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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: 00922)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

The Board of the Company announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2026 together with the comparative figures for the six months ended 30 September 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 September 2026

		Unaudited Six months ended 30 September	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
REVENUE	*5*	**112,630**	98,499
Cost of sales		**(34,409)**	(31,093)
Gross profit		**78,221**	67,406
Other income and expense and gains, net	*5*	**(2,272)**	(14,887)
Selling and distribution expenses		**(11,641)**	(13,867)
Administrative expenses		**(37,857)**	(37,487)
Finance costs	*7*	**(544)**	(739)
PROFIT BEFORE INCOME TAX	*6*	**25,907**	426
Income tax expense	*8*	**(7,599)**	(10,547)
PROFIT/(LOSS) FOR THE PERIOD		**18,308**	(10,121)

* *For identification purposes only*

	Notes	Unaudited Six months ended 30 September 2026 HK$'000	2025 HK$'000
Profit/(Loss) for the period attributable to:			
Owners of the Company		**18,066**	(6,010)
Non-controlling interests		**242**	(4,111)
		18,308	(10,121)
EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD			
Basic and diluted *(HK cents)*	*10*	**0.81**	(0.27)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2026

	Unaudited Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**18,308**	(10,121)
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**25,869**	10,606
Item that will not be reclassified subsequently to profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")	**–**	7
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, AFTER TAX	**25,869**	10,613
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**44,177**	492
Total comprehensive income/(expense) for the period attributable to:		
Owners of the Company	**44,843**	4,227
Non-controlling interests	**(666)**	(3,735)
	44,177	492

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

	Notes	**Unaudited 30 September 2026** ***HK$'000***	Audited 31 March 2026 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**57,110**	59,681
Right-of-use assets	*11*	**1,557**	2,745
Intangible assets	*11*	**421,934**	411,696
Goodwill		**–**	–
Financial assets at FVTOCI		**–**	–
Cemetery assets	*12*	**381,977**	380,148
Total non-current assets		**862,578**	854,270
CURRENT ASSETS			
Inventories		**212,152**	213,042
Trade receivables	*13*	**7,104**	6,986
Prepayments, deposits and other receivables		**1,528**	1,873
Loan to non-controlling shareholder		**486**	446
Fixed time deposits		**5,823**	11,326
Cash and cash equivalents		**191,976**	199,380
Total current assets		**419,069**	433,053
CURRENT LIABILITIES			
Trade payables	*14*	**57,351**	50,206
Other payables and accruals	*15*	**53,179**	115,910
Contract liabilities		**30,942**	20,611
Interest-bearing bank borrowings		**23,531**	33,977
Lease liabilities		**167**	524
Tax payables		**38,038**	36,873
Total current liabilities		**203,208**	258,101
NET CURRENT ASSETS		**215,861**	174,952
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,078,439**	1,029,222

	Notes	**Unaudited 30 September 2026** ***HK$'000***	Audited 31 March 2026 *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**2,097**	–
Contract liabilities		**55,344**	53,110
Lease liabilities		**–**	24
Deferred tax liabilities		**109,335**	108,602
Total non-current liabilities		**166,776**	161,736
NET ASSETS		**911,663**	867,486
EQUITY			
Share capital	*16*	**222,136**	222,136
Reserves		**658,138**	613,295
Equity attributable to owners of the Company		**880,274**	835,431
Non-controlling interests		**31,389**	32,055
TOTAL EQUITY		**911,663**	867,486

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2026

1. CORPORATE AND GROUP INFORMATION

Anxian Yuan China Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and domiciled in Hong Kong. The registered office of the Company is located at Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda. The Company's principal place of business in Hong Kong is Room 1215, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong. During the Period, the Group principally engaged in the cemetery business in the PRC.

As at 30 September 2026 the Company's immediate and ultimate parent is Master Point Overseas Limited which was incorporated in the British Virgin Islands (the "BVI"). Its ultimate controlling party is Mr. Shi Hua, who is also the chairman and executive director of the Company.

2.1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the Period have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements of the Listing Rules.

These financial statements have been prepared under the historical cost convention, except for equity investments which were stated at fair value. They are presented in HK$, which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

These financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2026.

2.2 ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS

Except as described below, the accounting policies used in the unaudited condensed consolidated financial statements for the Period are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2026. In the Period, the Group has applied for the first time the following new standards, amendments and interpretation issued by the HKICPA that are relevant for the preparation of the Group's unaudited condensed consolidated financial statements.

The HKICPA has issued the amendments to HKFRSs that are first effective and relevant to the current accounting period of the Group:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Annual improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1 First time adoption of Hong Kong Financial Reporting Standards, HKFRS 7 Financial Instruments: Disclosure, HKFRS 9 Financial Instruments, HKFRS 10 Consolidated Financial Statements, HKAS 7 Statement of Cash Flows

The application of the above amendments to HKFRSs in the Period has had no material effect on the amounts reported in the unaudited condensed consolidated financial statements and/or disclosures set out in these financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 March 2026.

