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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)**

## **MAJOR AND CONNECTED TRANSACTION PROVISION OF LOAN**

### **THE LOAN AGREEMENT**

On 7 May 2021, the Company entered into the Loan Agreement with China VAST, pursuant to which the Company has conditionally agreed to provide the Loan in the principal amount of RMB100,000,000 (or its equivalent in Hong Kong dollars) to China VAST for a term of one year at an interest rate of 12% per annum.

### **LISTING RULES IMPLICATIONS**

As the Loan constitutes an advance to an entity which exceeds 8% under the asset ratio defined under Rule 14.07(1) of the Listing Rules, pursuant to Rule 13.13 of the Listing Rules, a general disclosure obligation of the Company arises in respect of the Loan.

As at the date of this announcement, Ms. Zhao Ying is a Director and is, through The Hope Trust, interested in 700,000,000 Shares, representing 70% of the issued share capital of the Company. She is also, through The Hope Trust and Profit East, interested in an aggregate of 1,221,565,664 shares of China VAST, representing 73.98% of the issued share capital of China VAST. Therefore, Ms. Zhao Ying is a controlling shareholder of both the Company and China VAST. Accordingly, China VAST is a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan under the Loan Agreement exceed 25% but all are less than 75%, the Loan Agreement and the Loan contemplated thereunder constitute a major and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

#### **INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee comprising Mr. Cheung Ying Kwan and Mr. Choi Hon Keung, Simon, being all the independent non-executive Directors except Dr. Wong Wing Kuen, Albert who is deemed to have a material interest in the Loan Agreement and the Loan contemplated thereunder by virtue of his position as an independent non-executive director of China VAST, will be formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Loan Agreement and the Loan contemplated thereunder.

#### **INDEPENDENT FINANCIAL ADVISER**

First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Loan Agreement and the Loan contemplated thereunder.

#### **GENERAL**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Loan Agreement and the Loan contemplated thereunder.

As at the date of this announcement, Tai Shing International Investment Company Limited is beneficially interested in 700,000,000 Shares, representing 70% of the issued share capital of the Company. As Tai Shing International Investment Company Limited is indirectly wholly-owned by TMF (Cayman) Ltd., the trustee of The Hope Trust (a discretionary trust founded by Ms. Zhao Ying who can influence how the trustee exercises its discretion), it and its associates are deemed to have a material interest in and will be required under the Listing Rules to abstain from voting on the relevant resolution(s) in relation to the Loan Agreement and the Loan contemplated thereunder at the EGM.

Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Loan Agreement and the Loan contemplated thereunder and is therefore required to abstain from voting at the EGM for the relevant resolution(s).

A circular containing, *inter alia*, (i) details of the Loan Agreement and the Loan contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Loan Agreement and the Loan contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement and the Loan contemplated thereunder; (iv) other information required to be included in the circular under the Listing Rules; and (v) a notice convening the EGM is expected to be despatched to the Shareholders on or before 26 May 2021.

**Shareholders and potential investors of the Company should be aware that the drawdown under the Loan Agreement is subject to the satisfaction or waiver (as applicable) of certain conditions precedent, and therefore the Loan may or may not eventually be drawn or consummated. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.**

On 7 May 2021, the Company entered into the Loan Agreement with China VAST, pursuant to which the Company has conditionally agreed to provide the Loan in the principal amount of RMB100,000,000 (or its equivalent in Hong Kong dollars) to China VAST for a term of one year at an interest rate of 12% per annum.

## **THE LOAN AGREEMENT**

The principal terms of the Loan Agreement are set out as follows:

### **Date**

7 May 2021

### **Parties**

- (1) the Company, as lender
- (2) China VAST, as borrower

As at the date of this announcement, Ms. Zhao Ying is a Director and is, through The Hope Trust, interested in 700,000,000 Shares, representing 70% of the issued share capital of the Company. She is also, through The Hope Trust and Profit East, interested in an aggregate of 1,221,565,664 shares of China VAST, representing 73.98% of the issued share capital of China VAST. Therefore, Ms. Zhao Ying is a controlling shareholder of both the Company and China VAST. Accordingly, China VAST is a connected person of the Company under Chapter 14A of the Listing Rules.

