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雲白國際有限公司
YNBY International Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 00030)

(1) FULFILMENT OF THE RESUMPTION GUIDANCE;
AND
(2) RESUMPTION OF TRADING

FULFILMENT OF THE RESUMPTION GUIDANCE

The Board is pleased to announce that, as at the date of this announcement, the Company has fulfilled the requirements under the Resumption Guidance.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 21 June 2022. As the Resumption Guidance has been fully fulfilled to the Stock Exchange's satisfaction, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 31 January 2024.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules 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 (i) the announcements of the Company dated 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 the 2021/2022 Annual Report; (ii) the announcement of the Company dated 21 June 2022 in relation to the suspension of trading in the Shares on the Stock Exchange; (iii) the announcement of the Company dated 26 July 2022 in relation to the resumption guidance; (iv) the announcement of the Company dated 28 July 2022 in relation to the updates of the Investigation; (v) the announcement of the Company dated 29 August 2022 in relation to the operational update of the Company for FY2021/2022 and the three months ended 30 June 2022; (vi) the announcement of the Company dated 5 July 2023 in relation to the delay in publication of the 2022/2023 Annual Results and the 2022/2023 Annual Report; (vii) the announcements of the Company dated 20 September 2022, 20 December 2022, 20 March 2023, 20 June 2023, 20 September 2023, and 20 December 2023 in relation to the quarterly update on suspension of trading; (viii) the announcement of the Company dated 28 April 2023 in relation to the resignation and change of auditor of the Company; (ix) the announcement of the Company dated 25 October 2023 in relation to the key findings of the Forensic Investigation and the Internal Control Review (the “**Key Findings Announcement**”); (x) the announcement of the Company dated 10 November 2023 in relation to the resignation of independent non-executive directors of the Company; (xi) the announcement of the Company dated 15 November 2023 in relation to the additional resumption guidance of the Stock Exchange; (xii) the announcement of the Company dated 21 November 2023 in relation to the appointment of independent non-executive directors and change in composition of Board committees of the Company; (xiii) the announcement of the Company dated 30 November 2023 in relation to the delay in publication of the FY2023 Interim Results; (xiv) the announcement of the Company dated 4 December 2023 in relation to a letter issued by the former auditor of the Company; and (xv) the announcements of the Company dated 5 December 2023 in relation to the publication of the 2021/2022 Annual Results, the 2022/2023 Interim Results, the 2022/2023 Annual Results and the FY2023 Interim Results (collectively, the “**Previous Announcements**”). Unless otherwise indicated, capitalized terms used herein shall have the same meanings ascribed to them in the Previous Announcements.

BACKGROUND

As set out in the Company’s profit warning announcement dated 16 June 2021 and 19 November 2021, the 2020/2021 annual report of the Company dated 29 July 2021, and the 2021/2022 interim report of the Company dated 31 December 2021, the Company recorded a relatively significant financial losses for the six months ended 30 September 2021 (the “**Financial Losses**”).

In light of the above, subsequent to the change of the Board composition in early 2022, the priority of the new executive management of the Company, including Mr. Dong Ming and Mr. Liu Zhouyang, was to take control of the businesses of the Group, investigate into the cause and reasons for the deterioration in the financial conditions of the Money Lending Business and the trading business of the Group, and the Financial Losses. Upon reviewing the trading and financial records of the then existing businesses of the Company, the new executive management was of the view that additional information will be required for the purpose of, among other things, further understanding the then existing businesses of the Company and the causes and reasons for the Financial Losses. As such, the Board considered that an independent investigation committee should be formed and such committee should be provided with investigation powers.

Accordingly, on 20 April 2022, the Board formed the Independent Investigation Committee for the purposes of carrying out an investigation in relation to the matters and events relating to the outstanding loans and the existing businesses of the Company which includes the trading of goods and commodities business. On 22 April 2022, the Board appointed the Independent Professional Investigator to assist in and report the findings of the Investigation.

On 15 June 2022, HLB, the then auditor of the Company, informed the Company that due to, among other things, the status of the outstanding loans of the Money Lending Business, additional time was required by HLB to complete the auditing of the 2021/2022 annual results.

As such, given that the Company was unable to publish periodic financial information in accordance with the Listing Rule, the trading of the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 21 June 2022.

RESUMPTION GUIDANCE

On 26 July 2022, the Stock Exchange issued the resumption guidance to the Company, which required the Company to:

- (a) conduct an appropriate independent forensic investigation, announce the findings and take appropriate remedial actions (“**Resumption Condition (1)**”);
- (b) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence (“**Resumption Condition (2)**”);
- (c) publish all outstanding financial results required under the Listing Rules and address any audit modifications (“**Resumption Condition (3)**”);
- (d) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules (“**Resumption Condition (4)**”);
- (e) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules (“**Resumption Condition (5)**”); and
- (f) announce all material information for the Company’s shareholders and investors to appraise its position (“**Resumption Condition (6)**”).