4. OPERATING SEGMENT INFORMATION

The chief operating decision maker considers that the operation of the Group constitutes a single operating segment as the revenue and profit are derived from cemetery business entirely from the People's Republic of China ("PRC"). Accordingly, no segment analysis is presented. The majority of property, plant and equipment and cemetery assets is located in the PRC. The information reported to the chief operating decision maker for the purpose of resources allocation and assessment of performance are same as the amounts reported under HKFRS Accounting Standards.

Geographical information

(a) Disaggregated revenue from external customers

	Unaudited Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
The PRC	**112,630**	98,499

The revenue information above is based on the location of the customers.

(b) Non-current assets

	Unaudited As at 30 September 2026	Audited As at 31 March 2026
	HK$'000	*HK$'000*
Hong Kong	**1,543**	1,842
The PRC	**861,035**	852,428
	862,578	854,270

Non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

For the period ended 30 September 2026, no (six months ended 30 September 2025: Nil) revenue from a single customer accounted for 10% or more of the Group's revenue.

5. REVENUE, OTHER INCOME AND EXPENSE AND GAINS, NET

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products and services and timing of revenue recognition. The Group has only one reportable operating segment which is the cemetery business in the PRC, and the disaggregated geographic information of revenue has been set out in note 4(a).

	Unaudited Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Revenue by products and services		
Sales of tombs and niches	**100,890**	88,560
Management fee income	**4,597**	4,152
Burial services	**7,143**	5,787
	112,630	98,499
Timing of revenue recognition		
At point in time	**100,890**	88,560
Over time	**11,740**	9,939
	112,630	98,499
Other income and expense and gains, net		
Gain on disposals of property, plant and equipment,net	**–**	1
Bank interest income	**453**	1,654
Under-provision of Value-Added Tax ("VAT") and surcharges (note (i))	**(3,123)**	(18,044)
Others	**398**	1,502
	(2,272)	(14,887)

Note (i)

On 20 June 2025 and 11 June 2026, Yin Chuan Fu Shou Yuan received two tax notices (the "Fu Shou Yuan Tax Notices") issued by the First Inspection Bureau of the Yin Chuan Municipal Tax Service of the State Taxation Administration of the PRC (國家稅務總局銀川市稅務局第一稽查局)(the "Yin Chuan Tax Bureau") regarding the tax audit of Yin Chuan Fu Shou Yuan for the period from 1 June 2020 to 31 December 2024. Pursuant to the result of the tax audit, Yin Chuan Fu Shou Yuan's cemetery business is assessed as not satisfying certain applicable conditions for VAT exemption for the relevant period. Pursuant to the Fu Shou Yuan Tax Notices, the VAT payable for the period from 1 June 2020 to 31 December 2024 shall be re-assessed based on the applicable rate of 5%, 6% or 9% depending on certain criteria. The additional VAT and surcharges (the "Fu Shou Yuan Additional Tax") amounts to approximately HK$17,830,000 was provided for the year ended 31 March 2026.

On 11 May 2026, Zhejiang Anxian Yuan received a tax notice (the "Anxian Yuan Tax Notice") issued by the Inspection Bureau of the Hangzhou Municipal Tax Service of the State Taxation Administration (國家稅務總局杭州市稅務局稽查局)(the "Hangzhou Tax Bureau") pursuant to which Zhejiang Anxian Yuan is required to conduct a tax self-assessment for the period from 1 January 2021 to 31 December 2025, and to settle any resulting tax under provision on or before 15 June 2026.

In view of the final result of the tax affair investigation of Yin Chuan Fu Shou Yuan and pursuant to the requirement of the Anxian Yuan Tax Notice, management assessed that the additional VAT and surcharges of Zhejiang Anxian Yuan (the "Anxian Yuan Additional Tax") amounted to approximately HK$95,678,000 for the year ended 31 March 2026 of which approximately HK$65,988,000 was settled during the Period. The Group considers that the Fu Shou Yuan Additional Tax and the Anxian Yuan Additional Tax arose primarily because of the divergence in interpretation between the Yin Chuan Tax Bureau/the Hangzhou Tax Bureau and the Group regarding the applicability of certain tax exemptions to the cemetery business. Based on the Group's internal assessments conducted in prior years and the legal advice of the Group's PRC tax expert, the Group's historical position regarding these tax exemptions was substantiated by the relevant policy background, applicable tax regulations, actual regulatory practices, and prevailing industry standards.

