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LONGRUN TEA GROUP COMPANY LIMITED
龍潤茶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2898)

UPDATE ON SUSPENSION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of Longrun Tea Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcements of the Company dated 15 August 2017, 18 September 2017, 17 October 2017, 28 February 2018, 22 June 2018, 10 August 2018, 24 August 2018, 7 November 2018, 11 February 2019, 15 February 2019, 2 May 2019 and 7 August 2019 in relation to the Company’s updates on suspension of trading (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless stated otherwise.

UPDATE ON SUSPENSION OF TRADING

Reference is made to the Company’s announcement dated 3 October 2019 in relation to the decision to cancel the Company’s listing and the Company’s application for review. On 23 August 2019, the Stock Exchange issued a letter to the Company advising the Company that as trading in the Shares has been suspended since 15 June 2017 and the Company has failed to resume trading in the Shares by 31 July 2019, the Listing Committee decided to cancel the Company’s listing under Rule 6.01A of the Listing Rules (the “**Delisting Decision**”).

After seeking legal and professional advice, the Company has applied for a review by the Listing Review Committee on 29 August 2019 of the Delisting Decision pursuant to Rule 2B.08(1) of the Listing Rules. The Company is currently preparing for the review.

The Company will continue to keep the shareholders and potential investors of the Company informed of any material development as and when appropriate and in accordance with the Listing Rules.

BUSINESS OPERATIONS

The Company is an investment holding company and its subsidiaries are principally engaged in the distribution of tea products, pharmaceutical products and other food products. The Group has maintained its business operations since the suspension of trading in the Shares on 15 June 2017. As at the date of this announcement, the Group has been carrying on its business as usual.

The Directors are of the view that the business operations of the Group have not been adversely affected by the suspension of trading of the Shares.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Company's announcements dated 28 March 2019, 18 April 2019, 22 May 2019, 24 June 2019, 12 July 2019, 2 August 2019, 16 August 2019, 13 September 2019 and 11 October 2019. The Company intends to continue its transactions with LRTG, a connected person (as defined in the Listing Rules) of the Company, pursuant to the Purchase Agreement. As the previously approved annual caps in respect of the transactions contemplated under the Purchase Agreement had expired on 31 March 2019, the Company will seek the approval from the independent shareholders of the Company for renewing the annual caps in respect of such continuing connected transactions for the two financial years ending 31 March 2021.

The Company expects that a circular including (i) details of the new annual caps; (ii) a letter from an independent financial adviser containing its advice to the independent Board committee and the independent shareholders of the Company on the new annual caps; (iii) recommendation from an independent Board committee to the independent shareholders of the Company; and (iv) a notice of extraordinary general meeting of the Company, will be despatched to the shareholders of the Company on or before 15 November 2019.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 15 June 2017 until further notice.

By Order of the Board
Longrun Tea Group Company Limited
Chiu Ka Leung
Chairman of the Board

Hong Kong, 7 November 2019

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

Executive Directors:

Dr. Chiu Ka Leung
Ms. Yeh Shu Ping
Mr. Jiao Shaoliang
Dr. He William

Independent non-executive Directors:

Mr. Lam Siu Hung
Mr. Guo Guoqing
Mr. Kwok Hok Lun
Dr. Liu Zhonghua