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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)

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board of directors (the “Board”) of China Wan Tong Yuan (Holdings) Limited (the “Company”) hereby presents the unaudited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 (the “Period”), together with the unaudited comparative figures for the corresponding period in 2024 as follows:

FINANCIAL HIGHLIGHTS

The unaudited revenue of the Group amounted to approximately RMB11,066,000 (six months ended 30 June 2024: RMB24,137,000) for the Period, which represented a decrease of RMB13,071,000 or 54.2% as compared with the corresponding period in 2024.

The loss attributable to owners of the Company was RMB9,389,000 (six months ended 30 June 2024: profit attributable to owners of the Company was RMB7,277,000) for the Period, which represented a decrease of RMB16,666,000 as compared with the same period in last year.

The Board does not recommend the payment of an interim dividend for the Period (six month ended 30 June 2024: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	4	11,066	24,137
Cost of sales and services		<u>(2,910)</u>	<u>(3,567)</u>
Gross profit		8,156	20,570
Other income	5	1,315	1,920
Other expenses	6	(5,324)	(953)
Other gains and losses, net	7	(370)	224
Loss on fair value changes of financial assets at fair value through profit or loss	13	(2,728)	(200)
Distribution and selling expenses		(4,627)	(5,122)
Administrative expenses		(6,233)	(5,700)
Finance costs		<u>(5)</u>	<u>(12)</u>
(Loss)/profit before tax	8	(9,816)	10,727
Income tax expense	9	<u>427</u>	<u>(3,450)</u>
(Loss)/profit and total comprehensive (expense)/income for the period attributable to owners of the Company		<u>(9,389)</u>	<u>7,277</u>
(Loss)/earnings per share			
Basic (RMB cents)	10	<u>(0.9)</u>	<u>0.7</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025	31 December 2024
	Notes	RMB'000 (unaudited)	RMB'000 (audited)
Non-current Assets			
Property, plant and equipment		3,648	4,388
Intangible assets		130	142
Right-of-use assets		6,206	6,432
Cemetery assets	12	82,814	12,125
Financial assets at fair value through profit or loss	13	1,528	4,256
Prepayments and other receivables	14	12,756	83,968
Deferred tax assets		241	—
		<u>107,323</u>	<u>111,311</u>
Current Assets			
Inventories		22,061	23,458
Trade receivables		812	812
Prepayments and other receivables	14	28,063	27,722
Bank balances and cash		158,313	171,318
		<u>209,249</u>	<u>223,310</u>
Current Liabilities			
Trade and other payables	15	10,441	13,085
Lease liabilities		271	270
Contract liabilities	16	6,402	6,812
Income tax payable		791	648
		<u>17,905</u>	<u>20,815</u>
Net Current Assets		<u>191,344</u>	<u>202,495</u>
Total Assets less Current liabilities		<u>298,667</u>	<u>313,806</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(audited)
Non-current liabilities			
Lease liabilities		92	230
Contract liabilities	16	80,160	80,330
Deferred tax liabilities		4,299	4,727
		84,551	85,287
Net assets		214,116	228,519
Capital and reserves			
Share capital	17	66,192	66,192
Reserves		147,924	162,327
Equity attributable to owners of the Company		214,116	228,519
TOTAL EQUITY		214,116	228,519

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company				
	Share capital	Statutory surplus reserve	Other reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	66,192	16,428	1,309	143,865	227,794
Profit and total comprehensive income for the period	—	—	—	7,277	7,277
Dividends recognised as distribution	—	—	—	(9,123)	(9,123)
At 30 June 2024 (unaudited)	<u>66,192</u>	<u>16,428</u>	<u>1,309</u>	<u>142,019</u>	<u>225,948</u>
At 1 January 2025 (audited)	66,192	16,428	1,309	144,590	228,519
Loss and total comprehensive expense for the period	—	—	—	(9,389)	(9,389)
Dividends recognised as distribution	—	—	—	(5,014)	(5,014)
At 30 June 2025 (unaudited)	<u>66,192</u>	<u>16,428</u>	<u>1,309</u>	<u>130,187</u>	<u>214,116</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	<u>(7,891)</u>	<u>9,683</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	(69)
Purchase of landscape facilities included in cemetery assets	(292)	(64)
Purchase of intangible assets	—	(191)
Interest received	709	880
Placement of term deposits	<u>—</u>	<u>(30,000)</u>
Net cash generated from/(used in) investing activities	<u>415</u>	<u>(29,444)</u>
FINANCING ACTIVITIES		
Dividend paid	(5,014)	—
Repayment of leases liabilities	<u>(145)</u>	<u>(275)</u>
Net cash used in financing activities	<u>(5,159)</u>	<u>(275)</u>
Net decrease in cash and cash equivalents	(12,635)	(20,036)
Cash and cash equivalents at the beginning of period	141,318	234,986
Effect of foreign exchange rate changes	<u>(370)</u>	<u>252</u>
Cash and cash equivalents at end of the period, represented by:		
Bank balances and cash	158,313	245,202
Less: bank deposits with original maturity over three months	<u>(30,000)</u>	<u>(30,000)</u>
	<u><u>128,313</u></u>	<u><u>215,202</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL

China Wan Tong Yuan (Holdings) Limited (the “Company”) was incorporated and registered in the Cayman Islands on 25 January 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is 2nd Floor, the Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands. The address of its principal place of business is No.48, Louzhuang Road, Langfang Development Area, Langfang, Hebei Province, the People’s Republic of China (the “PRC”). The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the sale of burial plots, provision of other burial-related services, provision of cemetery maintenance services and provision of funeral services in the PRC. The Company and its subsidiaries are collectively referred to as the “Group”.

