 consisted of 339,250,000 ordinary shares.

As at 30 September 2014, the Group's total cash including cash and cash equivalents, restricted cash and bank deposits with maturity over three months amounted to HK$171.1 million, compared to HK$166.0 million as at 31 March 2014. Most of the Group's liquid fund is placed as deposits at various banks.

At 30 September 2014, the Group had current assets of approximately HK$342.4 million, (31 March 2014: approximately HK$280.8 million) and current liabilities of approximately HK$108.0 million (31 March 2014: approximately HK$102.0 million). The current ratio (calculated as current assets to current liabilities) increased from 2.75 as at 31 March 2014 to 3.17 as at 30 September 2014.

For the six months ended 30 September 2014, the Group's net cash inflows of operating activities, net cash outflows of investing activities and net cash generated from financing activities amounted to approximately HK$15.5 million, approximately HK$9.9 million and approximately HK$24.5 million respectively. The Group primarily uses cash inflows of operating activities and banking facilities to satisfy the need of the required working capital.

Borrowings and gearing ratio

The Group did not have any borrowing as at 30 September 2014 and 31 March 2014.

Exposure to fluctuations in exchange rate

The Group's exposure to foreign currency risk related primarily to certain bank balances and cash, trade and other receivables and other payables denominated in Hong Kong Dollars. Presently, the Group has no hedging policy with respect to the foreign exchange exposure.

The Group's transactions for our subsidiary in the PRC were mainly conducted in Renminbi ("RMB"), the functional currency of the subsidiary, and the major receivables and payables are denominated in RMB. Accordingly, the Group's exposure to RMB currency risk is insignificant.

Capital expenditure

During the period under review, the Group's total capital expenditure amounted to approximately HK$5.5 million, which was used in the acquisition of property, plant and equipment.

Charge on assets

As at 30 September 2014, the Group had pledged bank deposits amounting to HK$40.6 million (31 March 2014: HK$52.3 million) for issuance of bank acceptance notes.

Saved as above, no other assets of the Group were pledged.

Contingent liability

The Group had no significant contingent liabilities as at 30 September 2014 and 31 March 2014.

Capital commitments

As at 30 September 2014, the Group had capital commitments for the amount of approximately HK$1.2 million (31 March 2014: HK$2.1 million) for acquisition of property, plant and equipment.

Human Resources

As at 30 September 2014, the Group employed 258 employees (as compared with 225 employees as at 31 March 2014). The total staff cost of approximately HK$8.4 million incurred for the six months ended 30 September 2014 (as compared with approximately HK$6.2 million for the six months ended 30 September 2013). The Group's remuneration packages are generally structured with reference to market terms and individual merits.

The Company had also adopted a share option scheme as an incentives to Directors, eligible employees and participants.

OUTLOOK

With over 276.7 million smoking population in 2013, the PRC has the largest cigarette consumer market in the world with a retail value at RMB1,269.4 billion. The retail sales value of cigarettes in the PRC is expected to reach RMB3,187.1 billion by 2018, representing a Compound Annual Growth of approximately 20.2% from 2013. As one of the major packaging material supplier to major cigarette brands in the industry, the Group is set to benefit from this steadily growing market.

Over the past decade, the cigarette industry in the PRC has undergone continuous consolidation. The numbers of cigarette brands has significantly decreased from 1,183 in 2001 to approximately 90 in 2013. The consolidation aims to nurture and build scalable national brands that are designated by the State Tobacco Monopoly Administration (中國國家煙草專賣局). The Group has long been a trusted partner to two of these national backbone cigarette brands. With such successful track record and well-established relationships, the Group is ready to explore more business opportunities with other key cigarette brands in the PRC.

In addition to our geographical expansion plan, the Group is also aiming to diversify our product offering. In the period under review, the Group has entered into strategic cooperation agreements with three individual manufacturers of cigarette packing materials in Shenzhen, Dongguan and Kunming of the PRC. Pursuant to the agreement, we will supply transfer printing cardboard and transfer art paper to these manufacturers. These new business will bring in additional revenue and strengthen our footholds in the industry.

Looking forward, the Group will continue to improve our facilities and implement quality control to maintain quality of our product. At the same time, our management will continue to diversify our product portfolio and seek for suitable acquisition and investment opportunities to offer high growth potential and returns to create long-term shareholder value.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group strives to attain and maintain high standards of corporate governance best suited to the needs of its businesses and the best interests of its stakeholders as the Board believes that effective governance is essential to the maintenance of the Group's competitiveness and to its healthy growth. The Company has adopted and applied the principles of the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. In the opinion of the Directors, the Company was in compliance with the applicable code provisions of the CG Code for the six months ended 30 September 2014 and, where appropriate, the applicable recommended best practices of the CG Code, save and except for the following deviations:

Code Provision A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Zheng Andy Yisheng is the chairman and chief executive officer of the Company. In view of the scale of operations of the Company and the fact that daily operations of the Group's business is delegated to the senior executives and departments heads, the Board considers that vesting the roles of both chairman and chief executive officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

Code Provision A.4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Independent Non-Executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company.

Changes to Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, there was no change to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) during the reporting period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 September 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 September 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Since its listing in the Hong Kong Stock Exchange on 6 December 2013, the Company has maintained the prescribed public float under the Hong Kong Listing Rules, based on the information that is publicly available to the Company and within the best knowledge of the directors.

REVIEW OF FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE

The Audit Committee comprising three members, namely Mr. Lau Kwok Hung (Chairman), Mr. Ma Wenming and Mr. Fok Po Tin, has reviewed the interim results of the Group for the six months ended 30 September 2014.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The electronic version of this announcement will be published on the website of the Stock Exchange (www.hkexnews.com.hk) and on the website of the Company (www.huaxihds.com.hk). The interim report of the Company for the six months ended 30 September 2014 containing all the information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the aforementioned websites in due course.

By order of the Board
Huaxi Holding Company Limited
Zheng Andy Yi Sheng
Chairman

Hong Kong, 14 November 2014

As at the date of this announcement, the Board comprises Mr. Zheng Andy Yi Sheng and Mr. Zheng Minsheng as executive Directors; and Mr. Ma Wenming, Mr. Lau Kwok Hung and Mr. Fok Po Tin as independent non-executive Directors.