- Principal Amount** : RMB100,000,000 (or its equivalent in Hong Kong dollars)
- The Group intends to fund the Loan with its internal resources.
- Purpose** : All amounts borrowed by China VAST under the Loan shall be used for general working capital and shall not be used for any other purposes
- Repayment Date** : The date falling twelve (12) months after the drawdown date or such other date as agreed in writing between China VAST and the Company (the “**Repayment Date**”)
- Interest Rate** : Twelve percent (12%) per annum (the “**Interest Rate**”), payable on the Repayment Date
- Drawdown Date** : A date set down in a duly completed drawdown notice and not later than 60 days from the date of the Loan Agreement (or such later date as may be agreed by the parties)
- Drawdown** : On the drawdown date, the Company (through itself or its designated nominee(s)) shall make available, and China VAST (or its designated nominee(s)) shall draw, the entire amount of the Loan, which shall be wholly denominated in RMB or HK\$, or partly denominated in HK\$ and partly denominated in RMB. The Loan is not a revolving loan.
- If any part of the Loan is to be made in the PRC in RMB, that part may be implemented by way of an entrustment loan to China VAST or its designated nominee(s) in accordance with PRC laws and the drawdown shall refer to the drawdown payment to a mutually agreed financial institution.

**Conditions Precedent** : The obligation of the Company to make the Loan is subject to the fulfilment by China VAST of the following conditions precedent no later than the drawdown date:

- (1) The representations and warranties of China VAST contained in the Loan Agreement shall be true and correct in all material respects on and as of the drawdown date, and no event of default shall have occurred and be continuing; and China VAST shall be in compliance in all material respects with all terms and conditions set forth in the Loan Agreement.
- (2) The approval by the Independent Shareholders of the Loan, the Loan Agreement and the transactions contemplated thereunder at the EGM in accordance with, and all other consents and acts required under, the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange.
- (3) The compliance with any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance at any time on or prior to the drawdown date in relation to the Loan (whether applicable to the Company or China VAST).
- (4) (If required) all requisite waivers, consents and approvals from any relevant government authorities or regulatory authorities or other relevant third parties in connection with the Loan, the Loan Agreement and the transactions contemplated thereunder having been obtained.
- (5) The Guarantee being executed and delivered by the parties thereto, the obligations of the Guarantor thereunder having become and remaining unconditional in accordance with its terms, and the Guarantee not having been terminated in accordance with its terms or otherwise.
- (6) Such other documents relating to any of the matters contemplated in the Loan Agreement as the Company may reasonably request.

To the extent permitted by applicable laws and regulations, all the conditions precedent set forth above may be waived (including an extension of time for fulfilment of such conditions precedent) by the Company in its sole and absolute discretion.

**Repayment** : China VAST shall repay or pay the principal of the Loan and all accrued interest on the Loan in full on the Repayment Date.

Notwithstanding the foregoing and without prejudice to the parties' right to mutually agree in writing on any other date as the Repayment Date, at any time before the Repayment Date, the Company may at its absolute discretion deliver to China VAST a request in writing (the "**Early Repayment Request**") at least one calendar month in advance of the intended date of early repayment of the principal of the Loan and all accrued interest on the Loan in full or in part, upon receipt of which China VAST shall have ten (10) business days (or any other period as agreed between the parties) to consent to the Early Repayment Request and make such early repayment on the date set out in the Early Repayment Request.

**Prepayment** : China VAST is entitled to make early repayment of the Loan in full or in part to the Company before the Repayment Date by giving to the Company not less than one month's prior written notice, specifying the amount to be repaid and the date on which the early repayment is to be made, and China VAST shall, on the date of early repayment, pay to the Company all accrued interest on the amount to be early repaid. Any prepayment notice given by China VAST shall be irrevocable and China VAST shall be bound to make a prepayment in accordance therewith.

**Default Interest** : In the event that, and for so long as, any event of default shall have occurred and be continuing, the outstanding principal balance of the Loan and, to the extent permitted by law, overdue interest in respect of the Loan, shall accrue interest at the Interest Rate plus 3% per annum, calculated from the date such payment was due without regard to any grace or cure periods contained in the Loan Agreement up to the date of actual payment. Any default interest accruing shall be immediately payable by China VAST on demand by the Company.