During the Period, the final amounts of the Fu Shou Yuan Additional Tax and the Anxian Yuan Additional Tax were determined. Accordingly, a further provision of approximately HK$3,123,000 was recognized as an expense by the PRC subsidiaries of the Company for the Period (six months ended 30 September 2025: approximately HK$18,044,000). As at 30 September 2026, the outstanding payables for the Fu Shou Yuan Additional Tax and the Anxian Yuan Additional Tax amounted to approximately HK$37,645,000 (31 March 2026: approximately HK$102,472,000).

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Unaudited Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Amortisation of intangible assets*	**1,511**	1,203
Amortisation of cemetery assets*	**5,819**	5,103
Cost of inventories sold recognised as expense	**24,718**	23,600
Cost of services provided	**2,361**	1,187
Depreciation on property, plant and equipment	**4,357**	3,980
Depreciation on right-of-use assets	**1,397**	1,436
Employee benefit expense (excluding directors' and chief executives' remuneration):		
– Wages and salaries	**16,000**	16,980
Loss on disposals of property, plant and equipment, net	**1**	–

* Amortisations of intangible assets and cemetery assets for the periods are included in "Cost of sales" in the condensed consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Unaudited Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Interest on lease liabilities	**10**	23
Interest on interest-bearing bank borrowings	**534**	903
Less: Interest capitalised	**–**	(187)
	544	739

8. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Company are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in that jurisdiction (six months ended 30 September 2025: Nil).

No (six months ended 30 September 2025: Nil) provision for Hong Kong profits tax has been made as the Group had no (six months ended 30 September 2025: Nil) assessable profits derived from or earned in Hong Kong during the Period.

Provision for the PRC current income tax is based on the statutory rate of 25% (six months ended 30 September 2025: 25%) of the assessable profits of the PRC subsidiaries of the Company as determined in accordance with the PRC Corporate Income Tax Law.

The major components of income tax expense are as follows:

	Unaudited Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Current tax – PRC Corporate Income Tax		
– Tax for the period in the PRC	**9,282**	7,666
Under-provision in prior years	**–**	2,021
PRC dividend withholding tax (credit)/expense	**(967)**	1,453
Deferred tax	**(716)**	(593)
Total income tax expense for the period	**7,599**	10,547

9. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2026 (six months ended 30 September 2025: Nil).

10. EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share is based on the profit for the Period attributable to owners of the Company over the weighted average number of ordinary shares of 2,221,363,000 (six months ended 30 September 2025: 2,221,363,000) in issue during the Period.

There was no dilutive potential ordinary shares outstanding during the periods ended 30 September 2026 and 2025 and hence the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the Period, the Group acquired items of property, plant and machinery with a cost of HK$217,000 (six months ended 30 September 2025: HK$974,000). Items of property, plant and machinery with a net carrying value of HK$9,000 were disposed of during the Period (six months ended 30 September 2025: HK$0), resulting in a loss on disposal of HK$1,000 (six months ended 30 September 2025: gain of HK$1,000).

As at 30 September 2026, buildings with net carrying value approximately of HK$7,688,000 were pledged for interest-bearing bank borrowings (31 March 2026: approximately of HK$7,675,000).

In addition, the Group has entered into new lease agreements during the Period. Right-of-use assets amounted to HK$152,000 (six months ended 30 September 2025: HK$764,000) has been recognised for the Period accordingly.

No additions to intangible assets was made during the Period (six months ended 30 September 2025: Nil).

12. CEMETERY ASSETS

	Unaudited As at 30 September 2026 *HK$'000*	Audited As at 31 March 2026 *HK$'000*
Net carrying value of:		
Leasehold lands	**196,945**	198,311
Landscape facilities	**185,032**	181,837
	381,977	380,148

During the Period, the Group did not acquire leasehold land (31 March 2026: addition of land transfer fee at a cost of approximately HK$138,200,000).

13. TRADE RECEIVABLES

Ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, if any, is as follows:

	Unaudited As at 30 September 2026 *HK$'000*	Audited As at 31 March 2026 *HK$'000*
Within 60 days	**3,697**	415
61 to 180 days	**–**	4,290
181 to 365 days	**2,113**	–
Over 1 year	**1,294**	2,281
	7,104	6,986

14. TRADE PAYABLES

Ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Unaudited As at 30 September 2026 *HK$'000*	Audited As at 31 March 2026 *HK$'000*
Within 90 days	**10,448**	20,422
91 to 180 days	**6,911**	7,986
181 to 365 days	**20,521**	1,045
Over 1 year	**19,471**	20,753
	57,351	50,206

15. OTHER PAYABLES AND ACCRUALS

	Unaudited As at 30 September 2026	Audited As at 31 March 2026
	HK$'000	*HK$'000*
Accruals	**12,626**	10,274
Deposits received	**117**	–
Provision for under provision of VAT and surcharge (note (i))	**37,645**	102,472
Other payables	**2,791**	3,164
	53,179	115,910

Notes:

(i) The amount represents provision for the Fu Shou Yuan Additional Tax and the Anxian Yuan Additional Tax, details of which are disclosed in note 5 to the condensed consolidated financial statements.