The Company’s parent company is Tai Shing International Investment Company Limited, a company incorporated in the British Virgin Islands (the “BVI”) and its ultimate holding company is Lily Charm Holding Limited, a company incorporated in the BVI. Both companies are controlled by Ms. Zhao Ying (“Ms. Zhao”).

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand (‘000) unless otherwise indicated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”), as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to a IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

4.1 Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2025			
Types of goods and service	Sales of burial plots and provision of other burial-related services <i>RMB'000</i> (unaudited)	Provision of cemetery maintenance services <i>RMB'000</i> (unaudited)	Provision of funeral services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Sales of burial plots	6,256	—	—	6,256
Provision of other burial-related services	1,969	—	—	1,969
Provision of funeral services	—	—	2	2
Provision of cemetery maintenance services	—	2,839	—	2,839
Total	<u>8,225</u>	<u>2,839</u>	<u>2</u>	<u>11,066</u>
Timing of revenue recognition				
A point in time	6,256	—	2	6,258
Over time	1,969	2,839	—	4,808
Total	<u>8,225</u>	<u>2,839</u>	<u>2</u>	<u>11,066</u>

For the six months ended 30 June 2024

	Sales of burial plots and provision of other burial- related services <i>RMB'000</i> (unaudited)	Provision of cemetery maintenance services <i>RMB'000</i> (unaudited)	Provision of funeral services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Types of goods and service				
Sales of burial plots	14,008	—	—	14,008
Provision of other burial-related services	3,769	—	—	3,769
Provision of funeral services	—	—	3,534	3,534
Provision of cemetery maintenance services	—	2,826	—	2,826
Total	<u>17,777</u>	<u>2,826</u>	<u>3,534</u>	<u>24,137</u>
Timing of revenue recognition				
A point in time	14,008	—	3,534	17,542
Over time	<u>3,769</u>	<u>2,826</u>	<u>—</u>	<u>6,595</u>
Total	<u>17,777</u>	<u>2,826</u>	<u>3,534</u>	<u>24,137</u>

All of the Group's revenue is from contracts with customers and generated in the PRC based on where goods are sold or services are rendered, and substantially all of the Group's identifiable assets and liabilities are located in the PRC.

The Group paid RMB7,818,000 Value Added Tax ("VAT") at the applicable VAT rate of 6%, including RMB6,227,000 and RMB1,591,000 offset against the revenue for the six months ended 30 June 2025 and contract liabilities as of 30 June 2025, respectively. The amount was made pursuant to a tax notice issued by the Tax Branch of the University City of the Tax Bureau of the Langfang Economic and Technological Development Zones of the State Administration of Taxation of the PRC, following a general tax inquiry conducted during the six months ended 30 June 2025. Further details are provided in the Company's announcement dated 29 May 2025.

4.2 Operating segments

The Group determines its operating segments based on the reports reviewed by the executive Directors of the Company, being the chief operating decision makers (the “CODM”), that are used to make strategic decisions. Information reported to the CODM is based on the products and services delivered or provided by the Group.

The Group’s operating and reporting segments are (i) sales of burial plots and provision of other burial-related services; (ii) provision of cemetery maintenance services; and (iii) provision of funeral services in the PRC.

Segment revenue and results

For the six months ended 30 June 2025 (unaudited)

	Sales of burial plots and provision of other burial- related services <i>RMB’000</i>	Provision of cemetery maintenance services <i>RMB’000</i>	Provision of funeral services <i>RMB’000</i>	Total <i>RMB’000</i>
Segment revenue	<u>8,225</u>	<u>2,839</u>	<u>2</u>	<u>11,066</u>
Segment results	<u>3,160</u>	<u>1,446</u>	<u>(194)</u>	<u>4,412</u>
Other income				1,315
Other expenses				(1,580)
Other gains and losses, net				(370)
Loss on fair value changes of financial assets at fair value through profit or loss (“FVTPL”)				(2,728)
Distribution and selling expenses				(4,627)
Administrative expenses				(6,233)
Finance costs				<u>(5)</u>
Loss before tax				<u><u>(9,816)</u></u>

For the six months ended 30 June 2024 (unaudited)

	Sales of burial plots and provision of other burial- related services <i>RMB'000</i>	Provision of cemetery maintenance services <i>RMB'000</i>	Provision of funeral services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>17,777</u>	<u>2,826</u>	<u>3,534</u>	<u>24,137</u>
Segment results	<u>15,263</u>	<u>2,356</u>	<u>2,951</u>	<u>20,570</u>
Other income				1,920
Other expenses				(953)
Other gains and losses, net				224
Loss on fair value changes of financial assets at FVTPL				(200)
Distribution and selling expenses				(5,122)
Administrative expenses				(5,700)
Finance costs				<u>(12)</u>
Profit before tax				<u><u>10,727</u></u>

Segment results represent the gross profit or loss attributable to each segment without allocation of other income, certain other expenses, other gains and losses, net, loss on fair value changes of financial assets at FVTPL, distribution and selling expenses, administrative expenses and finance costs. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment. There were no inter-segment revenue during the current and prior periods. No analysis of segment assets and liabilities is presented as it is not regularly reviewed by the CODM.