**Guarantee** : The Guarantor shall provide the Guarantee in favour of the Company to secure the payment of all sums outstanding under the Loan Agreement and the performance of China VAST of all its obligations under the Loan Agreement.

## **BASIS OF DETERMINATION OF TERMS OF THE LOAN**

The terms of the Loan (including the principal amount and interest rate of the Loan) are agreed upon by the parties after arm's length negotiations and having regard to the prevailing market terms (including terms of loans of comparable duration and nature), the financial background of China VAST, commercial practices and the Guarantee provided by the Guarantor.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN**

In entering into the Loan Agreement, the Company has considered a number of factors, including but not limited to the Group's bank balances and cash on hand, the Group's capital needs in the next 12 months, the financial and business conditions and credit profile of China VAST and the financial position of the Guarantor and the Guarantee.

### **The Amount and Intended Use of Idle Funds**

As disclosed in the annual report of the Company published on 16 April 2021, as at 31 December 2020, the Company had bank balances and cash of approximately RMB197.6 million. Although the Group has been actively seeking business opportunities to expand its burial services business, including but not limited to liaising with relevant local governments in respect of a partnership in relation to the development of the Group's burial services, as of the date of this announcement, no major investment target has been identified other than the JV Cemetery Project. As at the date of this announcement, the total commitment for the JV Cemetery Project from the Group is expected to be RMB76.7 million, among which RMB38.5 million has already been paid by the Group and the remaining investment of RMB38.2 million (the "**Remaining JV Commitment**") is expected to be paid by the Group in the next 12 months.

After taking into account the Company's current capital commitment and the Remaining JV Commitment, and the Company's idle funds for which it has not identified any investment target or operational commitments, it is the Board's view that the Loan (which is on normal commercial terms) would enable the Company to attain better utilization of the idle funds and generate reasonable return for its idle funds pending deployment of such funds for the Group's business development needs after the maturity of the Loan.

## **Interest Income Generated from the Loan**

The Group would like to seize the opportunity to make short-term investment with its idle funds before it can identify potential investment opportunities in order to obtain greater returns for the Shareholders. The Loan will provide interest income to the Group at an interest rate higher than those available to the Group under short-term deposits and low-risk wealth management products.

Based on the budget of the Group, taking into account the bank balances and cash of the Company and the position of working capital sufficiency for the next 12 months, the Group considers that the provision of the Loan will not affect the working capital or daily operations of the Group. The Group currently has no intention to seek, or demand for, additional loans to finance its daily operations during the term of the Loan Agreement.

## **Credit Risks and Exposure of the Company**

### ***The Borrower's repayment capability***

The Company had also conducted due diligence and evaluation on the financial conditions and credit risk assessment on the China VAST Group, including but not limited to an assessment of its assets value (including but not limited to its total net current assets and total net asset of approximately RMB3.8 billion and RMB6.2 billion, respectively, as at 31 December 2020), cashflow and business portfolio.

Based on the Company's due diligence enquiries and review of information and/or documents, to the best of the knowledge of the Company, China VAST has a good credit history with sizable assets and the Directors considered the risk of default by China VAST is remote.

### ***The Guarantee***

The Board has also taken into account the Guarantee provided by the Guarantor, who holds 73.69% of the shares of China VAST, a company the shares of which are listed on the Stock Exchange, and which has a market capitalisation of approximately HK\$5.02 billion as at the date of this announcement (based on the average closing price per share for the immediately preceding five trading days). Pursuant to the Guarantee, the Guarantor provides an unconditional and irrevocable guarantee in favour of the Company for the payment of all sums outstanding under the Loan Agreement and the performance of China VAST of all its obligations under the Loan Agreement. The Guarantor also provides an unconditional and irrevocable indemnity to the Company for all losses, liabilities, damages, costs and expenses whatsoever arising out of any failure of China VAST in the due and punctual observance of its obligations under the Loan Agreement. Taking into account the financial capability of the Guarantor, the Directors are of the view that the Guarantee is sufficient to protect the Company's interest in the event that China VAST defaults.