(ii) Other payables are non interest-bearing and repayable on demand.

16. SHARE CAPITAL

	Unaudited As at 30 September 2026	Audited As at 31 March 2026
	HK$'000	*HK$'000*
Issued and fully paid:		
2,221,363,000 (31 March 2026: 2,221,363,000) ordinary shares	**222,136**	222,136

A summary of movements in the Company's share capital is as follows:

	Number of shares	**Nominal Value**
	'000	*HK$'000*
Issued and fully paid:		
As at 31 March 2026 and 30 September 2026	**2,221,363**	222,136

17. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the Period.

(a) Other transactions with related parties

	Unaudited Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Consultancy fee to a related company in which one of the executive directors has control (notes (i) and (ii))	**98**	98
Lease payment to a related company in which one of the executive directors has control (notes (i) and (iii))	**483**	481
Carpark fee to a related company in which a close family member of one of the executive directors has control (notes (i) and (iv))	**30**	30

Notes:

(i) These transaction constitute de minimis transactions under Rule 14A.76(1)(c) of Chapter 14A of the Listing Rules and are therefore fully exempted from all disclosure requirements.

(ii) These transactions related to consultancy fee paid to a related party in which one of the executive directors has control.

(iii) These lease expenses related to rental payment to related party in which one of the executive directors has control.

(iv) These carpark expenses related to carpark payment to related party in which a close family member of one of the executive directors has control.

(b) Compensation of key management personnel of the Group

The Directors are of the opinion that the key management are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and are defined as the Executive Directors, Non-executive Directors and the Chief Executive Officer of the Company.

18. EVENTS AFTER THE REPORTING DATE

There were no material events after the reporting date that require disclosure up to the approval date of the condensed consolidated financial statements.

MARKET OVERVIEW

Nowadays, market uncertainty has become the norm, but one category of demand remains stable. Funeral services correspond to the most basic final arrangements in life: they do not depend on consumer confidence, rise and fall with industry cycles, or get replaced by technological iteration. This defensive attribute, combined with improved service standards, the application of digital technologies, and a more complete regulatory framework in recent years, has begun to create conditions for repricing the industry value that had long been undervalued.

According to the Statistical Communiqué of the People's Republic of China on the 2025 National Economic and Social Development released by the National Bureau of Statistics, at the end of 2025, the population aged 60 and above nationwide was 323.38 million, accounting for 23.0% of the total population, of whom 223.65 million were aged 65 and above, accounting for 15.9% of the total population; the number of deaths for the year was 11.31 million.[1] China has entered a stage of moderate population aging that continues to deepen, providing the industry with a relatively stable demand curve that can be observed over the long term. The consumption structure is also changing. In the first half of 2026, national retail sales of services grew 5.3% year on year, significantly faster than the 1.1% growth in retail sales of goods.[2] Life services are shifting from "necessity" to "worth doing", opening up more value space for the industry.

Meanwhile, the newly revised Funeral Management Regulations came into force on 30 March 2026. This is the first comprehensive revision since 1997. It clarifies the public-benefit nature of funeral undertakings and establishes requirements for service-list management, price monitoring, whole-chain supervision covering "death, funeral, burial, and memorial," and land-saving and ecological practices.[3] As the rules become clearer, the valuation discount previously caused by regulatory ambiguity has diminished accordingly.

References:

1. National Bureau of Statistics of China: Statistical Communiqué of the People's Republic of China on the 2025 National Economic and Social Development
Website: https://www.stats.gov.cn/zwfwck/sjfb/202602/t20260228_1962662.html

2. The State Council of the People's Republic of China (gov.cn): National Service Retail Sales Grew 5.3% Year on Year in the First Half of 2026
Website: https://www.gov.cn/lianbo/202607/content_7075567.htm

3. The State Council of the People's Republic of China (gov.cn): Regulations on the Administration of Funerals and Burials (Newly Revised)
Website: https://www.gov.cn/gongbao/2026/issue_12506/202601/content_7055203.html

Changes on the supply side warrant closer attention. In May 2026, the Ministry of Civil Affairs of the PRC published the Administrative Measures for Cemeteries (Revised Draft for Soliciting Comments) for public consultation. The draft expressly provides that newly established cemetery operators must be government-run, that no new profit-making operators will be established, and that areas accounting for no less than 30% of the total area of burial plots must be designated for ecological burials or the interment of cremated remains in niches[4]. With the channel for additional profit-making supply closed, the scarcity of land resources and operating licences for existing commercial cemeteries has further increased. While the regulatory requirements have raised the barriers to entry, they have also created greater opportunities for compliant operators to gain market share.