On 13 November 2023, the Stock Exchange issued additional resumption guidance to the Company, which required the Company to:

- (g) re-comply with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules (“**Resumption Condition (7)**”).

FULFILMENT OF RESUMPTION GUIDANCE

The Board is pleased to announce that, as at the date of this announcement, the Company has fulfilled the requirements under the Resumption Guidance. The following set out the details of the fulfilment of the Resumption Guidance:

1. Resumption Condition (1) – Conduct an appropriate independent forensic investigation, announce the findings and take appropriate remedial actions

As part of the Resumption Guidance, apart from the scope of work as set out in the paragraph headed “**Background**” of this announcement, the Independent Professional Investigator was subsequently appointed by the Board in September 2022 as Forensic Investigator, and was instructed by the Board to prepare a report on the findings of the Forensic Investigation. The Forensic Investigation extended the then on-going Investigation with additional scope. Apart from the original Scope of Investigation, the Forensic Investigator was requested by the Company to further examine the issues raised by HLB, the then auditor of the Company, in its resignation letter, details of which are set out in the announcement of the Company dated 28 April 2023.

The Forensic Investigator conducted the Forensic Investigation primarily on the Money Lending Business under BL Finance and the Trading of Goods and Commodities Business under WLXY Hong Kong and WLXY Shenzhen. The Company discovered that: i) there were irregularities in the operations of the Money Lending Business and the Trading of Goods and Commodities Business under the Investigated Subsidiaries; ii) the irregularities of the Investigated Subsidiaries involved the Four Individuals, namely Mr. Chow Wang, Mr. Wang Zhao Qing, Mr. Chu Ka Wa, and Mr. Lee Chun Man; iii) there were deficiencies in the Group’s corporate governance and internal control system.

For further details on the key findings of the Forensic Investigation, please refer to the Key Findings Announcement.

Having considered the fact that (a) the Money Lending Business under BL Finance and the Trading of Goods and Commodities Business under WLXY Shenzhen have completely been ceased since June 2022 and suspended since July 2022, respectively; (b) the Four Individuals responsible for the Money Lending Business and/or the Trading of Goods and Commodities Business of the Investigated Subsidiaries have either resigned or been removed from all positions of the Group before 31 December 2022; (c) the internal control deficiencies identified in the Forensic Investigation have been rectified, with enhancement measures taken to improve the corporate governance and internal control environment of the Group; and (d) appropriate remedial actions have been taken in respect of the recommendations made by the Forensic Investigator, the Internal Control Consultant and the Independent Investigation Committee to the extent possible, the Independent Investigation Committee is of the view, which the Audit Committee and the Board concurred, that the Company has sufficiently rectified the irregularities identified in the Forensic Investigation to the extent possible, and is satisfied that there exists sufficient safeguards and measures to monitor the businesses of the Group to ensure compliance with the laws of the relevant jurisdictions where the Group operates and the Listing Rules.

Accordingly, the Company is of the view that it has fulfilled Resumption Condition (1).

2. Resumption Condition (2) – Demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence

As at the date of this announcement, the executive Directors are Mr. Dong Ming (the chairman of the Board), Mr. Tang Ming (the chief executive officer of the Company) and Mr. Liu Zhouyang; the non-executive Directors are Mr. Qian Yinghui and Mr. Huang Bin and the independent non-executive Directors are Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang.

a. Involvement of the Existing Management in the Irregularities

Pursuant to the steps taken in the Forensic Investigation, all the Four Individuals involved in the irregularities of the Investigated Subsidiaries have either resigned or been removed from all positions of the Group before 31 December 2022. The Company has been going through major restructuring and management change since January 2022. Subsequent to the change of the Board composition, each of the current members of the Board was appointed in January 2022 or after.

b. Background of the Existing Management

The Existing Management comprises professionals with a diversity of professional and industry experience, including experience in the trading industry in the PRC and overseas markets, finance and accounting, and biotechnology and healthcare industries. Members of the Existing Management also possess work experience in well-established sizable companies, non-profit organizations, and the Hong Kong Government. For further details in relation to the background of the Existing Management, please refer to the Appointment Announcements. Each and every member of the Existing Management has confirmed that he or she has no relationship (business, personal or otherwise) with any of the Four Individuals, namely Mr. Chow Wang, Mr. Wang Zhao Qing, Mr. Chu Ka Wa, and Mr. Lee Chun Man.

c. Precautionary Measures in Relation to Occurrence of Similar Incidents

Apart from having in place internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group, to prevent occurrence of similar incidents in the future, the Board has resolved to adopt the recommendations of the Independent Investigation Committee to enhance the Company's internal controls, in particular, among others, the corporate governance of the Group. Upon completion of the Internal Control Review, the Internal Control Consultant is of the view that, nothing has come to their attention that would reasonably cause them to doubt that the Group has not put in place adequate internal controls and procedures to meet its obligations under the Listing Rules according to the samples and documents received from the relevant subsidiaries of the Group pursuant to the scope of the Internal Control Review. Please refer to the Key Findings Announcement for details of the measures in connection with the enhancement of the corporate governance of the Group.

