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YUNBAIYAO HONG KONG CO., LIMITED

雲白藥香港有限公司

(Incorporated in Hong Kong with limited liability)

萬隆控股集團有限公司

Ban Loong Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)

JOINT ANNOUNCEMENT

(1) CLOSE OF MANDATORY UNCONDITIONAL CASH OFFER BY CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

**FOR AND ON BEHALF OF YUNBAIYAO HONG KONG CO., LIMITED
FOR ALL THE SHARES IN BAN LOONG HOLDINGS LIMITED (OTHER
THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY
YUNBAIYAO HONG KONG CO., LIMITED AND/OR PARTIES ACTING IN
CONCERT WITH IT);**

(2) RESULTS OF THE OFFER;

(3) SETTLEMENT OF THE OFFER; AND

(4) PUBLIC FLOAT OF THE COMPANY

Financial Adviser to the Offeror in relation to the Offer



CLOSE OF THE OFFER

The Offeror and the Company jointly announce that the Offer closed at 4:00 p.m. on Tuesday, 18 January 2022 and was not revised or extended.

RESULTS OF THE OFFER

At 4:00 p.m. on Tuesday, 18 January 2022, being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of 3,101,911,000 Offer Shares under the Offer, representing approximately 48.11% of the total issued Shares as at the date of this announcement.

Taking into account the Acceptance Shares and Shares already owned by the Offeror and parties acting in concert with it, the Offeror and the parties acting in concert with it are interested in an aggregate of 5,065,936,360 Shares, representing approximately 78.56% of the total issued Shares as at the date of this announcement.

PUBLIC FLOAT

Immediately after the close of the Offer and as at the date of this joint announcement, subject to the completion of the transfer to the Offeror of those Offer Shares acquired by it under the Offer, 1,382,215,800 Shares, representing approximately 21.44% of the total issued Shares, are held by the public (as defined in the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. The sole director of the Offeror and the Directors will take appropriate steps to ensure that sufficient public float exists in the Shares as soon as possible following the close of the Offer. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as and when appropriate in accordance with the Listing Rules.

References are made to the composite offer and response document dated 15 December 2021 (the “**Composite Document**”) in relation to, among others, the Offer, and the joint announcement of the Offeror and the Company dated 4 January 2022 (the “**Unconditional Announcement**”). Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Composite Document.

1. CLOSE OF OFFER

As disclosed in the Unconditional Announcement, the Condition as set out in the Composite Document had been satisfied as at 4:00 p.m. on 4 January 2022, and accordingly, the Offer was declared unconditional in all respects on 4 January 2022.

Pursuant to Rule 15.1 and Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptances for at least 14 days after the Offer became or was declared unconditional (whether as to acceptances or in all respects). The Offeror and the Company jointly announce that the Offer closed at 4:00 p.m. on Tuesday, 18 January 2022 and was not revised or extended.

2. RESULTS OF THE OFFER

At 4:00 p.m. on Tuesday, 18 January 2022, being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of 3,101,911,000 Offer Shares under the Offer (the “**Acceptance Shares**”), representing approximately 48.11% of the total issued Shares as at the date of this joint announcement.

Taking into account the Acceptance Shares and Shares already owned by the Offeror and parties acting in concert with it, the Offeror and the parties acting in concert with it are interested in an aggregate of 5,065,936,360 Shares, representing approximately 78.56% of the total issued Shares as at the date of this joint announcement.

3. SETTLEMENT OF THE OFFER

Based on the valid acceptances in respect of 3,101,911,000 Shares under the Offer at the Offer Price of HK\$0.285 per Share, the total cash consideration paid or payable for the Acceptance Shares is HK\$884,044,635.

Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty in respect of acceptances of the Offer) for the Offer Shares tendered under the Offer have been or will be despatched to the Offer Shareholders accepting the Offer (to the address specified on the relevant Form of Acceptance) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the later of (i) the date on which the duly completed Form of Acceptance and the relevant documents of title in respect of such acceptance were received by the Registrar to render such acceptance complete and valid; and (ii) the date on which the Offer became, or was declared, unconditional in all respects.

The latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offer is Thursday, 27 January 2022.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately prior to commencement of the Offer Period on 4 November 2021, the Offeror and the parties acting in concert with it held 1,964,025,360 Shares (representing approximately 30.46% of the total issued Shares as at the date of this joint announcement).