Changes in consumer attitudes on the demand side have already taken place, while adjustments to products on the supply side are only beginning. During the Qingming Festival period in 2026, 64.58% of people attending on-site memorial activities chose green and low-carbon forms of remembrance, whereas only 3.85% of burials on that day adopted ecological burial methods[5]. The gap between these two figures points to clear growth potential for land-saving ecological burial products. Artificial intelligence and cloud-based memorial services extend the service cycle from several days to several decades. The industry is transitioning from a resource-driven model to a service-oriented model, with a more stable revenue structure and greater resilience to economic cycles.

In terms of market size, China's funeral services market was valued at RMB169.5 billion in 2015 and is expected to reach RMB521.2 billion by 2030[6]. Another estimate puts the market at RMB257.7 billion in 2020 and projects it to reach RMB411.4 billion in 2026, representing a compound annual growth rate of approximately 8.1%[7]. This is a market underpinned by intrinsic demand and not dependent on subsidies or external economic conditions. Market participants have long been fragmented, with distinct regional characteristics. The ongoing standardisation of the industry is driving the consolidation of resources among enterprises with strong capital bases, product capabilities and service standards, creating growth opportunities for quality enterprises beyond the overall growth of the industry.

Funeral services are one of the oldest needs of human society and one of the industries least disrupted by cycles and technology. In China, the industry has just completed its first modern legislative framework, beginning to align with capital, technology, and modern service standards under clear rules. With three conditions met simultaneously, namely certain demand, scarce supply, and clear rules, a long-underestimated industry is entering a phase of value reassessment.

4. CNR (China National Radio): Public Consultation on the Measures for the Administration of Cemeteries (Revised Draft for Comment)
Website: https://news.cnr.cn/native/gd/20260515/t20260515_527622077.shtml

5. Ministry of Civil Affairs of the People's Republic of China: Announcement on Data Concerning Tomb-Sweeping and Eco-friendly Burials
Website: https://www.mca.gov.cn/n152/n164/c1662004999980010007/content.html

6. Eastmoney Caifuhao: Forecast Data on the Market Size of China's Funeral Services Industry
Website: https://caifuhao.eastmoney.com/news/20251013132914173186420

7. JLL (Jones Lang LaSalle): Report on the Assessment and Measurement of the Life Services Industry
Website: https://www.joneslanglasalle.com.cn/zh-cn/insights/jlls-report-assessment-and-measurement-in-the-life-services-industry

BUSINESS REVIEW AND OUTLOOK

As one of the leading enterprises in the funeral and burial industry in China, the Group has always upheld "respecting life and serving life" as its core principle, continuously enhancing the professionalism of its services, emphasizing humanistic care, and providing customers with a relatively peaceful resting environment, so that the deceased can rest in peace and the bereaved can find meaningful solace.

During the period under review, the Group maintained stable overall operations. Despite the imposition of price caps on cemetery plots, an increased proportion of public-benefited products, and tighter requirements governing fee schedules and pricing standards, the Group's sales remained broadly flat compared with the corresponding period of the previous year, with no significant fluctuations in its core business operations. The trend towards adjusting the product mix in favour of land-saving and ecological burial solutions and smaller-scale products became more pronounced, while the optimisation of the cost structure began to be reflected in operating results. The Group's ability to maintain stable revenue and optimise its product mix during this period of regulatory transition demonstrates an improvement in the quality of its operations.

The shift from a reactive approach to compliance towards proactive management was one of the more substantive achievements during the period under review. In response to regulatory requirements governing the entire service chain of death care, funeral services, burial and memorial services, the Group enhanced its mechanisms for the public disclosure of fee schedules, price monitoring and reporting, self-inspection of grave plot specifications, and customer record management. The Group strictly implemented the requirement that "no fees may be charged beyond those specified in the published fee schedule" and cooperated with the supervision and inspections and cross-regional research conducted by local civil affairs authorities. During the period under review, the Group recorded zero major safety incidents involving accountability. On the product front, the Group accelerated the shift towards compact, high-quality and land-saving ecological burial solutions, establishing a tiered product offering through various forms of burial, including tree burial, lawn burial, wall burial and flower bed burial. As land area is no longer used as the basis for pricing, the value delivered per unit of land area is increasingly replacing the size of the land occupied as a key competitive differentiator. In terms of technology, the "Boundless" Smart Life Experience Space continued to be enhanced, integrating technologies such as AI interaction, cloud-based remembrance services and immersive farewell ceremonies. These innovations extend the farewell process, traditionally concentrated within a few days, into ongoing memorial companionship over many years. Customer relationships are thus evolving from one-off transactions towards long-term engagement, contributing to a more stable revenue structure.