In addition, all Directors have attended trainings to fully appreciate and understand the obligations, duties and responsibilities of a director of a company listed on the Stock Exchange, including without limitation, fiduciary duties, integrity and corporate governance.

Each of the Directors has also entered into a deed of undertaking in favor of the Company, pursuant to which, each of the Directors undertakes to, (a) make reference to and consider the relevant guidelines for directors published by the Hong Kong Companies Registry and the Hong Kong Institute of Directors; (b) act honestly and in good faith in the interests of the Company as a whole; (c) act for proper purpose; (d) be answerable to the Company for the application or misapplication (if any) of its assets; (e) avoid actual and potential conflicts of interest and duty, if any; (f) disclose fully and fairly his interests in contracts with the Company; and (g) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office within the Company. The Directors also undertake to be actively involved in the affairs of the Company, including obtaining a general understanding of its business and following up anything untoward that comes to their attention.

Having considered that (a) the experience and expertise of the Existing Management meet a standard of competence commensurate with their position as directors of a listed issuer as required under Rules 3.08 and 3.09 of the Listing Rules; (b) the undertakings entered into by the Directors in favor of the Company as set out above; (c) all the Four Individuals involved in the irregularities of the Investigated Subsidiaries have either resigned or been removed from all positions of the Group; (d) the existing Board members joined the Group in early 2022 or after, and were not part of the Board during all the material times when the irregularities of the Investigated Subsidiaries occurred; and (e) internal control measures have been implemented by the Company to enhance check and balance of the Directors and senior management of the Group, the Board considered that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence.

Accordingly, the Company is of the view that it has fulfilled Resumption Condition (2).

3. Resumption Condition (3) – Publish all outstanding financial results required under the Listing Rules and address any audit modifications

a. HLB's Audit Matters

As disclosed in the announcement of the Company dated 28 April 2023, HLB resigned as the auditor of the Company with effect from 25 April 2023. Pursuant to its letter of resignation, HLB indicated that during the audit of the 2021/2022 Financial Statements, they had identified two matters that required explanations, information and/or supporting documents as follows:

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 two 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; 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 of the Company to form an independent investigation committee and engage an independent professional advisor to carry out investigations 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**”). HLB further reiterated that depending on the results of the Investigation and information made available to them, they might be required 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 further reserved 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.

For further details, please refer to the Company’s announcement dated 28 April 2023.

Upon the appointment of Zhonghui Anda as the Company’s auditor, the Company worked closely with Zhonghui Anda on the audit of the 2021/2022 Financial Statements and the 2022/2023 Financial Statements. In response to the HLB’s Audit Matters, Zhonghui Anda have performed the following audit procedures:

- a. discussed with the management of the Company to understand the nature, commercial substance and business rationale for the Money Lending Business and the Trading of Goods and Commodities Business;
- b. carried out substantive procedures by obtaining relevant audit evidence, such as the agreements, invoices, delivery documents, bank payments and repayment advices, etc.;
- c. requested the Company to obtain direct confirmations from (i) the borrowers in relation to the Money Lending Business; and (ii) debtors and creditors in relation to the Trading of Goods and Commodities Business. However, confirmations in concern were not able to be arranged because the Company was not able to contact the subject persons or entities of the confirmations;
- d. reviewed the scope of the Forensic Investigation to ensure the HLB’s Audit Matters were covered in the Forensic Investigation;
- e. conducted interviews with the Forensic Investigator and discussed the findings in the Forensic Investigation Report; and

- f. reviewed the Forensic Investigation Report issued by the Forensic Investigator and evaluated the scope, procedures, findings and conclusions of the Forensic Investigation Report.

Based on the above audit procedures and findings of the Forensic Investigation, Zhonghui Anda is of the view that HLB's Audit Matters have been fully addressed.

In particular, regarding the loans and interest receivables of the Group, Zhonghui Anda is of the view that such matter has been addressed in 2021/2022 and 2022/2023 Financial Statements. Given that the key management personnel who were responsible for the operational, financial and accounting matters in 2022 have already left the Group, Zhonghui Anda was unable to obtain sufficient appropriate audit evidence to satisfy themselves as to the existence, rights and obligations, completeness and valuation of the loan and interest receivable amounted to HK\$477,775,767 and HK\$478,842,967 which was fully impaired and the relevant interest income during the year ended 31 March 2023 and 2022. There are also no other satisfactory audit procedures that Zhonghui Anda could adopt to determine whether any adjustments might have been found necessary in respect of the loan and interest receivables, interest income and impairment losses made. Please refer to point 4 under the section headed "Basis for Disclaimer of Opinion" in the 2021/2022 Financial Statements and point 5 under the section headed "Basis for Disclaimer of Opinion" in the 2022/2023 Financial Statements.

