

**CHINA WAN TONG YUAN'S REVENUE AND GROSS PROFIT INCREASED BY 46% AND 39%  
IN LINE WITH CITY DEVELOPMENT,  
INTENSIFY BURIAL SERVICES MARKET DEVELOPMENT IN THE JING-JIN-JI MEGALOPOLIS**

24 March 2020 -- China Wan Tong Yuan (Holdings) Limited ("China Wan Tong Yuan" or the "Company", together with its subsidiaries, the "Group", stock code: 6966), which has been transferred to the Main Board of The Stock Exchange of Hong Kong Limited at the end of last year, announced a year-on-year increase of 46.1 per cent in revenue of RMB63,377,000 for the year ended 31 December 2019 (the "Year"). The gross profit of the Group during the Year was RMB50,614,000, representing a year-on-year increase of 38.9 per cent, with a gross profit margin of 79.9 per cent. The profit and total comprehensive income of the Group was RMB23,551,000, and net profit margin reached 37.2 per cent. During the Year, the Group's basic earnings per share were RMB0.024.

The board of China Wan Tong Yuan does not recommend the payment of a final dividend for the Year (2018: nil).

The revenue of China Wan Tong Yuan was mainly generated from burial services; among them, sales of burial plots, sales of columbarium units and provision of other burial-related services accounted for 47.7 per cent, 39.3 per cent and 7.0 per cent of the total revenue respectively; and the provision of cemetery maintenance services accounted for 6.0 per cent. The Group's revenue and gross profit increased year-on-year during the Year, but its net profit decreased year-on-year, primarily due to one-off expenses including the professional fees and other administrative expenses incurred in connection with the application for the transfer of listing from GEM to Main Board.

Looking into 2020, the Company will continue to consolidate its market position in Langfang. It will continuously upgrade and plan to further develop its cemetery, especially the environment in cemetery, upgrade its facilities and diversify its service offerings. The Group will tap further into the burial services market in the Jing-Jin-Ji megalopolis. The Group plans to devote more marketing resources to serving the neighbouring cities and further develop cooperation with local funeral services providers as its business partners. The Group plans to cooperate with local funeral homes and hospital mortuaries to access bereaved families in a more direct and more prompt way, so that the Group can react immediately to provide high-quality one-stop-shop service integrating funeral and burial services for its prospective customers.

In view of the rapid development of Langfang, which is benefited from the overall development of the Jing-Jin-Ji megalopolis, the local government has been carrying out urban planning and construction, which may involve resettlement of the cremains of the deceased relatives of the villagers. In possession of both capability and capacity, the Group provides columbarium collective storage

services to meet the demand arising from the local government's city development plan on the one hand, and broaden its income source on the other.

The Group seeks to prioritize business expansion opportunities with death care services providers in the Jing-Jin-Ji megalopolis and bring synergy to its current operations. Meanwhile, it will also explore potential acquisition or investment in other regions, particularly projects located in wealthy and densely populated provinces. In addition to the downstream industry of burial services, the Group is also committed to seeking development in the upstream industry, for example, palliative care services, to expand its business opportunities and to identify strategic alliance. The Group intends to selectively acquire, invest in or enter into strategic partnerships with other death care services providers, including funeral services providers and cemetery operators.

### **About China Wan Tong Yuan**

China Wan Tong Yuan (Holdings) Limited provide cemetery operation, funeral etiquette and cemetery maintenance services etc. China Wan Tong Yuan is a modernized green and environmental cemetery integrating burial and memory, garden and art, culture and exhibition, national defense education. There are 21 traditional and art cemeteries in the developed area of China Wan Tong Yuan to satisfy diversified customer needs. The Group engages suppliers to design, construct and landscape the burial plots and engrave inscriptions and ceramic photographs on headstones to meet specific customer requirements. The Group also provides a wide range of interment rituals and allows customers to personalize the rituals by selecting value-added services such as cremains transportation and gun salutes. The Company transferred its listing from GEM to the Main Board of The Stock Exchange of Hong Kong Limited on 17 December 2019.

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(Attached with China Wan Tong Yuan's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019)

**China Wan Tong Yuan (Holdings) Limited**  
**(Stock code: 6966)**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2019**

|   | For the year ended 31 December |                      |
|---|--------------------------------|----------------------|
|   | 2019                           | 2018                 |
|   | <i>RMB'000</i>                 | <i>RMB'000</i>       |
| Revenue   | 63,377                         | 43,385               |
| Cost of sales and services  | <u>(12,763)</u>                | <u>(6,954)</u>       |
| Gross profit  | 50,614                         | 36,431               |
| Other income  | 4,906                          | 10,328               |
| Other gains   | 1,061                          | 2,461                |
| Loss on fair value changes of financial assets<br>at fair value through profit or loss      | (245)                          | (2,796)              |
| Gain on fair value changes of investment<br>properties                                      | 350                            | 250                  |
| Distribution and selling expenses   | (6,631)                        | (5,648)              |
| Administrative expenses   | <u>(16,739)</u>                | <u>(5,726)</u>       |
| Profit before tax   | 33,316                         | 35,300               |
| Income tax expense  | <u>(9,765)</u>                 | <u>(7,053)</u>       |
| Profit and total comprehensive income for the year<br>attributable to owners of the Company | <u><b>23,551</b></u>           | <u><b>28,247</b></u> |
| Earnings per share  |                                |                      |
| Basic (RMB)   | <u><b>0.024</b></u>            | <u><b>0.028</b></u>  |