In terms of park activities, Zhejiang Anxian Yuan organized the "Spring of Remembrance" community service initiative during the Qingming Festival, offering free health check-ups, an interactive "Civilization Eco Tree" installation, and eco-friendly water-soluble letter paper. Leveraging the Zhejiang Anxian Life Museum, it also hosted a "treasure hunt" featuring Anti-Japanese War relics and folk culture interactive activities. In May 2026, Zhejiang Anxian Yuan co-hosted the 19th "Anxian Cup" Hangzhou Retired Cadres Fishing Competition. On 1 July 2026, it held a themed Party Day event under the title "Remembering Party History, Passing the Torch(銘記黨史薪火長傳)". On 3 September 2026, a commemorative ceremony titled "A Flower for Our Heroes(我為英雄送朵花)" was held at the Zhejiang Anti-Japanese War Veterans Memorial Park to mark the 81st anniversary of the Victory of the War of Resistance Against Japanese Aggression. Yin Chuan Fu Shou Yuan, during the Qingming period, received public security officers, school teachers and students, veterans, and members of the public for martyrs memorial activities. On 30 September 2026 Martyrs' Day, it hosted the flower-laying ceremony organized by the Autonomous Region Public Security Department and the Yinchuan Municipal Public Security Bureau in honor of public security martyrs. These activities continued to bring family foot traffic to the parks at relatively low cost, established customer awareness and trust at an early stage and constituted a source of brand differentiation.

Looking ahead, the certainty of industry demand remains unchanged; what has changed is the way growth is distributed—resources, market share, and policy support will flow more toward compliant operators with strong credit standing, product capabilities, and refined management skills. The Group will continue to uphold its business philosophy of"people-oriented, culture-rooted, guided by science, and dedicated to service"(以人為本、文化為根,科學為繩、服務為宗), with compliance as the foundation, quality and efficiency enhancement as the goal, and innovation as the means to expand space. On the one hand, the Group will consolidate the base of stable sales revenue, optimize the cost structure, and increase the supply of land-saving ecological and compact products. On the other hand, the Group will accelerate the optimization and replication of digital scenarios, actively expand into the funeral service sector, and gradually develop an integrated service framework covering burial, funeral, and memorial services. The Group will navigate policy and cyclical fluctuations, continue to enhance the value carried by land, and create relatively stable long-term returns for shareholders.

CEMETERY BUSINESS

The revenue growth rate and gross profit ratio are the key measurements used for the assessment of business performance. Set out below is the table summarizing the key performance indicators for the Group's business.

		Six months ended 30 September	
Key performance indicators	**Definition**	**2026**	2025
Revenue growth rate	Total revenue in current Period vs last period	**+14.3%**	–3.7%
Gross profit ratio	Gross profit over total revenue	**69.4%**	68.4%

During the Period, the Group remain focused on its cemetery business in the PRC.

FINANCIAL REVIEW

For the Period, the Group recorded a net profit of approximately HK$18.3 million (six months ended 30 September 2025: net loss of approximately HK$10.1 million) and revenue of approximately HK$112.6 million (six months ended 30 September 2025: approximately HK$98.5 million). The Group's earnings before interest and tax was approximately HK$26.5 million (six months ended 30 September 2025: approximately HK$1.2 million). The Group's gross profit ratio increased from 68.4% for the six months ended 30 September 2025 to 69.4% for the Period.

Revenue

Total revenue for the Period increased by 14.3% to approximately HK$112.6 million (six months ended 30 September 2025: approximately HK$98.5 million). Gross profit for the Period increased to approximately HK$78.2 million (six months ended 30 September 2025: approximately HK$67.4 million) compared with the previous period. The increase in revenue and gross profit was mainly due to total number of tombs sold was increased by approximately 10.0%.

Of the total revenue of approximately HK$112.6 million (six months ended 30 September 2025: approximately HK$98.5 million), sales of tombs and niches amounted to approximately HK$100.9 million (six months ended 30 September 2025: approximately HK$88.6 million). Revenue from burial services increased to approximately HK$7.1 million (six months ended 30 September 2025: approximately HK$5.8 million) because an increase in catering income generated within cemetery areas during the Period.

Other income and expenses and gains, net

For the period, the Group recorded a decrease in other income by approximately HK$2.3 million. Such decrease was mainly due to the drop in bank interest received amounting to approximately HK$0.5 million for the Period (six months ended 30 September 2025: approximately HK$1.7 million).

The Group recognised an under-provision of Value-Added Tax ("VAT") and the charges of approximately HK$3.1 million for the Period. (six months ended 30 September 2025: approximately HK$18.0 million). This decrease was mainly due to lower additional VAT and other charges recognised by Yin Chuan Fu Shou Yuan and Zhejiang Anxian Yuan for prior periods.

