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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)

CONTINUING CONNECTED TRANSACTION

THE AGREEMENT

On 3 December 2021, the Company entered into the Agreement with Yunnan Baiyao Group, a substantial shareholder of the Company, pursuant to which the Company agreed to provide the New Sublease and Office Services to Yunnan Baiyao Group for a term commencing from 1 December 2021 to 5 May 2022 at a monthly rent of HK\$362,736.

LISTING RULES IMPLICATIONS

As Yunnan Baiyao Group is the substantial shareholder of the Company, Yunnan Baiyao Group is a connected person of the Company. Accordingly, the Agreement constitutes a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As all of the relevant percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for the transactions contemplated under the Agreement and the Sublease and Office Services, when aggregated, are, on an annual basis, less than 5%, the Agreement and the Sublease and Office Services are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 19 November 2021 in relation to the continuing connected transaction of the Company not previously disclosed.

Since 2019, the Group agreed to provide the Sublease and Office Services to Yunnan Baiyao Group. The Relevant Expenses for the years ended 31 March 2020 and 31 March 2021 and period from 1 April 2021 to 30 November 2021 amounted to approximately HK\$10.4 million, HK\$5.1 million and HK\$2.9 million, respectively.

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THE AGREEMENT

Date: 3 December 2021

Parties: (i) The Company
(ii) Yunnan Baiyao Group

Yunnan Baiyao Group is the substantial shareholder of the Company and its principal businesses include pharmaceutical products, health products, Chinese medicine resources and pharmaceutical logistics.

Subject matter

Pursuant to the Agreement, the Company has agreed to provide the New Sublease and Office Services to Yunnan Baiyao Group for a term commencing from 1 December 2021 to 5 May 2022 at a monthly rent of HK\$362,736.

Pursuant to the Agreement, Yunnan Baiyao Group shall in relation to the New Sublease and Office Services pay to the Company on the first day of each month (i) the monthly rent of HK\$362,736; (ii) expenses such as management fees, rates, utilities and other operating expenses; and (iii) all other costs and expenses incurred in relation to the daily operations of Yunnan Baiyao Group's office operation in Hong Kong which was paid by the Company on behalf of Yunnan Baiyao Group.

Annual caps

For the financial year ending 31 March 2022 and the two months ending 31 May 2022, the maximum annual aggregate amounts payable (the “**Annual Caps**”) by Yunnan Baiyao Group to the Company under the Agreement are as follows:

Financial year/period	Annual Caps
For the year ending 31 March 2022	HK\$6,000,000
For the two months ending 31 May 2022	HK\$1,500,000

Basis of determination of the Annual Caps

In arriving the above Annual Caps for the Agreement, the Company has taken into account the following factors:

- (a) the prevailing market rent of comparable properties in Hong Kong;
- (b) the agreed monthly rent payable by Yunnan Baiyao Group to the Company under the Agreement for the period commencing from 1 December 2021 to 5 May 2022;
- (c) the expected other disbursements and rates such as the management fees, the utilities, the government rent and rates and other operating expenses payable by Yunnan Baiyao Group to the Company under the Agreement for the period commencing from 1 December 2021 to 31 May 2022; and
- (d) the historical figures of the Relevant Expenses for the years ended 31 March 2020 and 31 March 2021 and period from 1 April 2021 to 30 November 2021 of approximately HK\$10.4 million, HK\$5.1 million and HK\$2.9 million, respectively.

REASONS FOR ENTERING INTO THE AGREEMENT

The Group is principally engaged in money lending business, trading of goods and commodities and Cannabidiol (CBD) isolate.

The Company is of the view that the Agreement is for the continuing business needs of the Group and the long-term relationship between the Company and Yunnan Baiyao Group. The Premises have been used for Yunnan Baiyao Group's office in Hong Kong and the Company entered into the Agreement with Yunnan Baiyao Group for the purpose of securing the office space for Yunnan Baiyao Group in Hong Kong.

The terms of the Agreement were determined after arm's length negotiation between the Group and Yunnan Baiyao Group with reference to the prevailing market rent. The Directors (including the independent non-executive Directors) consider that the Agreement was entered into in the ordinary and usual course of business of the Group on normal commercial terms.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Agreement and the transactions contemplated thereunder and none of them is required to abstain from voting on the resolutions of the Board to approve the Agreement and the transactions contemplated thereunder.

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As all of the relevant percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for the transactions contemplated under the Agreement and the Sublease and Office Services, when aggregated, are, on an annual basis, less than 5%, the Agreement and the Sublease and Office Services are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Agreement”	the office services agreement dated 3 December 2021 and entered into between the Company and Yunnan Baiyao Group in relation to the New Sublease and Office Services
“Board”	the board of Directors
“Company”	Ban Loong Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company together with 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
“New Sublease and Office Services”	sublease of the Premises by the Company to Yunnan Baiyao Group and assisting Yunnan Baiyao Group in its daily operations of its office operation in Hong Kong, such as arranging for certain utilities supplies and other miscellaneous services
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	Suite 2506, 25th Floor, ICBC Tower, Three Garden Road, Hong Kong

“Relevant Expenses”	the rental income as well as all other expenses which the Group has paid in relation to the Sublease and Office Services on behalf of Yunnan Baiyao Group
“Shareholder(s)”	holder(s) of issued ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sublease and Office Services”	sublease of the Premises by the Company to Yunnan Baiyao Group and assisting Yunnan Baiyao Group in renovating the Premises and its daily operations of its office operation in Hong Kong, such as arranging for certain utilities supplies and other miscellaneous services, for the period from 1 May 2019 to 30 November 2021
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Yunnan Baiyao Group”	Yunnan Baiyao Group Co., Ltd. (雲南白藥集團股份有限公司), a joint stock limited liability company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange with stock code: 000538 and a substantial shareholder of the Company
“%”	per cent

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

Hong Kong, 3 December 2021

As at the date of this announcement, the Board 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