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest income on bank deposits	709	880
Imputed interest income on interest-free advance payment and deposit paid	600	1,038
Others	<u>6</u>	<u>2</u>
	<u><u>1,315</u></u>	<u><u>1,920</u></u>

6. OTHER EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest charge and surcharge related to VAT (<i>note</i>)	(3,744)	—
Other expenses	<u>(1,580)</u>	<u>(953)</u>
	<u><u>(5,324)</u></u>	<u><u>(953)</u></u>

Note:

The amount represented interest charge and surcharge related to VAT, further details of which are set out in note 4.1 above.

7. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Foreign exchange gains	(370)	263
Others	<u>—</u>	<u>(39)</u>
	<u><u>(370)</u></u>	<u><u>224</u></u>

8. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	742	807
Amortisation of intangible assets	12	172
Depreciation of right-of-use assets	226	355
Amortisation of cemetery assets (included in cost of sales and services)	818	328
	<hr/>	<hr/>
Total depreciation and amortisation	1,798	1,662
Cost of inventories recognised as an expense	1,397	1,519
Staff costs, including Directors' remuneration:		
Salaries, wages and other benefits	4,936	5,003
Retirement benefits scheme contributions	432	375
	<hr/>	<hr/>
Total staff costs	5,368	5,378
	<hr/> <hr/>	<hr/> <hr/>

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax:		
PRC enterprise income tax	2,055	3,147
PRC enterprise income tax refund	(1,813)	—
Deferred tax	(669)	303
	<hr/>	<hr/>
	(427)	3,450
	<hr/> <hr/>	<hr/> <hr/>

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
(Loss)/earnings for the purpose of calculating basic (loss)/earnings per share ((loss)/profit for the period attributable to owners of the Company)	<u>(9,389)</u>	<u>7,277</u>
Numbers of shares		
Number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>1,000,000,000</u>	<u>1,000,000,000</u>

No diluted earnings per share was presented as there was no potential ordinary shares in issue for both periods.

11. DIVIDENDS

During the current interim period, a final dividend of HK0.55 cents per share (equivalent to approximately RMB0.5 cents per share) in respect of the year ended 31 December 2024 (six months ended 30 June 2024: HK1 cents per share (equivalent to approximately RMB0.9 cents per share) in respect of the year ended 31 December 2023) was paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK\$5,500,000 (six months ended 30 June 2024: HK\$9,123,000).

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

12. CEMETERY ASSETS

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(audited)
Leasehold land	74,262	3,592
Landscape facilities	8,226	8,199
Development costs	<u>326</u>	<u>334</u>
	<u>82,814</u>	<u>12,125</u>

A state-owned land use right for a land parcel with the Langfang Bureau of Natural Resources and Planning (廊坊市自然資源和規劃局) was transferred to the Group in February 2025, the acquisition cost and relevant direct cost attributable to the land acquisition have been reclassified to cemetery assets and will be amortised over 50 years starting from 1 March 2025. The Group is in the process of obtaining the land use right certificate and the Directors are of the view that there would not be any obstacles to obtain the certificate.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(unaudited)	(audited)
Unlisted investments:		
— equity securities	1,528	4,256

At 31 December 2024 and 30 June 2025, the Group had 10% equity interests in Huimin Town Bank Co., Ltd. of Anci District, Langfang City (廊坊市安次區惠民村鎮銀行股份有限公司), which was classified as financial assets at FVTPL.

During the six months ended 30 June 2025, the amount of loss on fair value changes of financial assets at FVTPL of RMB2,728,000 (six months ended 30 June 2024: RMB200,000) was charged to profit or loss.

The fair value of financial assets at FVTPL at 30 June 2025 has been arrived at based on the valuation performed by HG Appraisal & Consulting Limited, an independent qualified professional valuer not connected with the Group. The Directors work closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at 30 June 2025 (unaudited) RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input(s) (note)
Financial assets at FVTPL	1,528	Level 3	Market approach: based on the target companies' financial performance and the multiples of comparable companies	P/B ratio: 0.56 DLOM: 40%
The key inputs are:				
(1) Price to book ratio ("P/B ratio")				
(2) Discount for lack of marketability ("DLOM")				

Note: An increase in the P/B ratio used in isolation would result in an increase in the fair value measurement of the financial assets at FVTPL, and vice versa. A 5% increase/decrease in the P/B ratio holding all other variables constant would increase/decrease the carrying amount of the investment by RMB63,000 (2024: RMB213,000).

An increase in the DLOM used in isolation would result in a decrease in the fair value measurement of the financial assets at FVTPL, and vice versa. A 5% increase/decrease in the DLOM holding all other variables constant would decrease/increase the carrying amount of the investment by RMB42,000 (2024: RMB115,000).

14. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Non-current		
Guarantee deposit for a cemetery project (<i>note (a)</i>)	9,756	9,753
Other receivable (<i>note (b)</i>)	3,000	3,000
Prepaid land acquisition costs (<i>note (c)</i>)	—	54,714
Advance payment for land demolition (<i>note (d)</i>)	—	16,501
	<u>12,756</u>	<u>83,968</u>
Current		
Prepayments	253	529
Advance payment for land demolition (<i>note (d)</i>)	25,997	27,193
Tax refundable	1,813	—
	<u>28,063</u>	<u>27,722</u>

Notes:

- (a) The amount represented the interest-free guarantee deposit paid to a minority shareholder, Langfang Xinhangcheng Real Estate Development Co., Limited (廊坊市新航城房地產開發有限公司, “Xinhangcheng”) for development of a new cemetery project located in Langfang relocation and settlement zone, Beijing, and should there be no breach on the part of Langfang Wantong Cemetery Co., Ltd. (“Langfang Wantong”, a subsidiary of the Company) before the official commencement of operation of the cemetery, Xinhangcheng shall within 90 days therefrom refund the guarantee deposit to Langfang Wantong. The difference between the nominal amount and the fair value of the guarantee deposit at initial recognition was regarded as payments for a cemetery project.

- (b) The amount represented an interest-bearing advanced payment to Langfang Funeral Parlour (廊坊市殯儀館, a business unit under Langfang Civil Affairs Bureau). Pursuant to the agreement entered into between Langfang Wantong and Langfang Funeral Parlour in 2022, Langfang Wantong was entrusted to provide certain extended funeral services in Langfang Funeral Parlour. In accordance with the agreement, Langfang Wantong advanced an amount of RMB3,000,000 to Langfang Funeral Parlour, which bears interest based on prevailing bank loan interest rate for the corresponding period. The agreement stipulates that if Langfang Funeral Parlour fails to repay the principal and accrued interest by the due date, Langfang Wantong is entitled to offset the outstanding amount against the project proceeds attributable to Langfang Funeral Parlour. Based on the profitability forecast and repayment schedule, the Directors estimated that the repayment period of the principal and interest will exceed one year from end of the reporting period.
- (c) During the year ended 31 December 2024, the Group entered into a state-owned land use right transfer contract with the Langfang Bureau of Natural Resources and Planning (廊坊市自然資源和規劃局) in relation to the acquisition of land use right for a land parcel at a cash consideration of RMB54,714,000. The payment was fully settled by the Group in 2024. The balance has been reclassified to cemetery assets during the current period (refer to note 12 above).
- (d) The balance mainly represented an interest-free advance payment to Baijiawu Office (白家務辦事處, a local government department) for the land demolition relating to the development of a new cemetery project located in Langfang relocation and settlement zone, Beijing. As of 30 June 2025, the Group has made advance payments of RMB43,079,000 in total, included RMB16,501,000 is related to the direct cost attributable to the land acquisition and has been transferred to cemetery assets upon completion of the acquisition during the current period (refer to note 12 above). The remaining balance will be returned by the local government authority to the Group. According to the continuous communication with the local government, the Directors understand that the repayment is subject to the final approval by the government of Langfang Guangyang District and, based on their best knowledge after consulting with experts with relevant experiences, estimated that the remaining advance payment will be repaid to the Group within one year from the end of the reporting period.

15. TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade payables	7,075	8,762
Other payables and accrued expenses	3,366	4,323
	<u>10,441</u>	<u>13,085</u>

The following is an aged analysis of trade payables presented based on the invoice date at 30 June 2025 and 31 December 2024:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Less than 1 year	5,989	6,169
1 to 2 years	1,086	2,593
	7,075	8,762

16. CONTRACT LIABILITIES

Contract liabilities represent the obligations to transfer burial plots, cemetery maintenance services and other burial-related services in accordance with the revenue recognition policy and the nature of the business.

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Carrying amount analysed as:		
Amounts shown under current liabilities	6,402	6,812
Amounts shown under non-current liabilities	80,160	80,330
	86,562	87,142

Customers who purchase burial services are required to make prepayments for maintenance fees, relating to the ongoing cemetery maintenance services of their burial plots and memorials over 20 years, and such amounts are generally paid together with the purchase of burial plots.

17. SHARE CAPITAL

	<i>Number of shares</i>	<i>RMB'000</i>
Ordinary shares of United States Dollar 0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 30 June 2025	3,000,000,000	205,984
Issue and fully paid:		
At 1 January 2024, 31 December 2024 and 30 June 2025	1,000,000,000	66,192

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of Directors and chief executive, who are also key management, is disclosed as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Salaries and other benefits	738	1,193
Contribution to retirement benefit scheme	92	68
Discretionary performance-related bonus	695	193
	<u>1,525</u>	<u>1,454</u>

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Except for the financial assets at FVTPL disclosed in note 13 there are no other financial instruments measured at fair value on a recurring basis. The fair values of financial assets and financial liabilities measured at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flows analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in these condensed consolidated financial statements approximate their fair values at the end of each reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Period, the Group was principally engaged in the sale of burial plots, provision of other burial-related services, provision of cemetery maintenance services and provision of funeral services in Langfang, the PRC.