In addition, during the Investigation, as set out in the Key Findings Announcement, the Company discovered that: i) there were irregularities in the operations of the Money Lending Business and the Trading of Goods and Commodities Business under the Investigated Subsidiaries; ii) the irregularities of the Investigated Subsidiaries involved the Four Individuals; iii) there were deficiencies in the Group's corporate governance and internal control system. Zhonghui Anda is of the view that the above matter has been addressed in the 2021/2022 and 2022/2023 Financial Statements, please refer to the section headed "Basis for Disclaimer of Opinion" in the 2021/2022 Financial Statements and 2022/2023 Financial Statements.

The Audit Committee and the Board are of the view, that the work done by Zhonghui Anda has demonstrated the best efforts to address, and has addressed, the HLB's Audit Matters to the extent possible and practicable.

b. *Publication of Outstanding Financial Results*

The Company has published all outstanding financial results, including (i) the 2021/2022 Annual Results; (ii) the 2022/2023 Interim Results; (iii) the 2022/2023 Annual Results; and (iv) the FY2023 Interim Results by the announcements of the Company dated 5 December 2023.

c. *Further clarification of Basis 3, 4, 5 for Disclaimer of Opinion in 2022/2023 Financial Statements*

The Company wishes to clarify that, based on the Company's auditor, Zhonghui Anda's opinion, Basis 3, 4, 5 for disclaimer of opinion in the 2022/2023 Financial Statements are matters relating to the opening balance of 2022/2023 Financial Statements and are expected to be removed in the FY2023 consolidated financial statements of the Company.

Zhonghui Anda has confirmed and agreed that, Basis 3, 4, 5 are not matters relating to the closing balance of 2022/2023 Financial Statements and are expected to be removed in the FY2023 consolidated financial statements of the Company, barring unforeseen circumstances which may arise after the date hereof over the relevant items. Zhonghui Anda has further confirmed and agreed that, matters under Basis 5 for disclaimer of opinion in the 2022/2023 Financial Statements relating to the relevant interest income during the year ended 31 March 2023, which were fully impaired in FY2022/2023 and thus have no impacts on comparative figures in the FY2023 Financial Statements, are expected to be removed in the FY2023 consolidated financial statements of the Company, barring unforeseen circumstances which may arise after the date hereof over the relevant items.

For the avoidance of doubt, the Company noted that Basis 3, 4, 5 for disclaimer of opinion in the Company's 2022/2023 Annual Results are slightly different from the Company's FY2022/2023 Annual Reports. As such, the Company wishes to further clarify that, the Basis 3, 4, 5 as set out in the FY2022/2023 Annual Reports shall supersede the Basis 3, 4, 5 as set out in the 2022/2023 Annual Results. In particular, Basis 3, 4, 5 shall read as follows:

“3. *Trade receivables*

Due to the departure of certain former key management personnel who were responsible for the operational, financial and accounting matters in 2022, who the Group were unable to contact and communicate with, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, rights and obligations, and completeness and valuation of the trade receivables amounted to RMB25,432,050 (equivalent to HK\$31,334,320) as at 31 March 2022 of which impairment losses of RMB10,968,069 (equivalent to HK\$13,524,078) made for the year ended 31 March 2022. There are no other satisfactory audit procedures that we could adopt to determine whether any adjustments might have been found necessary in respect of the trade receivables and the impairment losses made.

4. *Other receivables, deposits and prepayments*

Due to the departure of certain former key management personnel who were responsible for the operational, financial and accounting matters in 2022, who the Group were unable to contact and communicate with, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, rights and obligations, completeness and valuation and allocation of the other receivables, deposits and prepayments amounted to HK\$563,777,772, which was fully impaired during the year ended 31 March 2022. There are no other satisfactory audit procedures that we could adopt to determine whether any adjustments might have been found necessary in respect of the other receivables, deposits and prepayments and the impairment losses made.

5. *Loan and interest receivables*

Due to the departure of certain former key management personnel who were responsible for the operational, financial and accounting matters in 2022, who the Group were unable to contact and communicate with, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, rights and obligations, completeness and valuation of the loan and interest receivable amounted to HK\$477,775,767 and HK\$478,842,967 which was fully impaired and the relevant interest income during the year ended 31 March 2023 and 2022. There are no other satisfactory audit procedures that we could adopt to determine whether any adjustments might have been found necessary in respect of the loan and interest receivables, interest income and the impairment losses made.”