### ***Limited credit exposure and predictable returns of the Loan***

Given the non-revolving nature and twelve-month term of the Loan, the Company has a relatively high certainty of the credit exposure of the Loan. The credit risk of advancing the Loan is further reduced by the Guarantee and the indemnity thereunder.

As compared to other investment opportunities, such as equity investments which generally have longer financial return cycle and high-yield debts which generally have higher default risks, the Loan provides a more predictable interest income and higher certainty in terms of timeline of capturing the interest income.

### **The Directors' view**

Based on the above, despite the Loan is not in the ordinary and usual course of business of the Company, the Directors (other than members of the Independent Board Committee who will express their views after considering the advice from the Independent Financial Adviser) consider that the Loan is on normal commercial terms, and that the terms of the Loan Agreement and the Loan contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As (i) Ms. Zhao Ying (chairman of the Company and a non-executive Director) is a non-executive director of China VAST; (ii) Ms. Wang Wei (an executive Director) is the daughter of Ms. Zhao Ying and an executive director of China VAST; (iii) Mr. Huang Peikun (an executive Director) is an executive director of China VAST; and (iv) Dr. Wong Wing Kuen, Albert (an independent non-executive Director) is an independent non-executive director of China VAST; each of the above-mentioned Directors is deemed to have a material interest in the Loan Agreement and the Loan contemplated thereunder and has accordingly abstained from voting on the resolution(s) of the Board in connection with the Loan Agreement and the Loan contemplated thereunder.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the other Directors have or are deemed to have a material interest in the Loan Agreement and the Loan contemplated thereunder.

### **FINANCIAL EFFECT**

The Loan will be recorded as loan receivables under current assets of the Company. Upon the drawdown, bank balances and cash of the Group will be decreased by RMB100,000,000 and loan receivable of the Group will be increased by the same amount. The Group is expected to recognise an interest income of RMB12,000,000 following the advancement of the Loan until the Repayment Date, assuming there is no early repayment.

## **INFORMATION OF THE PARTIES**

### **Information of the Company and the Group**

The Company is an investment holding company and the Group is primarily engaged in the sale of burial plots and columbarium units, provision of other burial-related services and provision of cemetery maintenance services.

### **Information of China VAST**

China VAST is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6166). It is one of the pioneer service providers in the planning, development and operation of large-scale industrial towns (產業市鎮) in China. The China VAST Group is principally engaged in the business of industrial towns development, property development and property leasing.

Ms. Zhao Ying is a controlling shareholder and the ultimate beneficial owner of China VAST and is through The Hope Trust and Profit East interested in an aggregate of 1,221,565,664 shares of China VAST, representing 73.98% of the issued share capital of China VAST. China VAST is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

### **Information of the Guarantor**

The Guarantor is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is directly and ultimately and beneficially owned by Ms. Zhao Ying. The Guarantor is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The Guarantor holds 1,216,812,664 shares of China VAST (representing approximately 73.69% of the issued share capital of China VAST) and is principally engaged in investment holding.

## **LISTING RULES IMPLICATIONS**

As the Loan constitutes an advance to an entity which exceeds 8% under the asset ratio defined under Rule 14.07(1) of the Listing Rules, pursuant to Rule 13.13 of the Listing Rules, a general disclosure obligation of the Company arises in respect of the Loan.

As at the date of this announcement, Ms. Zhao Ying is a Director and is through The Hope Trust interested in 700,000,000 Shares, representing 70% of the issued share capital of the Company. She is also through The Hope Trust and Profit East interested in an aggregate of 1,221,565,664 shares of China VAST, representing 73.98% of the issued share capital of China VAST. Therefore, Ms. Zhao Ying is a controlling shareholder of both the Company and China VAST. Accordingly, China VAST is a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan under the Loan Agreement exceed 25% but all are less than 75%, the Loan Agreement and the Loan contemplated thereunder constitute a major and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

#### **INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee comprising Mr. Cheung Ying Kwan and Mr. Choi Hon Keung, Simon, being all the independent non-executive Directors except Dr. Wong Wing Kuen, Albert who is deemed to have a material interest in the Loan Agreement and the Loan contemplated thereunder by virtue of his position as an independent non-executive director of China VAST, will be formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Loan Agreement and the Loan contemplated thereunder.