Sales of burial plots and provision of other burial-related services

The Group's burial service consists primarily of (1) sale of burial plots, which includes the right to use the burial plots and headstones and other ancillary products to be used on the burial plots; and (2) other burial-related services such as providing columbarium collective storage services, the organization and conducting of interment rituals, the design, construction and landscaping of the burial plots, and the engraving of inscriptions and ceramic photographs on the headstones and other ancillary services. Burial service is the largest component of the Group's revenue, representing 74.3% of its revenue for the six months ended 30 June 2025 (six month ended 30 June 2024: 73.7%). The Group's revenue from burial service, in particular, the sale of burial plots, for a given period is dependent upon the number and the average selling price of burial plots sold by the Group and recognised as revenue during the Period. During the six months ended 30 June 2025, the Group recorded revenue of RMB8,225,000 (six months ended 30 June 2024: RMB17,777,000) from burial services. The decrease was mainly due to the additional revaluation of VAT of RMB6,080,000 paid by subsidiaries in respect of burial services revenue for prior periods following notifications from the tax authorities, and due to the effect caused by the macro economy and prudent consumption of customers, the decrease in burial service revenue as a result of decrease in unit price of burial plots.

Provision of funeral services

The Group provides one-stop-shop funeral services at Langfang Funeral Parlour, including etiquettes, rules, wake and farewell ceremony, to the customers since 2023. The Group's revenue from providing funeral services was RMB2,000 for the six months ended 30 June 2025 (six month ended 30 June 2024: RMB3,534,000). The decrease was due to the fact that Langfang Funeral Parlour was adjusting the scope of funeral services provided by the Group at its premises, resulting in the temporary decline in demand for funeral services.

Provision of cemetery maintenance services

The Group provides ongoing cemetery maintenance services as an integral part of its burial service to maintain its beautiful landscaped cemetery. Customers pay maintenance fees upfront when signing the sales contracts to purchase the burial plots. The Group's revenue from cemetery maintenance services was RMB2,839,000 for the six months ended 30 June 2025 (six month ended 30 June 2024: RMB2,826,000).

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 54.2% from RMB24.1 million for the six months ended 30 June 2024 to RMB11.1 million for the six months ended 30 June 2025, primarily due to the payment of VAT on the additional revaluation in respect of burial services income for prior periods, and the decrease in sales unit price of burial plots and demand for funeral services, which resulted in a decrease in revenue of RMB13.0 million.

Cost of sales and services

The Group's cost of sales and services was approximately RMB3.6 million and RMB2.9 million for the six months ended 30 June 2024 and 30 June 2025 respectively, representing a decrease of 18.4%, due to the decline in the business of providing burial services and funeral services.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by 60.4% from RMB20.6 million for the six months ended 30 June 2024 to RMB8.2 million for the six months ended 30 June 2025. The Group's overall gross profit margin decreased from 85.2% for the six months ended 30 June 2024 to 73.7% for the six months ended 30 June 2025.

The Group's gross profit for burial service decreased by 61.1% from RMB15.3 million for the six months ended 30 June 2024 to RMB5.9 million for the six months ended 30 June 2025, while the gross profit margin for burial service decreased from 85.9% for the six months ended 30 June 2024 to 72.3% for the six months ended 30 June 2025.

The gross profit for cemetery maintenance was RMB2.4 million for the six months ended 30 June 2024 and 2025. The gross profit margin for cemetery maintenance increased from 83.4% for the six months ended 30 June 2024 to 84.8% for the six months ended 30 June 2025.

The revenue and gross loss for funeral services was RMB0.0 million and RMB0.2 million for the six months ended 30 June 2025, respectively, due to the decline in the business of providing funeral services. The gross profit for funeral services was RMB2.9 million for the six months ended 30 June 2024 and the gross profit margin for funeral services was 83.5%.

Other income

The Group's other income for the six months ended 30 June 2025 was RMB1.3 million, while it was RMB1.9 million for the six months ended 30 June 2024.

Other expenses

The Group's other expenses increased by RMB4.3 million from RMB1.0 million for the six months ended 30 June 2024 to RMB5.3 million for the six months ended 30 June 2025, mainly due to the surcharges and default interest from additional revaluation of VAT of RMB3.7 million paid by subsidiaries for prior periods following notifications from the tax authorities.

Loss on fair value changes of financial assets at fair value through profit or loss

The Group's fair value loss on financial assets at fair value through profit or loss for the six months ended 30 June 2025 was RMB2.7 million, compared to RMB0.2 million for the six months ended 30 June 2024, primarily due to the financial asset held by the Group, being a 10% equity interest in Huimin Town Bank Co., Ltd. of Anci District, Langfang City, the bank's incurred losses have led to a decrease in the fair value of the financial asset.

Distribution and selling expenses

The Group's distribution and selling expenses decreased by 9.7% from RMB5.1 million for the six months ended 30 June 2024 to RMB4.6 million for the six months ended 30 June 2025, primarily due to the decrease in staff and sales commissions.