For more details, please refer to the Company’s announcement dated 5 December 2023 and the Company’s annual reports published on 15 January 2024 respectively

d. *Disclaimer of Opinion*

The Company’s auditor, Zhonghui Anda, expressed a disclaimer of opinion on (i) the 2021/2022 Financial Statements; and (ii) the 2022/2023 Financial Statements, which was included in (i) the 2021/2022 Annual Results; and (ii) the 2022/2023 Annual Results, respectively. In view of the significance of certain matters, Zhonghui Anda has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Financial Statements (the “**Disclaimer of Opinion**”). In all other respects, in Zhonghui Anda’s opinion, the Financial Statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules. Please refer to (i) the 2021/2022 Annual Results; and (ii) the 2022/2023 Annual Results.

Regarding the basis for Disclaimer of Opinion expressed by Zhonghui Anda on the 2022/2023 Financial Statements, the Audit Committee and the Board are of following views:

Basis 1 (Revenue and cost of sales reversed during the year ended 31 March 2023) is a matter identified during the year ended 31 March 2023, and is expected to be included as comparative figures in FY2023 consolidated financial statements, and to be removed in FY2024 consolidated financial statements.

Basis 2 (Revenue recognized during the year ended 31 March 2022), Basis 3 (Trade Receivables), Basis 4 (Other Receivables, deposits, and prepayments), Basis 6 (Inventories), and Basis 8 (Revenue and cost of sales reversed during the year ended 31 March 2022), are matters relating to opening balances of the 2022/2023 Financial Statements, and are expected to be removed in the FY2023 consolidated financial statements of the Company.

Basis 5 (Loans and Interests receivables) is a matter relating to opening balances of the 2022/2023 Financial Statements, and is not a matter relating to the closing balance of 2022/2023 Financial Statements and expected to be removed in the FY2023 consolidated financial statements of the Company. Furthermore, matters under Basis 5 for disclaimer of opinion in the 2022/2023 Financial Statements relating to the relevant interest income during the year ended 31 March 2023, which were fully impaired in FY2022/2023 and thus have no impacts on comparative figures in the FY2023 Financial Statements, are expected to be removed in the FY2023 consolidated financial statements of the Company.

No interest income in relation to loans receivable was recognized in FY2023, since (i) the Company has ceased its Money Lending Business since June 2022; (ii) all loans were made before or during FY2021/2022; (iii) full impairment losses have been made in the 2021/2022 and 2022/2023 Financial Statements; (iv) the assets concerned by the end of the FY2022/2023 are nil in the 2022/2023 Financial Statements; (v) despite the Company's continuing efforts in collecting the relevant receivables over the past two years, only a minimal amount of the receivables have been collected; and (vi) the chance of collecting the relevant interest income if any is slim.

Basis 7 (Trade and other payable) and Basis 9 (Insufficient accounting records of Wan Long Shenzhen) are matters relating to opening balances and relating to WLXY Shenzhen. The change of control of WLXY Shenzhen has been completed in December 2023, relevant disclaimer is expected to remain in the FY2023 consolidated financial statements, and be included as comparative figures in the FY2024 consolidated financial statements. Specifically, Zhonghui Anda has confirmed and agreed that, Basis 7 and Basis 9 are matters relating to opening balances of the FY2023 Financial Statements, and matters relating to the profit or loss and other comprehensive income of the FY2023 Financial Statements. Zhonghui Anda has further confirmed and agreed that, Basis 7 and Basis 9 are not matters relating to the closing balance of the FY2023 Financial Statements, and are expected to be included as comparative figures in the FY2024 consolidated financial statements, and be removed in the consolidated financial statements of the Company starting from FY2025.

Zhonghui Anda has conducted relevant procedures, and has confirmed and agreed with the Company's above views, barring unforeseen circumstances which may arise after the date hereof over the relevant items.

Considering that, (i) all loans were made before or during FY2021/2022; (ii) full impairment losses have been made in the 2021/2022 and 2022/2023 Financial Statements based on the information available, (iii) as time goes by, the chance to recover the relevant loan and interest receivables will be slimmer, accordingly the uncertainty on the impairment losses made in the Financial Statements as mentioned in (ii) above will be lowered, (iv) the Company has conducted follow-up actions on reaching the counterparties to collect the receivables, and the relevant collection results; (v) the assets concerned by the end of the FY2022/2023 are nil in the 2022/2023 Financial Statements; (vi) the financial performance and ending balances in FY2022/2023 have not been affected by the uncertainties mentioned in Basis 5; (vii) the chance of collecting the relevant interest income is slim, and (viii) the Company has ceased its Money Lending Business since June 2022, Zhonghui Anda is of the view that, Basis 5 is expected to be removed in the consolidated financial statements of the Company from FY2023 onwards, and no recognition of interest income in relation to loans receivables is considered to be appropriate in FY2023, barring unforeseen circumstances which may arise after the date hereof over the relevant items.

The Company expects to publish its FY2023 Annual Results by the end of March 2024, and Zhonghui Anda has confirmed and agreed with the Company's expected schedule, barring unforeseen circumstances which may arise after the date hereof over the relevant items.

