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萬桐園

CHINA WAN TONG YUAN (HOLDINGS) LIMITED

中國萬桐園(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6966)

**SUPPLEMENTAL ANNOUNCEMENT
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the announcement of China Wan Tong Yuan (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 March 2021 in respect of the annual results of the Group for the year ended 31 December 2020 and the annual report of the Company for the year ended 31 December 2020 published on 16 April 2021 (the “**Annual Report**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report, unless the context otherwise requires.

In addition to the information contained in the Annual Report, the board (the “**Board**”) of directors of the Company would like to provide the following supplementary information to the shareholders and potential investors of the Company.

USE OF PROCEEDS

The Company would like to provide additional information in relation to the use of net proceeds from the GEM Listing pursuant to paragraph 11(8) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

	Proposed use of net proceeds as stated in the Prospectus <i>(Note)</i> RMB	Unutilised net proceeds as at 1 January 2020 RMB	Actual use of net proceeds during the year ended 31 December 2020 RMB	Actual use of net proceeds up to 31 December 2020 RMB	Unutilized net proceeds as at 31 December 2020 RMB	Expected timeline for the utilization of the unutilized net proceeds
Strengthening our market position in Langfang	14.6 million	5.6 million	4.3 million	13.3 million	1.3 million	By end of 2021
Expanding business scope of the Group to provide funeral services	9.1 million	8.3 million	0.7 million	1.5 million	7.6 million	By end of 2021
Tapping further into the burial market in the Jing-Jin-Ji megalopolis & pursuing strategic alliance and acquisition opportunities	<u>12.7 million</u>	<u>11.8 million</u>	<u>0.9 million</u>	<u>1.8 million</u>	<u>10.9 million</u>	By end of 2021
Total	<u>36.4 million</u>	<u>25.7 million</u>	<u>5.9 million</u>	<u>16.6 million</u>	<u>19.8 million</u>	

Note:

Figures in this column are adjusted based on the actual amount of net proceeds received from the GEM Listing. The difference between the actual amount of net proceeds received and the expected amount disclosed in the Prospectus was allocated on a pro rata basis with reference to the percentage of allocation set out in the Prospectus.

As at 31 December 2020, net proceeds of approximately RMB19.8 million have not been utilized and are held by the Company in short-term deposits with licensed banks in Hong Kong.

RETIREMENT BENEFIT SCHEME

The Company would also like to provide additional information in relation to the retirement benefit schemes in which the Group participates pursuant to paragraph 26(2) of Appendix 16 to the Listing Rules.

The Group operates a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group also participates in a state-managed retirement benefit scheme (the “**Retirement Benefit Scheme**”) operated by the relevant local government authorities in the PRC.

During the years ended 31 December 2019 and 2020, the Group had no forfeited contributions (by employers on behalf of employees who leave the retirement benefit scheme prior to vesting fully in such contributions) under the MPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2019 and 2020 under the MPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in future years.

By order of the Board
China Wan Tong Yuan (Holdings) Limited
Zhao Ying
Chairman

Hong Kong, 19 August 2021

As at the date of this announcement, the Board comprises the chairman and non-executive director of the Company, namely Ms. Zhao Ying, three executive directors of the Company, namely Ms. Li Xingying, Ms. Wang Wei and Mr. Huang Peikun, and three independent non-executive directors of the Company, namely Mr. Cheung Ying Kwan, Dr. Wong Wing Kuen Albert and Mr. Choi Hon Keung Simon.