Administrative expenses

The Group's administrative expenses increased by 9.4% from RMB5.7 million for the six months ended 30 June 2024 to RMB6.2 million for the six months ended 30 June 2025, mainly due to amortisation of cemetery asset from the acquisition of land and the completion of transfer in February 2025.

Income tax expenses

The Group's income tax credit for the six months ended 30 June 2025 was RMB0.4 million, representing a decrease of RMB3.9 million compared to income tax expenses of RMB3.5 million for the six months ended 30 June 2024, primarily due to (i) the decrease in taxes payable of RMB1.1 million as a result of the decrease in gross profit of burial services and funeral services during the Period; (ii) the payment of additional revaluation of value-added tax and surcharges for prior periods, with an expected refund of RMB1.8 million in overpaid income tax from prior periods; and (iii) decrease in income tax expenses of RMB0.7 million as a result of the recognition of deferred income tax assets due to the decrease in fair value of financial assets held.

Profit and total comprehensive income for the period

As a result of the foregoing, for the six months ended 30 June 2025, the Group's loss for the period and total comprehensive loss amounted to RMB9.4 million, while for the six months ended 30 June 2024, the Group's profit for the period and total comprehensive income amounted to RMB7.3 million. For the six months ended 30 June 2025, the Group's net loss margin was 84.8%, while the Group's net profit margin for the six months ended 30 June 2024 was 30.1%.

Liquidity and financial resources

The Group generally financed its operations with its internally generated cash flows. The Group's total equity was RMB214.1 million as at 30 June 2025, as compared to RMB228.5 million as at 31 December 2024. Total assets amounted to RMB316.6 million as at 30 June 2025, as compared to RMB334.6 million as at 31 December 2024, of which RMB158.3 million (31 December 2024: RMB171.3 million) was bank balances and cash.

Capital structure

The shares of the Company have been listed on the Main Board since 17 December 2019 (the "Listing Date"). There has been no material change in the capital structure of the Company since the Listing Date. The capital of the Group comprises only ordinary shares.

Pledge of assets

There was no charge on the Group's assets as at 30 June 2025 and 31 December 2024.

Gearing ratio

As at 30 June 2025, the gearing ratio of the Group, being total liabilities to total assets, was 32.4% (31 December 2024: 31.7%), which indicates the Group's healthy liquidity position.

Material acquisitions, disposals and significant investments

There were no material acquisitions and disposals of subsidiaries or associates or joint ventures or significant investment held during the Period.

Employee and remuneration information

As at 30 June 2025, the Group had a total of 66 employees (31 December 2024: 73 employees). The Group provides employees with competitive remuneration and benefits, and the remuneration policy will be reviewed on a regular basis based on the performance and contribution of the employees and the industry remuneration level. In addition, the Group also provides various training courses to enhance the employees' skills and capabilities in all aspects.

Segmental information

For the six months ended 30 June 2025, the Group has three major operating and reporting segments namely (1) sales of burial plots and provision of other burial-related services, (2) provision of cemetery maintenance service and (3) provision of funeral services.

Future plans for material investments or capital assets

Save as disclosed in this announcement, the Group does not have other future plans for material investments or capital assets.

DEVELOPMENT AND FUND UTILIZATION PLAN

The joint venture cemetery project (the “**JV Cemetery Project**”) between the Group and Langfang Xinhangcheng Real Estate Development Co., Limited (廊坊市新航城房地產開發有限公司, “**Xinhangcheng**”) is a major development project of the Group, details of which are set out in the announcement and circular of the Company dated 30 June 2020 and 24 August 2020 and 2 December 2024, respectively. As at the date of this announcement, the JV Company has been jointly established by Langfang Wantong and Xinhangcheng.

On 2 December 2024, the JV Company has entered into a state-owned land use right transfer contract with the Langfang Bureau of Natural Resources and Planning* (廊坊市自然資源和規劃局) in relation to the acquisition of the land use right of the a parcel of land located at north side of Yongding Road and west side of Yongxing River of Langfang, Hebei Province, the PRC (中國河北省廊坊市永定路北側、永興河西側) with a site area of 70,546.27 square metres (the “**Land**”) at a consideration of RMB54,713,600 (the “**Land Acquisition**”). For more details, please refer to the announcement of the Company dated 2 December 2024. Completion of the Land Acquisition took place in February 2025.

The Company has been in the progress of obtaining relevant approvals from government authorities for the construction of an operational cemetery.

As at the date of this announcement, the registered capital of the JV Company of RMB23.2 million payable by Langfang Wantong has not been paid. During the development stage of the JV Cemetery Project, the Group expected that such registered capital will be paid-in in order to provide the JV Company with funds for the development of the JV Cemetery Project.

