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萬隆控股集團有限公司
Ban Loong Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 30)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by Ban Loong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated (i) 20 June 2022 and 30 June 2022 in relation to, among other things, the establishment of the Independent Investigation Committee, delay in publication of the 2021/2022 Annual Results and 2021/2022 Annual Report; (ii) 26 July 2022 in relation to the resumption guidance imposed by the Stock Exchange; (iii) 28 July 2022 in relation to the updates of the Investigation; (iv) 29 August 2022 in relation to the operational update of the Company for the year ended 31 March 2022 and the three months ended 30 June 2022; and (v) 20 September 2022 in relation to the quarterly update on suspension of trading announcement (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

UPDATE ON RESUMPTION PROGRESS

The Company would like to inform its shareholders and potential investors of the Company of that as at the date of this announcement the followings:

- (i) the forensic investigation conducted by the Forensic Investigator and the Internal Control Review conducted by the Independent IC Adviser are still ongoing. Owing to the volume of documents that need to be examined, the Forensic Investigator and the Independent IC Adviser will require more time to prepare the preliminary findings report;

- (ii) during the course of the forensic Investigation and internal audit, the Group, with the assistance of the Group’s legal advisers and accountants, has discovered there may have been irregularities in the Shenzhen’s trading business, where, there may have been irregularities in its certain sales records, business transaction documents and prepayments. As the relevant personnel has already left the Group’s Shenzhen office, and has not been approachable, the Group reported the matter to relevant PRC law authority on 1 November 2022; and
- (iii) the Company is working closely with the Auditor to finalise its accounts and complete the audit procedures as soon as possible. The expected date of the publication of the 2021/2022 Annual Results and 2021/2022 Annual Report will need to be further discussed with the Auditor after the Investigation is completed and will be announced as soon as possible.

UPDATE ON BUSINESS OPERATIONS

As disclosed in the Company’s announcement dated 20 September 2022, the Company ceased its Money Lending Business in June 2022. After the cessation of the Money Lending Business, the Company placed its focus on its trading and pharmaceutical and cosmetic CBD businesses. To further diversify the Group’s trading and pharmaceutical and cosmetic CBD businesses, the Company has proactively reached out to and cooperated with new business partners to strengthen the Group’s market shares and presence in the world.

With respect to the Group’s pharmaceutical and cosmetic CBD business, the Company had entered into a memorandum of understanding (“**MOU**”) with several independent business partners from the Lao People’s Democratic Republic (“**Laos**”) and Switzerland (the “**Business Partners**”). Under the MOU, it is contemplated that the Company will join forces with the Business Partners, where the Business partners will be primarily responsible for the development, construction and operation of an industrial hemp technology park located in Laos (the “**Technology Park**”), and the Company will be primarily responsible for the trading and distribution of pharmaceutical and cosmetic CBD products developed by the Technology Park.

With respect to the Group’s trading business, as disclosed in the Company’s announcement dated 13 December 2022, the Company had entered into a framework agreement with Yunnan Baiyao Group (“**Framework Agreement**”), pursuant to which, among others, Yunnan Baiyao Group agreed to purchase certain services from our Group, and it is expected that such services would generate a revenue up to RMB400 million per annual year.

Even though the MOU is only preliminary in nature and the execution of the Framework Agreement and the transactions contemplated thereunder are subject to the Company’s independent shareholders’ approval, the negotiations with Yunnan Baiyao Group in relation to the service scope and terms of the Framework Agreement and the cooperation with the Business Partners demonstrated that the Company is actively exploring new business opportunities to (i) expand its trading and CBD businesses; (ii) generate new revenue stream; and (iii) enhance the Group’s influence and brand recognition in the world. The Board also considers that the entering of the MOU and Framework Agreement is in line with the Company’s strategy and business objectives.

Save as disclosed above, the business operations of the Group are continuing as usual in all material respects notwithstanding the trading in the shares of the Company has been suspended since June 2022. In order to further promote the Group's competitiveness, the Board will also continue to explore, evaluate and seize new businesses opportunities which could be of good potential and/or long-term benefit to the Group and the shareholders of the Company as a whole.

RESUMPTION PLAN

In order to satisfy the requirements under the Resumption Guidance, the Company will continue to work with its professional advisors to advance the resumption progress and will make further announcement(s) in relation to its business operations and the status of resumption as and when appropriate to keep the Company's shareholders and potential investors informed.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 21 June 2022 and will remain suspended.

The Company will publish further announcement(s) to inform the shareholders of the Company and potential investors of any material developments in connection with the above matter as and when appropriate.

Shareholders and potential investors of the Company should note that the transactions contemplated under the Framework Agreement and the MOU may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Ban Loong Holdings Limited
Tang Ming
Executive Director
&
Chief Executive Officer

Hong Kong, 20 December 2022

As at the date of this announcement, the executive Directors are Mr. Dong Ming (Chairman), Mr. Tang Ming (chief executive officer), Mr. Yin Pinyao and Mr. Liu Zhouyang; the non-executive Directors are Mr. Qian Yinghui and Mr. Huang Bin; and the independent non-executive Directors are Ms. Wong Chui San, Susan, Mr. Leung Ka Kui, Johnny and Mr. Jiang Zhi.