The Board considered that the reassessment of additional VAT and surcharges associated with Yin Chuan Fu Shou Yuan and Zhejiang Anxian Yuan were non-recurring events that will not have any material adverse effect on the Group's ongoing operations, and did not significantly impact its financial position or performance for the Period. Details are set out in note 5 to the condensed consolidated financial statements.

Selling and distribution expenses

Selling and distribution expenses decreased from approximately HK$13.9 million to approximately HK$11.6 million compared with last period. It was mainly due to a reduction in promotional expenses for the cemetery market.

Administrative expenses

Administrative expenses increased slightly from approximately HK$37.5 million to approximately HK$37.9 million compared with last period. Such increase was mainly due to an increase in land use tax in respect of cemetery leasehold lands.

Finance costs

The Group recorded a decrease in finance costs by approximately HK$0.2 million period-on-period. Such decrease was primarily due to a lower weighted average balance of bank borrowings and interest rates during the Period.

Income tax expense

Income tax expense decreased from approximately HK$10.5 million to approximately HK$7.6 million, mainly due to absence of one-off PRC profit tax under-provision of approximately HK$2.0 million recorded for the six months ended 30 September 2025.

Profit for the period attributable to the owners of the Company

As a result of the reasons mentioned above, profit attributable to the owners of the Company for the Period was approximately HK$18.1 million (six months ended 30 September 2025: loss of approximately HK$6.0 million) representing a turnaround from loss to profit as compared to the corresponding period in 2025.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's business operations were funded by its internal resources and bank borrowings. A summary of the condensed consolidated statement of cash flows for the periods ended 30 September 2026 and 2025 were as follows:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Net cash flows (used in)/generated from operating activities	**(8,611)**	25,797
Net cash flows generated from/(used in) investing activities	**5,858**	(73,737)
Net cash flows (used in)/generated from financing activities	**(9,717)**	9,567
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(12,470)**	(38,373)

During the Period, the net cash outflow was approximately HK$12.5 million (six months ended 30 September 2025: net cash outflow of approximately HK$38.4 million). As at 30 September 2026, the cash and cash equivalents, fixed time deposits of the Group which were denominated in HK$, US$ and RMB was approximately HK$197.8 million (31 March 2026: approximately HK$210.7 million). Cash and cash equivalents are held at the financial institutions with good credit ratings. The Group had bank borrowings which were denominated in RMB which included short term borrowings of approximately HK$23.5 million (31 March 2026: approximately HK$34.0 million) and long-term bank borrowings of approximately HK$2.1 million as at 30 September 2026 (31 March 2026: Nil). During the Period, the Group had spent approximately HK$34.9 million for repayment of bank borrowings and raised new bank borrowings of approximately HK$25.6 million in order to improve the Group's financial position.

The current ratio (current assets/current liabilities) of the Group was approximately 2.06 as at 30 September 2026 (31 March 2026: approximately 1.68). The increase in current ratio as at 30 September 2026 as compared to 31 March 2026 was mainly due to the decrease in current liabilities of the Group.

The gearing ratio (total liabilities/total assets) at the end of the Period was approximately 0.29 (31 March 2026: approximately 0.33).

As at 30 September 2026, the Group recorded net current assets of approximately HK$215.9 million (31 March 2026: approximately HK$175.0 million). It indicated the Group has sufficient working capital to meet its financial obligations and a healthy liquidity position.

CAPITAL STRUCTURE

As at 30 September 2026, the issued share capital of the Company was 2,221,363,150 Shares. During the Period, there was no movement of the issued share capital of the Company.

Total assets and net assets of the Group as at 30 September 2026 were approximately HK$1,281.6 million (31 March 2026: approximately HK$1,287.3 million) and approximately HK$911.7 million (31 March 2026: approximately HK$867.5 million), respectively. The net assets per Share was approximately HK$0.41 (31 March 2026: approximately HK$0.39). The increase in net assets was mainly due to net profit attributable to owners of the Company increased to approximately HK$18.1 million and unrealized exchange gain on translation of financial statements of foreign operations of approximately HK$25.9 million due to the appreciation of RMB against HK$ as at 30 September 2026.

PLEDGE OF ASSETS

As at 30 September 2026, Anxian Yuan (Zhejiang) pledged certain properties with a net carrying value amount of HK$7,688,000 for interest-bearing bank borrowings (31 March 2026: HK$7,675,000).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period (31 March 2026: Nil).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

During the Period, the Group's business including revenue and cost of sales were mainly denominated in RMB and the loans were denominated in HK$ and RMB. The PRC subsidiaries of the Group operated in the PRC. All transactions, assets and liabilities of the PRC subsidiaries were denominated in RMB and were translated into HK$ at year/period end date as foreign operations. The Group currently does not have a formal foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and considers hedging significant foreign currency exposure should the need arise. The Group did not have significant exposure to foreign currency risk at 30 September 2026. No material foreign currency hedge was made during the Period.