The Group will build operating burial plots for sales in the New Airport (Langfang area), Relocation and Settlement Zone, Beijing* (北京新機場(廊坊區域)回遷安置區) and partial storage of the cremation urns and ashes for villagers of the relocated village in the airport economic zone, which will involve the commencement of the construction and development of an operational cemetery by the JV Company in accordance with the planning of the Land, which is subject to government approval. After the Land Acquisition, it is expected that the JV Company will develop and construct buildings and ancillary facilities on the Land, including office buildings, ancillary facilities, columbarium and cemetery, at an estimated total development cost of approximately RMB50 million. In addition, the administrative, labor and other miscellaneous expenses to be incurred are estimated to be approximately RMB4 million. Pursuant to the JV Agreement, the Group is under the obligation to provide shareholder's loan to the JV Company at the interest rate of 6.9% per annum for the JV Cemetery Project should there be capital requirements. Langfang Wantong has provided a shareholder's loan to the JV Company to fund the acquisition of Land in 2024. In the first half of 2025, the joint venture is working with relevant government departments to recover the advance payment for land demolition compensation for the acquired land, and is communicating with them to optimise and adjust the construction detailed planning scheme for the JV Cemetery Project. After obtaining government approval and recovering the advance payment, the project is expected to commence construction in 2026.

The Company is of the view that the second half of 2025 to 2027 will be a crucial period of time for the Group. The Company believes that it is well prepared to pursue its corporate goals. Leveraging its financial resources, the Directors are confident that the Group will benefit from its investment and create return for its shareholders and enhance shareholders' value.

As at 30 June 2025, the Company had bank balances and cash of RMB158.3 million, representing an excellent liquidity position. The Company is confident that the Company will have sufficient funds to swiftly and efficiently allocate and utilise such immediately available funds as development costs of the Cemetery JV Project as and when required. The Company has been preparing for the further development of the business of the Group, and believes that it is in a good position to grasp opportunities with the cash accumulated, which gives the Group flexibility and minimises financing costs for development.

PROSPECTS

The Group aspires to strengthen its market position in Langfang and expand its business in the Jing-Jin-Ji megalopolis and beyond through (1) gradually improving its funeral services to enhance its integrated service system; (2) tapping further into the burial services market in the Jing-Jin-Ji megalopolis; (3) providing columbarium collective storage services, actively cooperating and supporting the local government's city development plan; and (4) pursuing strategic alliance and acquisition opportunities, and actively develop the JV Cemetery Project.

In light of changes in the policy environment, progress on the Group's planned expansion into funeral service projects has been limited. Nevertheless, we will continue to rely on our established team of professional funeral service team to provide related services within our own facilities, serving as a supplementary business and a means of resource integration. At the same time, we are gradually building seamless connections with local healthcare and elderly care institutions as well as community resources, aiming to capture greater market share by offering services that are more convenient, efficient, and of higher quality, thereby broadening the scope of beneficiaries through multiple channels. The Group is committed to transforming from a single-focus burial service provider into an integrated operator of funeral and burial services. We will continue to roll out diversified product offerings that cater to different consumer segments, while also deepening our expertise in areas such as plot maintenance, interment, and memorial services. By expanding into more personalised and human-centred offerings, we seek to continuously enrich both the breadth and depth of our services, ultimately enhancing customer experience and satisfaction.

The Group further strengthens its market position in Langfang by further continuing to innovate and enhance its cemetery operations, upgrading its "Cloud Tomb-sweeping" online sweeping services, diversifying its burial-related services, and enhancing its marketing efforts.

In respect of provision of columbarium collective storage service, the Group will continue to actively cooperate and support the local government's urban demolition and reconstruction projects, and actively provide relevant professional ash storage services to villages and streets with ash placement needs.

The JV Cemetery Project is one of the major development projects of the Group. The Group is financial and operationally well-prepared to commence and give full play to the planning and development of the JV Cemetery Project. The management believes that the project will facilitate the Group to strengthen and expand its burial market position in Langfang and Jing-Jin-Ji megalopolis.

The Directors are confident that the Group's core business can be strengthened with its stable and ordered operations and innovation.

FOREIGN EXCHANGE EXPOSURE

The Group's business is principally denominated in RMB. As certain bank deposits denominated in Hong Kong dollars, the Group is exposed to foreign currency exchange risk. No currency hedging arrangement has been made by the Group during the period. The Directors are actively and regularly monitoring the exposure to foreign exchange so as to minimise the foreign exchange rate risk and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

As of 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

As of 30 June 2025, the Group did not have capital commitments in respect of expenditure in cemetery assets (31 December 2024: Nil).

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION OF THE DIRECTORS AND CHIEF EXECUTIVE

As of 30 June 2025, the interests and short positions of each of the Directors and chief executive and their associates in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 of the Listing Rules, were as follows:

Name of the Director	Capacity/nature of interests	Number and class of Securities	Percentage of Shareholding (Note 3)
Ms. Zhao Ying (Note 2)	Founder of a discretionary trust who can influence how the trustee exercises its discretion	700,000,000 (L) (Note 1)	70% (Note 3)

Notes:

- (1) The letter “L” refers to the long position of the Shares.
- (2) Ms. Zhao Ying is the chairman and a non-executive Director of the Company. She is the settlor, sole member of The Hope Trust’s protective committee and a beneficiary of The Hope Trust, which is a discretionary trust with TMF (Cayman) Ltd. as trustee. TMF (Cayman) Ltd. wholly owns the entire share capital of Lily Charm Holding Limited. Lily Charm Holding Limited wholly owns the entire issued share capital of Tai Shing International Investment Company Limited. Therefore, Ms. Zhao Ying is deemed to be interested in the 700,000,000 Shares directly held by Tai Shing International Investment Company Limited under Part XV of the SFO.
- (3) The percentage is calculated on the basis of 1,000,000,000 Shares in issue as of 30 June 2025.