Accordingly, the Company is of the view that it has fulfilled Resumption Condition (3).

4. Resumption Condition (4) – Demonstrate the Company’s compliance with Rule 13.24 of the Listing Rule

The Group strives to continue to expand its existing trading business and develop into a global trading house of healthcare products and relevant materials supply. Since the cessation of the Money Lending Business in June 2022, the Group has been principally engaged in the Trading of Goods and Commodities Business, which mainly comprises e-commerce trading business and raw materials trading business, and provision of professional services, which include the product registration and promotion services. In particular, the Group has been expanding its product portfolio and presence with e-commerce platforms and expanding its CBD trading business to the trading of other raw materials for cosmetics and healthcare products.

The Group operates e-commerce trading business through the selling of cosmetics and healthcare products to e-commerce platforms. The Group’s raw materials trading business includes the sourcing of packaging materials, pharmacy and cosmetics CBD materials, plant extracts, etc. and the then reselling of the products to the PRC corporate customers that are engaged in the manufacturing of cosmetics and healthcare products and the respective packaging materials. For the provision of professional services, the Group shall (i) assist its customers on the registration products pursuant to the relevant overseas regulatory and registration requirements; (ii) assist its customers on intellectual property registration of products; (iii) provide overseas marketing services for its customers and their products; and (iv) provide overseas market expansion services to its customers.

a. Historical and Recent Financial Performance

Set out below are the key financial information of the Group for FY2022/2023 based on the 2022/2023 Annual Results and for the six months ended 30 September 2023 based on the FY2023 Interim Results, respectively.

<i>HK\$</i>	FY2022/ 2023*	For the six months ended 30 September 2023
	(Audited)	(Unaudited)
Revenue		
Trading of Goods and Commodities	452,908,674	356,655,231
Others**	–	11,500,000
	452,908,674	368,155,231
Gross profit	22,910,843	32,095,390
Profit/(loss) for the year/period	(168,858,921)	18,508,247

* *The financial information for FY2022/2023 has been agreed by the Company's auditor Zhonghui Anda. Please refer to the section headed "Scope of work of Zhonghui Anda CPA Limited" in the 2022/2023 Annual Results of the Company dated 5 December 2023 for further details.*

** *Others segment engages in the provision of marketing services, product registration services and sourcing of OEM/ODM services, and is part of the continuing connected transaction of the Company as set out in the circular of the Company dated 27 April 2023. For further details, please refer to the circular of the Company dated 27 April 2023.*

Revenue for the six months ended 30 September 2023 was approximately HK\$368 million, representing approximately 81% of the total revenue for FY2022/2023. Gross profit of the Group amounted to approximately HK\$32 million for the six months ended 30 September 2023, which was higher than the gross profit of the Group for FY2022/2023. The Group recorded net profit of approximately HK\$18.5 million for the six months ended 30 September 2023 as compared to net loss of approximately HK\$169 million for FY2022/2023. The improvement in financial performance for the six months ended 30 September 2023 was mainly attributable to the gradual restructuring and development of the Trading of Goods and Commodities Business by the new executive management of the Company, after taking over the management of the Company in 2022, which serves as a proof of success and sustainability of the Company's current business plans and strategies.

Since the new executive management of the Company took over the management of the Company in 2022, both the e-commerce trading business and raw materials trading business have grown significantly, totaled more than double in terms of revenue for the six months ended on 30 September 2023 as compared with the same period in 2022, according to FY2023 Interim Results. The number of the customers of the Company has tripled as compared with FY2021/2022, and the Company's supplier network has increased tenfold in FY2023 as compared with FY2021/2022. The Company has set up ten oversea offices and has expanded to many international markets including Korea, Japan, Thailand, Laos, Malaysia, Singapore, Canada, USA, United Kingdom, and Europe.

Yunnan Baiyao (雲南白藥) was first introduced in 1902, and is the core brand of the Company's controlling shareholder, YNBY. Based on YNBY's annual report for the year ended 31 December 2022, Yunnan Baiyao Group (雲南白藥集團股份有限公司) had recorded a revenue of approximately RMB36.5 billion, of which only RMB419 million, approximately 1% of its annual revenue, were derived from its international business segment. As the international business platform of YNBY, the Company is well positioned to expand YNBY's international business. With a robust shareholder background and the endorsement of a century-old renowned brand, the Company can effectively address customer concerns, such as counterfeit products or reputation damage in e-commerce trading business, or issues about supply quality or quantity in raw materials trading business.

b. *Financial Position*

The Company recorded net current assets in the amount of approximately HK\$121 million and HK\$149 million as at 31 March 2023 based on the 2022/2023 Annual Results and as at 30 September 2023 based on the FY2023 Interim Results, with a current ratio of approximately 1.6 times and 1.7 times, respectively.