FINANCIAL RESULTS AND DIVIDENDS

The results of the Group for the Period are set out under the condensed consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 1 to 3.

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 September 2025: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, no significant event of the Group after 30 September 2026 and up to the date of issue of these condensed consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING BUSINESS

As at 30 September 2026, none of the Directors, substantial shareholders of the Company and their respective associates (as defined in the Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

The Company believes that good corporate governance practices are very important for maintaining and promoting investor confidence and sustainable growth of the Group. The Board is committed to maintaining a solid, transparent and sensible framework of corporate governance and related measures that the Directors consider applicable to and practical for the Group.

COMPLIANCE WITH CG CODE

The Company has adopted the principles and code provisions as set out in the CG Code. In the opinion of the Directors, the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code throughout the six months ended 30 September 2026.

The Board will continue to monitor and periodically review the Company's corporate governance practices to ensure its compliance with the CG Code.

AUDIT COMMITTEE REVIEW

The Audit Committee has been established with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3.3 of the CG Code, for the purposes of, among others, reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management system. The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. Chan Koon Yung (Chairman of the Audit Committee), Mr. Lum Pak Sum and Ms. Hung Wan Fong, Joanne.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and has discussed and reviewed the internal controls and financial reporting matters of the Group, including the review of the unaudited condensed consolidated interim results of the Group and interim report of the Company for the six months ended 30 September 2026, with the management of the Company and has no disagreement with the accounting treatments adopted.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Model Code as its own code of conduct for securities transactions by the Directors. The Company had made a specific enquiry to all the Directors and they had confirmed compliance with the Model Code throughout the Period. No incident of non-compliance was noted by the Company during the Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.anxianyuanchina.com. The interim report of the Company for the six months ended 30 September 2026 containing all the information required by the Listing Rules will be dispatched to Shareholders and published on the above websites in due course.

By order of the Board
Anxian Yuan China Holdings Limited
Shi Hua
Chairman and Executive Director

Hong Kong, 27 November 2026

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; and three independent non-executive directors, namely Mr. Chan Koon Yung, Mr. Lum Pak Sum and Ms. Hung Wan Fong, Joanne.

GLOSSARY

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

Anxian Yuan (Zhejiang)	安賢園(浙江)投資管理有限公司 (Anxian Yuan (Zhejiang) Investment Management Company Limited*), a limited liability company established under the laws of the PRC
Audit Committee	the audit committee of the Company
Board	the board of Directors
Bye-laws	the bye-laws of the Company, as amended from time to time
Chairman	the chairman of the Board
Chief Executive Officer	the chief executive officer of the Company
CG Code	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
Company/Anxian Yuan	Anxian Yuan China Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Stock Exchange
Company Secretary	the company secretary of the Company
Deputy Chief Executive Officer	the deputy chief executive officer of the Company
Director(s)	the director(s) of the Company
Executive Director(s)	the executive Director(s)
Group	the Company and its subsidiaries
HKAS	the Hong Kong Accounting Standards issued by the HKICPA
HKFRS(s)	the Hong Kong Financial Reporting Standards, collectively includes all applicable individual Hong Kong Financial Reporting Standards, HKAS and Interpretations issued by the HKICPA
HKICPA	the Hong Kong Institute of Certified Public Accountants
Hong Kong	the Hong Kong Special Administrative Region of the PRC

Independent Non-executive Director(s)	the independent non-executive Director(s)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
Non-executive Director(s)	the non-executive Director(s)
Period	the six months ended 30 September 2026
PRC	the People's Republic of China, which for the purpose of this report exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	the ordinary share(s) of HK$0.1 each in the share capital of the Company
Shareholder(s)	holder(s) of the Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
Yin Chuan Fu Shou Yuan	銀川福壽園人文紀念園有限公司 (Yin Chuan Fu Shou Yuan Humanistic Cultural Memorial Park Co. Ltd.*), a limited liability company established under the laws of the PRC
Zhejiang Anxian Yuan	浙江安賢陵園有限責任公司 (Zhejiang Anxian Yuan Company Limited*), a limited liability company established under the laws of the PRC
Zunyi Dashenshan	遵義詩鄉大神山生態陵園有限公司 (Zunyi Shixiang Dashenshan Cemeteries Co. Ltd.*), a limited liability company established under the laws of the PRC
HK$	Hong Kong dollars, the lawful currency of Hong Kong
RMB	Renminbi, the lawful currency of PRC
US$	United States dollars, the lawful currency of USA
%	per cent

* *The English translation is for identification purpose only.*