Save for the 1,964,025,360 Shares (representing approximately 30.46% of the total issued Shares as at the date of this joint announcement) already held by the Offeror and parties acting in concert with it before the commencement of the Offer Period and the Acceptance Shares, neither the Offeror nor any of parties acting in concert with it has (i) held, controlled or directed any Shares and rights over Shares immediately before the commencement of the Offer Period; (ii) acquired or agreed to acquire any Shares or rights over Shares since the commencement of the Offer Period and up to the date of this joint announcement; or (iii) borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company since the commencement of the Offer Period and up to the date of this joint announcement.

Immediately following the close of the Offer, the Offeror and the parties acting in concert with it are interested in an aggregate of 5,065,936,360 Shares, representing approximately 78.56% of the total issued Shares as at the date of this joint announcement.

The following table sets out the shareholding structure of the Company (i) immediately prior to commencement of the Offer Period; and (ii) immediately after the close of the Offer (assuming completion of transfer of the Acceptance Shares to the Offeror):

Shareholders	Immediately prior to commencement of the Offer Period		Immediately after the close of the Offer (assuming completion of transfer of the Acceptance Shares to the Offeror)	
	Number of Shares	%	Number of Shares	%
Offeror	0	—	3,101,911,000	48.11
YNBY Group Co.	1,908,025,360	29.59	1,908,025,360	29.59
New Huadu HK	56,000,000	0.87	56,000,000	0.87
Aggregate number of Shares held by the Offeror and parties acting in concert with it ^{Note 1}	1,964,025,360	30.46	5,065,936,360	78.56
Directors				
Chow Wang	495,404,000	7.68	0	0
Fong For	349,068,000	5.41	0	0
Public Shareholders	<u>3,639,654,800</u>	<u>56.45</u>	<u>1,382,215,800</u>	<u>21.44</u>
Total	<u>6,448,152,160</u>	<u>100</u>	<u>6,448,152,160</u>	<u>100</u>

Notes:

1. As at the date of this announcement, YNBY Group Co. is the holder of the Convertible Bonds with a principal amount of HK\$500,000,000, none of which have been exercised. Pursuant to the terms and conditions of the Convertible Bonds, among other things, YNBY Group Co. may not convert any of such Convertible Bonds to Shares if such conversion would trigger any mandatory offer obligation under Rule 26 of the Takeovers Code. The sole director of the Offeror has confirmed that YNBY Group Co. did not exercise its conversion right in respect of the Convertible Bonds prior to the close of the Offer.
2. All percentages in the above table are approximations and rounded to two decimal places.

5. PUBLIC FLOAT OF THE SHARES

Immediately after the close of the Offer and as at the date of this joint announcement, subject to the completion of the transfer to the Offeror of those Offer Shares acquired by it under the Offer, 1,382,215,800 Shares, representing approximately 21.44% of the total issued Shares, are held by the public (as defined in the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. The sole director of the Offeror and the Directors will take appropriate steps to ensure that sufficient public float exists in the Shares as soon as possible following the close of the Offer. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as and when appropriate in accordance with the Listing Rules.

All references to times and dates contained in this joint announcement refer to Hong Kong times and dates.

By order of the board of directors of
Yunbaiyao Hong Kong Co., Limited
雲白藥香港有限公司
Li Yi
Director

By order of the board of directors of
Ban Loong Holdings Limited
Chow Wang
Deputy Chairman and Chief Executive Officer

Hong Kong, 18 January 2022

As at the date of this joint announcement, the executive Directors are Mr. Wang Minghui, Mr. Chow Wang, Mr. Yin Pinyao, Mr. Wang Zhaoqing and Mr. Dong Ming, the non-executive Director is Mr. Fong For, and the independent non-executive Directors are Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Li Yi.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group) and confirms, having made all reasonable inquiries, that, to the best of his knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of YNBY Group Co. are Wang Minghui (chairman of the board), Chen Fashu (co-chairman of the board), Yang Changhong, Chen Yanhui, Dai Yang, Zhang Yongliang, Yin Xiaobing, Li Shuangyou, and Liu Guoen.

The directors of YNBY Group Co. jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.