The Group had cash and cash equivalents of approximately HK\$159 million and HK\$208 million, respectively, as at 31 March 2023 based on the 2022/2023 Annual Results and as at 30 September 2023 based on the FY2023 Interim Results, respectively. The Group has financed and is expected to continue to finance its operations mainly by internally generated funds and available financing facilities. After resumption of trading in the Shares, the Board will also consider fund raising exercises for the Company to strengthen its capital base, if necessary.

Based on the above, the Directors consider that the Group (a) has substantial improvements in revenue, gross profit as well as net profit based on the annualized amounts for the six months ended 30 September 2023; (b) recorded a relatively strong net current assets position with current ratio of approximately 1.7 times as at 30 September 2023; (c) has a viable and sustainable business model and a business with substance; (d) has its own independent customers and suppliers with no strong reliance on its controlling shareholder; and (e) has sizable operation with the support of experienced management and adequate internal systems and controls, which in turn has demonstrated that its current levels of operations and assets are sufficient to meet the requirements under Rule 13.24 of the Listing Rules.

Accordingly, the Company is of the view that it has fulfilled Resumption Condition (4).

5. **Resumption Condition (5) – Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules**

The Internal Control Consultant has completed the Internal Control Review and the follow-up review on the remedial measures adopted by the Company. For further details on the key findings of the Internal Control Review, please refer to the Key Findings Announcement.

Having considered the Internal Control Review Report and the remedial actions taken by the Company, the Independent Investigation Committee is of the view, which the Audit Committee and the Board concurred, that (a) all the internal control deficiencies identified in the Internal Control Review have been fully remediated; (b) the remedial actions and enhancement measures implemented by the Group are adequate and sufficient; and (c) the Company has in place adequate and reliable corporate governance, internal control and financial reporting systems and procedures to fulfill its obligations under the Listing Rules. The Company will continue to monitor the effectiveness of the Group's corporate governance and internal control systems and procedures so as to meet its obligations under the Listing Rules and ensure reasonable and adequate corporate governance and internal control policies and procedures are in place.

The Internal Control Consultant has conducted relevant procedures and confirmed the Company's above views.

Accordingly, the Company is of the view that it has fulfilled Resumption Condition (5).

6. Resumption Condition (6) – Announce all material information for the Company's shareholders and investors to appraise its position

The Company is of the view that there is no other undisclosed information that is material for the Shareholders and other potential investors to appraise the Company's position in accordance with the Listing Rules and other applicable regulatory requirements.

Accordingly, the Company is of the view that it has fulfilled Resumption Condition (6).

7. Resumption Condition (7) – Re-comply with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules

Following the appointment of independent non-executive Directors and the change in composition of the Board committees as disclosed in the announcement of the Company dated 21 November 2023, the Company has re-complied with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

Accordingly, the Company is of the view that it has fulfilled Resumption Condition (7).

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 21 June 2022. As the Resumption Guidance has been fully fulfilled to the Stock Exchange's satisfaction, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 31 January 2024.

Holders of the Company's securities and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“2021/2022 Annual Results”	the announcement of the Company dated 5 December 2023 in relation to the results of the Group for FY2021/2022
“2021/2022 Financial Statements”	the audited consolidated financial statements of the Company for FY2021/2022
“2022/2023 Annual Results”	the announcement of the Company dated 5 December 2023 in relation to the results of the Group for FY2022/2023
“2022/2023 Financial Statements”	the audited consolidated financial statements of the Company for FY2022/2023
“Appointment Announcements”	the announcements of the Company dated (i) 17 January 2022, in relation to the appointment of Mr. Dong Ming as executive Director; (ii) 11 February 2022, in relation to the appointments of Mr. Liu Zhouyang as executive Director and Mr. Qian Yinghui as non-executive Director; (iii) 19 August 2022, in relation to the appointment of Mr. Tang Ming as executive Director and Mr. Huang Bin as non-executive Director; and (iv) 21 November 2023, in relation to the appointment of Mr. Wong Hin Wing, Dr. Cheung Hoi Yu, and Dr. Cecilia Wai Bing Pang as independent non-executive Directors
“Audit Committee”	the audit committee of the Company, comprising Mr. Qian Yinghui, the non-executive Director, and all the independent non-executive Directors with Mr. Wong Hin Wing as the chairman
“BL Finance”	Ban Loong Finance Company Limited (萬隆財務有限公司), a direct wholly-owned subsidiary of the Company
“Board”	the board of Directors
“CBD”	Cannabidiol
“Company”	YNBY International Limited (雲白國際有限公司), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00030)
“Directors”	the directors of the Company