#### **INDEPENDENT FINANCIAL ADVISER**

First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Loan Agreement and the Loan contemplated thereunder.

#### **GENERAL**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Loan Agreement and the Loan contemplated thereunder.

As at the date of this announcement, Tai Shing International Investment Company Limited is beneficially interested in 700,000,000 Shares, representing 70% of the issued share capital of the Company. As Tai Shing International Investment Company Limited is indirectly wholly-owned by TMF (Cayman) Ltd., the trustee of The Hope Trust (a discretionary trust founded by Ms. Zhao Ying who can influence how the trustee exercises its discretion), it and its associates are deemed to have a material interest in and will be required under the Listing Rules to abstain from voting on the relevant resolution(s) in relation to the Loan Agreement and the Loan contemplated thereunder at the EGM.

Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Loan Agreement and the Loan contemplated thereunder and is therefore required to abstain from voting at the EGM for the relevant resolution(s).

A circular containing, *inter alia*, (i) details of the Loan Agreement and the Loan contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Loan Agreement and the Loan contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement and the Loan contemplated; (iv) other information required to be included in the circular under the Listing Rules; and (v) a notice convening the EGM is expected to be despatched to the Shareholders on or before 26 May 2021.

**Shareholders and potential investors of the Company should be aware that the drawdown under the Loan Agreement is subject to the satisfaction or waiver (as applicable) of certain conditions precedent, and therefore the Loan may or may not eventually be drawn or consummated. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.**

## DEFINITIONS

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

“Board”	the board of Directors
“China VAST”	China VAST Industrial Urban Development Company Limited (中國宏泰產業市鎮發展有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 6166
“China VAST Group”	China VAST and its subsidiaries
“Company”	China Wan Tong Yuan (Holdings) Limited (中國萬桐園(控股)有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6966)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	an extraordinary general meeting of the Company to be held for the Independent Shareholders to consider, and if thought fit, approve the Loan Agreement and the Loan contemplated thereunder
“Group”	the Company, together with its subsidiaries
“Guarantee”	a guarantee and indemnity provided by the Guarantor and in favour of the Company to secure the payment of all sums outstanding under the Loan Agreement and the performance of China VAST of all its obligations under the Loan Agreement pursuant to a deed of guarantee entered into between the Company as lender and the Guarantor as guarantor dated 7 May 2021
“Guarantor” or “Profit East”	Profit East Limited (利東有限公司), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is legally and beneficially owned by Ms. Zhao Ying
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent Board committee of the Company comprising Mr. Cheung Ying Kwan and Mr. Choi Hon Keung, Simon, being all the independent non-executive Directors except Dr. Wong Wing Kuen, Albert who is deemed to have a material interest in the Loan Agreement and the Loan contemplated thereunder by virtue of his position as an independent non-executive director of China VAST, to be formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Loan Agreement and the Loan contemplated thereunder
“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Loan Agreement and the Loan contemplated thereunder
“Independent Shareholders”	Shareholders other than Tai Shing International Investment Company Limited, Ms. Zhao Ying and their respective associates

“JV Cemetery Project”	a cemetery joint venture project located in new airport (Langfang area), relocation and settlement zone, Beijing* (北京新機場(廊坊區域)回遷安置區公墓項目), the details of which are set out in the announcement and circular of the Company dated 30 June 2020 and 24 August 2020, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of RMB100,000,000 (or its equivalent in Hong Kong dollars) to be made available to China VAST by the Company on the terms and subject to the conditions set out in the Loan Agreement
“Loan Agreement”	the loan agreement entered into between the Company as lender and China VAST as borrower dated 7 May 2021 relating to the Loan
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Hope Trust”	an irrevocable discretionary trust with TMF (Cayman) Ltd. as trustee for the benefit of Ms. Zhao Ying and her issue. Ms. Zhao Ying is the sole settlor and sole member of The Hope Trust’s protective committee, and is the founder of The Hope Trust who can influence how the trustee exercises its discretion under Part XV of the SFO

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

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

Hong Kong, 7 May 2021

*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. 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.*

*\* for identification purpose only*