Save as disclosed above, as of 30 June 2025, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 30 June 2025, so far as was known to the Directors, the following persons/entities (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name of Shareholder	Capacity/nature of interests	Number and class of Securities (Note 1)	Percentage of Shareholding (Note 5)
Tai Shing International Investment Company Limited	Beneficial owner (Note 2)	700,000,000 (L)	70%
Lily Charm Holding Limited	Interest in a controlled corporation (Notes 2, 3)	700,000,000 (L)	70%
TMF (Cayman) Ltd.	Trustee (Notes 2, 3, 4)	700,000,000 (L)	70%

Notes:

- (1) The letter “L” refers to the entity/person’s long position in the Shares.
- (2) Tai Shing International Investment Company Limited directly holds 700,000,000 Shares of the Company.
- (3) Lily Charm Holding Limited holds the entire of issued share capital of Tai Shing International Investment Company Limited, thus Lily Charm Holding Limited is deemed to be interested in the 700,000,000 Shares of the Company.

- (4) TMF (Cayman) Ltd. is the trustee of The Hope Trust, which is a discretionary trust set up by Ms. Zhao Ying, the chairman and a non-executive Director of the Company. TMF (Cayman) Ltd. directly holds the entire issued share capital of Lily Charm Holding Limited. Therefore, TMF is deemed to be interested in 700,000,000 Shares of the Company under Part XV of the SFO.
- (5) The percentage is calculated on the basis of 1,000,000,000 Shares in issue as of 30 June 2025.

Save as disclosed above, as of 30 June 2025, the Directors were not aware of any other persons, except disclosed below under “Other persons’ interests and short positions in the Shares and underlying Shares of the Company”, other than the Directors and chief executive of the Company who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debenture of the Company and its associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO; or who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 30 June 2025, so far as was known to the Directors, the following persons/entities (not being Directors, chief executive or substantial shareholders of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholders	Capacity/nature of interests	Number and class of Securities (Note 1)	Percentage of Shareholding (Note 3)
Fairich Trading Limited	Beneficial owner	87,650,000 (L)	8.8%
Ms. Xing Junying	Interest in a controlled corporation (Note 2)	87,650,000 (L)	8.8%

Notes:

- (1) The letter “L” denotes the entity/person’s long position in the Shares.
- (2) Fairich Trading Limited is directly wholly owned by Ms. Xing Junying.
- (3) The percentage is calculated on the basis of 1,000,000,000 Shares in issue as of 30 June 2025.

Save as disclosed above, as of 30 June 2025, the Directors are not aware of any other person or corporation other than the Directors, the chief executive and substantial shareholders of the Company who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debenture of the Company and its associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

PURCHASES, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period and up to the date of this announcement.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING INTERESTS OR CONFLICT OF INTEREST

On 5 December 2019, Ms. Zhao Ying, The Hope Trust, Lily Charm Holding Limited, Tai Shing International Investment Company Limited, individually and collectively as the controlling shareholder(s) (the "Controlling Shareholder(s)") (as defined under the Listing Rules) of the Company, has entered into the deed of non-competition (the "Deed of Non-competition") in favor of the Company, details of which were set out in the Prospectus. Pursuant to the Deed of Non-competition, the Controlling Shareholders have irrevocably undertaken to the Company that they will not and will procure their respective close associate (except any member of the Group) not to, directly or indirectly (whether in the capacity of principal or agent, whether for its own benefit or jointly with or on behalf of any person, firm or company, whether within or outside China), commence, engage in, participate in or acquire any business which competes or may compete directly or indirectly with the core business of the Group, being burial service business and funeral services that the Group plans to expand into, or own any rights or interests in such businesses.

During the Period, the Directors are not aware of any business or interest of the Directors, the Controlling Shareholders and their respective associates (as defined in the Listing Rules) that competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person has or may have with the Group.

The Controlling Shareholders have confirmed to the Company that from the effective date of the Deed of the Non-competition and up to the date of this announcement, they and their respective close associates (as defined under the Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors on terms no less exacting than the required standard of dealings set out in the Model Code. Having made specific enquiries of the Directors, all Directors confirmed that they have complied with the required standard of dealings set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company during the Period.

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. In the opinion of the Board, the Company has applied the principles and complied with all the applicable code provisions in the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "Corporate Governance Code") during the Period.

CHANGES IN INFORMATION OF DIRECTORS

During the Period and up to the date of this announcement, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The Company established the audit committee (the "Audit Committee") with written terms of reference in accordance with Rule 3.21 of the Listing Rules and code provision D.3.3 of the Corporate Governance Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, making recommendations to the Board on the appointment and removal of external auditors, reviewing the financial information and disclosures, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee consists of three independent non-executive Directors, namely Dr. Wong Wing Kuen Albert, Mr. Cheung Ying Kwan and Mr. Choi Hon Keung Simon. Dr. Wong Wing Kuen Albert is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Period, and is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.chinawty.com). The Company's 2025 interim report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

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

Hong Kong, 28 August 2025

As at the date of this announcement, the Board of the Company 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. Yang Yun, 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.