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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)

PROFIT WARNING

This announcement is made by Ban Loong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholder(s)**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts prepared for the six months ended 30 September 2021 (the “**Period**”), the Group is expected to record a consolidated loss attributable to owners of the Company of not less than HK\$83 million for the Period, as compared to a profit of HK\$19.5 million for the corresponding period in 2020. The decrease was mainly attributable to the increase in net allowance for expected credit losses of approximately HK\$90 million. The Board considers that the expected consolidated loss is mainly attributable to default of certain loans and other receivables by the Group’s customers during the Period.

As at the date of this announcement, the Company is still in the process of preparing and finalising the interim results of the Group for the Period. The information contained in this announcement is only based on the information currently available to the Board and the preliminary assessment of the unaudited consolidated management accounts of the Group for the Period, which have not been reviewed or audited by the Company's auditors or reviewed by the audit committee of the Company and are subject to adjustments. The actual results of the Group for the Period may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to refer to the interim results announcement of the Company for the Period, which is expected to be published within time frame or stipulated under the Listing Rules.

Reference is made to the announcement jointly issued by the Company and Yunbaiyao Hong Kong Co., Limited on 4 November 2021 regarding, among other things, the Offer (the "**Joint Announcement**"). Unless otherwise defined herein, capitalised terms used in this section of this announcement shall have the same meanings as those defined in the Joint Announcement.

Following the publication of the Joint Announcement, the profit estimate (the "**Profit Warning**") included in this announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and must be reported on by the Company's auditors and financial advisers pursuant to Rule 10.4 of the Takeovers Code. The Profit Warning has been reported on by HLB Hodgson Impey Cheng Limited ("**HLB**"), the auditors of the Company, and Red Sun Capital Limited ("**Red Sun Capital**"), the independent financial adviser to the Company. HLB has reported that, so far as the accounting policies and calculations are concerned, the Profit Warning has been properly compiled in accordance with the bases adopted by the Directors as set out in this announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the published consolidated financial statements for the year ended 31 March 2021 included in the 2021 annual report of the Company dated 30 June 2021. Red Sun Capital is satisfied that the Profit Warning has been made by the Board with due care and consideration. The reports from HLB and Red Sun Capital have been lodged with the Executive (as defined in the Takeovers Code) and the text of which are set out in the appendices to this announcement.

Each of HLB and Red Sun Capital has given and has not withdrawn its consent to the issue of this announcement with the inclusion of its report and references to use its name in the form and context in which they appear in this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Ban Loong Holdings Limited
Chow Wang
Deputy Chairman & Chief Executive Officer

Hong Kong, 19 November 2021

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:

Mr. Wang Minghui (*Chairman*)

Mr. Chow Wang (*Deputy Chairman & Chief Executive Officer*)

Mr. Yin Pinyao

Mr. Wang Zhaoqing (*Chief Operating Officer*)

Non-executive Director:

Mr. Fong For

Independent Non-executive Directors:

Mr. Jiang Zhi

Mr. Leung Ka Kui, Johnny

Ms. Wong Chui San, Susan

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

APPENDIX I – REPORT FROM HLB HODGSON IMPEY CHENG LIMITED

19 November 2021

The Board of Directors
Room 2709-10, 27/F
China Resources Building
No. 26 Harbour Road
Wan Chai
HONG KONG

Dear Sirs,

Re: Ban Loong Holdings Limited (the “**Company**”)

LETTER FROM THE REPORTING ACCOUNTANTS ON THE PROFIT ESTIMATE

Profit Estimate for Six months period ended 30 September 2021

We refer to the estimate of the consolidated loss attributable to owners of the Company for the six months period ended 30 September 2021 (the “**Profit Estimate**”) set forth in the profit warning announcement of the Company dated 19 November 2021 (the “**Profit Warning Announcement**”).

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Profit Estimate has been prepared by the directors of the Company based on the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) based on the consolidated management accounts of the Group for the six months period ended 30 September 2021.

The Company’s directors are solely responsible for the Profit Estimate.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500, Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Profit Warning Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the published consolidated financial statements for the year ended 31 March 2021 included in the 2021 annual report of the Company dated 30 June 2021.

Yours faithfully

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Tien Sun Kit, Jack

Practising Certificate Number: P07364

A. BASES OF THE PROFIT ESTIMATE FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2021

The Directors of the Group have prepared the estimate of the net loss of our Group (the “**Profit Estimate**”) based on the consolidated management accounts of the Group for the six months ended 30 September 2021. The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarized in 2021 Annual Report as set out in Note 3 to the annual report.

Profit Estimate for the six months period ended 30 September 2021

Estimated consolidated loss attributable to
owners of the Company

Not less than HK\$83 million

APPENDIX II – REPORT FROM RED SUN CAPITAL LIMITED

19 November 2021

Ban Loong Holdings Limited

Room 2709-10, 27/F
China Resources Building
No. 26 Harbour Road
Wan Chai, Hong Kong

Attention: the Board of Directors

Dear Sirs,

We refer to the announcement dated 19 November 2021 (the “**Profit Warning Announcement**”) issued by Ban Loong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). Capitalised terms used in this letter shall have the same meanings as defined in the Profit Warning Announcement unless otherwise specified.

We also refer to the statement (the “**Profit Warning Statement**”) made by the Directors in the Profit Warning Announcement, that, based on the Group’s unaudited consolidated management accounts for the six months ended 30 September 2021 (which have not been confirmed, reviewed or audited by the Company’s auditors or audit committee) and other information currently available to the Group, the Group is expected to record a consolidated loss attributable to owners of the Company of not less than HK\$83 million for the six months ended 30 September 2021 as compared to a profit of HK\$19.5 million for the corresponding period in 2020 (the “**Profit Estimate**”). The Statement is regarded as a profit forecast under the Takeovers Code and therefore, is required to be reported on pursuant to Rule 10 of the Takeovers Code.

The Statement has been prepared by the Directors based on the Group’s unaudited consolidated management accounts for the six months ended 30 September 2021 (which have not been confirmed, reviewed or audited by the Company’s auditors or audit committee) and other information currently available to the Group.

We have reviewed the Profit Warning Statement and other relevant information and documents which you as the Directors are solely responsible for and discussed with you and the senior management of the Company the key bases upon the which the Profit Warning Statement has been made. In addition, we have considered, and relied upon, the report on the Profit Warning Statement from HLB Hodgson Impey Cheng Limited addressed to the Directors dated 19 November 2021 regarding the accounting policies and calculations upon which the Profit Warning Statement has been made.

Based on the above, we are of the opinion that the Profit Warning Statement, for which the Directors are solely responsible, has been made with due care and consideration.

Yours faithfully,
For and on behalf of
RED SUN CAPITAL LIMITED
Robert Siu
Managing Director