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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)

CHANGE OF AUDITOR AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Ban Loong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) and 13.09(2)(a) 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).

Reference is made to the announcements of the Company dated 20 June 2022, 30 June 2022, 26 July 2022, 29 August 2022, 20 September 2022, 20 December 2022, and 20 March 2023, in relation to, among others, the publication of the (i) 2021/2022 Annual Result and 2021/2022 Annual Report; and (ii) interim financial results and interim financial report for the sixth months ended 30 September 2022 (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

RESIGNATION OF AUDITOR

The Company hereby announces that, HLB Hodgson Impey Cheng Limited, the auditor of the Company (the “**HLB**”), has resigned as the auditor of the Company with effect from 25 April 2023 (the “**Resignation**”).

In its resignation letter, HLB indicated that during the audit of the Group’s consolidated financial statements for the year ended 31 March 2022, they have identified two matters that require explanations, information and/or supporting documents.

The details of the key matters include:–

(i) the loans and interest receivables of the Group

HLB noted that as of 31 March 2022, over 80% of the loan and interest receivables of the Group had matured and remained overdue. As part of HLB’s audit procedures, HLB attempted to arrange interviews with the relevant borrowers. However, HLB was only able to carry out interviews with two borrowers (the “**Interviews**”) and were unable to contact or carry out interview with other borrowers. During the Interviews, the borrowers claimed that they have already repaid their outstanding loan and interest receivables by (a) transferring the funds into bank accounts designated by the Mr. Chow Wang (“**Mr. Chow**”), a former director of the Company; and/or (b) paying cash directly to Mr. Chow.

As contradictory audit evidence was obtained during the Interviews, HLB had communicated with the management of the Company and requested the Board and the audit committee (the “**Audit Committee**”) of the Company to form an independent investigation committee and engage an independent professional advisor to carry out investigation regarding the Group’s loan and interest receivables and its money lending business.

(ii) details of the Investigation

In April 2022, the Board formed an Independent Investigation Committee and appointed an Independent Professional Advisor for the purpose of carrying out the investigation and report on the matters and events relating to the outstanding loans and the existing business of the Company, including the trading of goods and commodities business (the “**Investigation**”). As of the date of this letter, the Investigation is still ongoing.

HLB further reiterated that depending on the results of the Investigation and information made available to them, they may require to extend the audit procedures in order to obtain sufficient and appropriate evidence to determine whether there are any impacts on their auditors’ reports on the Group’s consolidated financial statements for the years ended 31 March 2017 to 31 March 2021. HLB reserves all their rights to prevent any future reliance on their auditors’ reports for the Group’s consolidated financial statements for the years ended 31 March 2017 to 31 March 2021.

The above matters were communicated by HLB to the Board and Audit Committee in its letters dated 15 June 2022 and 25 April 2023. While the Company took all appropriate actions to accommodate HLB’s requests to the extent possible, as the Investigation is still ongoing, the Group’s management is unable to provide the requested information, explanations and/or related supporting documents to HLB. Accordingly, HLB was unable to proceed further with the audit of the Group’s consolidated financial statements for the year ended 31 March 2022, and accepted the Company’s request to resign as auditor of the Company.

The Board and the Audit Committee confirmed that, save as disclosed above, they are not aware of any unusual or unresolved matter in connection with HLB’s resignation which should be brought to the attention of the Shareholders.

APPOINTMENT OF AUDITOR

The Board, with the recommendation of the Audit Committee, resolved to appoint Zhonghui Anda CPA Limited (“**Zhonghui Anda**”) as the auditor of the Company with effect from 28 April 2023 to fill the casual vacancy following the resignation of HLB as auditor of the Company, and to hold office until the conclusion of the next annual general meeting of the Company.

PUBLICATION OF THE GROUP’S FINANCIAL RESULTS

As Zhonghui Anda had just commenced its audit work and the Investigation is still in process, the expected date of the publication of the (i) 2021/2022 Annual Result and 2021/2022 Annual Report; and (ii) interim financial result and interim financial report for the sixth months ended 30 September 2022 will be announced in due course.

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 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, 28 April 2023

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.