“Existing Management”	being the existing Board, which include Mr. Dong Ming, Mr. Tang Ming, Mr. Liu Zhouyang, Mr. Qian Yinghui, Mr. Huang Bin, Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang
“Financial Statements”	collectively, the 2021/2022 Financial Statements and the 2022/2023 Financial Statements
“Forensic Investigation”	the independent investigation conducted by the Forensic Investigator on all matters as further set out in the Key Findings Announcement
“Forensic Investigation Report”	the report prepared by the Forensic Investigator on the Forensic Investigation
“Forensic Investigator”	the independent professional advisor (being a forensic team from a Big-4 accounting firm) appointed by the Independent Investigation Committee in April 2022 and the Board in September 2022 as the independent third-party investigator to conduct the Forensic Investigation
“Four Individuals”	four former key personnel of the Group, namely Mr. Chow, Mr. Lee, Mr. Chu and Mr. Wang
“FY2021/2022”	the financial year ended 31 March 2022
“FY2022/2023”	the financial year ended 31 March 2023
“FY2023”	the financial year ended 31 December 2023
“FY2023 Interim Results”	the announcement of the Company dated 5 December 2023 in relation to the unaudited interim results of the Group for the six months ended 30 September 2023
“FY2024”	the financial year ending 31 December 2024
“FY2025”	the financial year ending 31 December 2025
“Group”	the Company and its subsidiaries
“HLB”	HLB Hodgson Impey Cheng Limited, the former auditor of the Company which resigned on 25 April 2023
“HLB’s Audit Matters”	the two matters HLB indicated in its letter of resignation that during the audit of the 2021/2022 Financial Statements, it has identified and required explanations, information and/or supporting documents
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Investigation Committee”	the independent investigation committee of the Company, comprising its executive Directors, namely Mr. Dong Ming (as the chairman) and Mr. Liu Zhouyang, and its former independent non-executive Directors, namely Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan, which was formed on 20 April 2022. Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan ceased to be members of the independent investigation committee on 10 November 2023
“Independent Professional Investigator”	a Big-4 accounting firm appointed by the Independent Investigation Committee in April 2022 as the independent third-party investigator to conduct the Forensic Investigation
“Internal Control Consultant”	SHINEWING Risk Services Limited, the internal control consultant of the Company
“Internal Control Review”	the internal control review conducted by the Internal Control Consultant on all matters as further set out in the Key Findings Announcement
“Internal Control Review Report”	the report prepared by the Internal Control Consultant on the Internal Control Review
“Investigated Subsidiaries”	collectively, BL Finance, WLXY Hong Kong and WLXY Shenzhen
“Investigation”	the independent investigation conducted by the Forensic Investigator on all matters relating to the Scope of Investigation
“Key Findings Announcement”	the announcement of the Company dated 25 October 2023 in relation to the key findings of the Forensic Investigation and the Internal Control Review
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Money Lending Business”	the money lending business of the Company which has been completely ceased since June 2022
“Mr. Chow”	Mr. Chow Wang (周泓), the former executive Director, deputy chairman and chief executive officer of the Company
“Mr. Chu”	Mr. Chu Ka Wa (朱嘉華), the former executive Director and chief financial officer of the Company
“Mr. Lee”	Mr. Lee Chun Man (李俊文), the former deputy chief operating officer of the Company

“Mr. Wang”	Mr. Wang Zhao Qing (王兆慶), the former executive Director and chief operating officer of the Company and former legal representative and general manager of WLXY Shenzhen
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Resumption Guidance”	the resumption guidance dated 26 July 2022 and the additional resumption guidance dated 13 November 2023 issued by the Stock Exchange to the Company
“Scope of Investigation”	matters and events relating to the outstanding loans and the then existing businesses of the Company, details of which were set out in the announcement of the Company dated 20 June 2022
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trading of Goods and Commodities Business”	the trading of goods and commodities business (mainly including e-commerce trading and raw materials trading) of the Company
“WLXY Hong Kong”	Wan Long Xing Ye Commercial Trading (Hong Kong) Limited (萬隆興業商貿(香港)有限公司), a direct wholly-owned subsidiary of the Company
“WLXY Shenzhen”	Wan Long Xing Ye Commercial Trading (Shenzhen) Limited* (萬隆興業商貿(深圳)有限公司), a direct wholly-owned subsidiary of the Company
“YNBY”	Yunnan Baiyao Group Co., Ltd.* (雲南白藥集團股份有限公司), a joint stock company established in the PRC with limited liability (shares of which are listed on the Shenzhen Stock Exchange with stock code 000538)
“YNBY Products”	certain products manufactured and branded by YNBY
“Zhonghui Anda”	ZHONGHUI ANDA CPA Limited, the auditor of the Company which was appointed with effect from 28 April 2023

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By Order of the Board
YNBY International Limited
Tang Ming
Executive Director
&
Chief Executive Officer

Hong Kong, 30 January 2024

As at the date of this announcement, the executive Directors are Mr. Dong Ming (Chairman), Mr. Tang Ming (Chief Executive Officer) and Mr. Liu Zhouyang; the non-executive Directors are Mr. Qian Yinghui and Mr. Huang Bin and the independent non-executive Directors are Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang.