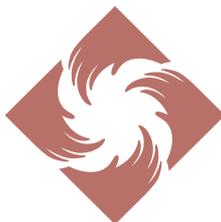


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萬隆控股集團有限公司
Ban Loong Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 30)

**SUBSCRIPTION FOR NEW SHARES BY
SUNWAH GREATWALL GROUP LIMITED
UNDER THE GENERAL MANDATE
AND
FURTHER WAIVER FROM STRICT COMPLIANCE WITH
THE MINIMUM PUBLIC FLOAT REQUIREMENT**

SUBSCRIPTION

The Board is pleased to announce that the Company has entered into the Subscription Agreement with Sunwah on 14 April 2022, pursuant to which the Company has conditionally agreed to issue and allot, and Sunwah or its Nominee has conditionally agreed to subscribe for, 351,762,000 Subscription Shares, subject to the fulfillment of the conditions precedent set out in the Subscription Agreement, at the Subscription Price of HK\$0.285 per Subscription Share.

The 351,762,000 Subscription Shares represent (i) approximately 5.46% of the total existing issued share capital of the Company as at the date of the Subscription Agreement; and (ii) approximately 5.17% of the total issued share capital of the Company as enlarged by the Subscription Shares immediately after Completion (assuming that there is no other change in the issued share capital of the Company from the date of the Subscription Agreement up to Completion).

The Subscription Price of HK\$0.285 per Subscription Share represents (i) a premium of approximately 16.80% to the closing price of HK\$0.244 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a premium of approximately 14.09% to the average closing price of HK\$0.2498 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement.

The gross proceeds and net proceeds from the Subscription amount to HK\$100,252,170 and approximately HK\$99.8 million, respectively. The Company intends to use the net proceeds from the Subscription for the integration of resources, the market development and the trade of industrial cannabis, Chinese herbal medicine, health food products in the PRC and with ASEAN and for general working capital of the Group.

The Subscription Shares will be issued under the general mandate granted to the Directors at the AGM of the Company held on 30 September 2021. Application will be made to the Listing Committee for listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

FURTHER WAIVER FROM STRICT COMPLIANCE WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT

As at the date of this announcement, 1,382,215,800 Shares, representing approximately 21.44% of the entire issued share capital of the Company as at the date of this announcement, were held by the public (as defined in the Listing Rules), and accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. The Company has further applied to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period from 18 April 2022 to 31 May 2022. Further announcement(s) will be made by the Company regarding the Further Waiver and the restoration of public float when and as appropriate.

The Board is pleased to announce that the Company has entered into the Subscription Agreement with Sunwah with particulars set out as follows:

THE SUBSCRIPTION AGREEMENT

Date

14 April 2022

Parties

1. The Company (as the issuer)
2. Sunwah (as the subscriber)

Number of Subscription Shares

The 351,762,000 Subscription Shares represent (i) approximately 5.46% of the total existing issued share capital of the Company as at the date of the Subscription Agreement; and (ii) approximately 5.17% of the total issued share capital of the Company as enlarged by the Subscription Shares immediately after Completion (assuming that there is no other change in the issued share capital of the Company from the date of the Subscription Agreement up to Completion).

The aggregate nominal value of the Subscription Shares is HK\$3,517,620.

The Subscription Shares will be issued under the general mandate to allot and issue Shares granted by the Shareholders to the Directors at the AGM of the Company held on 30 September 2021, under which the Directors are empowered to allot, issue and deal with new Shares of up to 20% of the issued share capital of the Company as at the date of the AGM, which amounted to 1,289,630,432 Shares. As at the date of the Subscription Agreement, no Share has been issued by the Directors pursuant to such general mandate. Therefore, the issue and allotment of the Subscription Shares are not subject to any Shareholders' approval.

Application will be made to the Listing Committee for listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Subscription Price

The Subscription Price is HK\$0.285 per Subscription Share or HK\$100,252,170 in aggregate. The Subscription Price was arrived at after arm's length negotiations between the Company and Sunwah with reference to, amongst other things, the recent trading prices of the Shares on the Stock Exchange.

The Subscription Price of HK\$0.285 per Subscription Share represents (i) a premium of approximately 16.80% to the closing price of HK\$0.244 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a premium of approximately 14.09% to the average closing price of HK\$0.2498 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* amongst themselves and with all the existing Shares in issue at the time of allotment and issue of the Subscription Shares.

Conditions

Completion of the Subscription is conditional upon:

1. the obtaining of the approval from the board of directors and the shareholders of Sunwah;
2. the obtaining of the approval from the board of directors of the Company and the Company having issued an announcement in relation to the Subscription pursuant to the requirements under the Listing Rules;
3. the warranties of Sunwah and the Company remaining true and accurate in all material respects and are not misleading;
4. the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange;

5. the Shares remain listed on the Stock Exchange since the date of the Subscription Agreement; and
6. the trading of the Shares has not been suspended for more than ten consecutive trading days (save for suspension of trading of the Shares due to the Subscription).

Sunwah shall use its reasonable endeavours to procure that Conditions (1) and (3) above are satisfied within 30 days from the date of the Subscription Agreement (or such other date as agreed by the parties in writing) (the “**Final Condition Satisfaction Date**”). The Company shall use its reasonable endeavours to procure that Conditions (2) to (6) above are satisfied on or before the Final Condition Satisfaction Date. If any of the Conditions is not fulfilled on or before the Final Condition Satisfaction Date (or such later date as the parties may agree), the Subscription Agreement shall lapse and become null and void and the parties shall be released from all obligations thereunder, save for liabilities for any antecedent breaches thereof.

Completion

Completion shall take place within 15 Business Days after the day on which Conditions (1) and (2) are satisfied or such other date as agreed by the parties in writing.

Lock Up

Sunwah undertook to the Company that within 6 months from the date of Completion, it shall not dispose of and shall procure that its Nominee does not dispose of the Subscription Shares or otherwise enter into any agreement or arrangement to dispose of, grant option or encumber the Subscription Shares.

INFORMATION ABOUT SUNWAH

Sunwah is an investment holding company and a limited liability company established in Hong Kong.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF THE PROCEEDS

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in money lending, trading of goods and commodities and the cannabidiol market.

The Subscription is being undertaken to supplement the Group’s long-term funding of its expansion plan and growth strategies. The Subscription will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

Further, following the completion of the Subscription, the public float of the Company will be restored and the Company will meet the minimum prescribed percentage of shares being held by public Shareholders in accordance with Rule 8.08 of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription Agreement, including the Subscription Price, are fair and reasonable and believe that the Subscription is in the best interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription are expected to be HK\$100,252,170. The net proceeds from the Subscription are estimated to be approximately HK\$99.8 million, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses, representing a net issue price of approximately HK\$0.284 per Subscription Share.

The Company is currently in a strategic transition period, and it intends to integrate the strategic development resources of Sunwah to empower its strategic transformation. Sunwah has strong channel advantages and rich experience in market development and product operation in the PRC and with The Association of Southeast Asian Nations (“ASEAN”). With the help of the strategic resources of Sunwah, the strategic transformation of the Company can be accelerated. Accordingly, the Company intends to use the net proceeds from the Subscription for the integration of resources, the market development and the trade of industrial cannabis, Chinese herbal medicine, health food products in the PRC and with ASEAN and for general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not undertaken any equity fund raising exercise over the period of twelve months prior to the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY AND RESTORATION OF PUBLIC FLOAT

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement and immediately before completion of the Subscription; and (ii) immediately after completion of the Subscription:

Shareholder	As at the date of this announcement and immediately before completion of the Subscription		Immediately after completion of the Subscription	
Yunbaiyao Hong Kong Co., Limited	3,101,911,000	48.11%	3,101,911,000	45.62%
Yunnan Baiyao Group Co., Ltd.	1,908,025,360	29.59%	1,908,025,360	28.06%
New Huadu Group (HK) Investment Limited	56,000,000	0.87%	56,000,000	0.82%
Public shareholders				
Sunwah or its Nominee	–	–	351,762,000	5.17%
Other shareholders	1,382,215,800	21.44%	1,382,215,800	20.33%
Total	<u>6,448,152,160</u>	<u>100%</u>	<u>6,799,914,160</u>	<u>100%</u>

To the best knowledge, information and belief of the Directors, as at the date of this announcement, the public float of the Company is approximately 21.44%, which is below 25% of the total issued share capital of the Company held by the public as prescribed by Rule 8.08(1)(a) of the Listing Rules.

The Directors confirm that, immediately after completion of the Placing and the Subscription, the public float of the Company will be restored to 25% or above of the Company's total number of issued shares as enlarged by the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement to the date of the Subscription save for the issue of the Subscription Shares).

FURTHER WAIVER FROM STRICT COMPLIANCE WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT

Reference is made to the joint announcement of Yunbaiyao Hong Kong Co., Limited and the Company dated 18 January 2022 and the announcement of the Company dated 25 January 2022 (the "**Previous Announcements**"). As at the date of the Previous Announcements and as at the date of this announcement, 1,382,215,800 Shares, representing approximately 21.44% of the entire issued share capital of the Company as at the date of the Previous Announcements and the date of this announcement, were held by the public (as defined in the Listing Rules), and accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. The Company has further applied to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period from 18 April 2022 to 31 May 2022 ("**Further Waiver**"). Further announcement(s) will be made by the Company regarding the Further Waiver and the restoration of public float when and as appropriate.

WARNING OF RISKS OF DEALING IN SHARES

Shareholders and potential investors should note that completion of the Subscription is conditional upon the satisfaction of all the conditions precedent to the Subscription Agreement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

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

"AGM"	the Annual General Meeting of the Company held on 30 September 2021
"Board"	the board of Directors
"Business Day(s)"	any day(s) (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business

“Company”	Ban Loong Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange with stock code: 30
“Completion”	the completion of the Subscription
“Conditions”	the conditions precedent to Completion, as more particularly set out in the paragraph headed “Conditions” of this announcement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nominee”	a wholly owned subsidiary of Sunwah nominated by Sunwah no later than 3 Business Days before Completion
“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement entered into on 14 April 2022 between the Company and Sunwah in relation to the Subscription
“Subscription Price”	HK\$0.285 per Subscription Share
“Subscription Shares”	351,762,000 new Shares to be issued and allotted to Sunwah or its Nominee pursuant to the Subscription Agreement
“Subscription”	the subscription for, and allotment of, the Subscription Shares on the terms and subject to the conditions of the Subscription Agreement

“Sunwah ” Sunwah GreatWall Group Limited, a limited liability company established in Hong Kong and the subscriber under the Subscription Agreement

“%” per cent

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

Hong Kong, 14 April 2022

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

Executive Directors:

Mr. Dong Ming (*Chairman*)

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

Mr. Yin Pinyao

Mr. Wang Zhaoqing (*Chief Operating Officer*)

Mr. Liu Zhouyang (*Deputy Chief Executive Officer*)

Non-executive Director:

Mr. Qian Yinghui

Independent Non-executive Directors:

Mr. Jiang Zhi

Mr. Leung Ka Kui, Johnny

Ms. Wong Chui San, Susan