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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)

**DISCLOSEABLE TRANSACTION –
RENEWAL OF HK\$70 MILLION LOAN TO QUEENSWAY ASIA LIMITED**

The Board wishes to announce that on 10 July 2017, the Lender (a wholly-owned subsidiary of the Company), the Borrower and the Borrower Guarantors entered into the Loan Renewal Agreement, pursuant to which the Lender agreed to renew the Original Loan in the principal amount of HK\$70 million to the Borrower for a further term of 108 days until the Extended Maturity Date. The repayment obligations of the Lender under the Renewed Loan will continue to be secured by the Pledged Assets and guaranteed by the Borrower Guarantors.

As the percentage ratios under Rule 14.07 of the Listing Rules in respect of the monetary advantage together with the value of the financial assistance pursuant to the Renewed Loan (under the assets and consideration ratios) and the interest income for the Renewed Loan (under the revenue and profits ratios), when aggregated with the monetary advantage or interest income derived under the Original Loan, are more than 5% but less than 25%, the Renewed Loan granted under the Loan Renewal Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the announcement (the “**Announcements**”) of Ban Loon Holdings Limited (the “**Company**”) dated 12 December 2016 and 12 January 2017 in relation to the grant of the loan of HK\$70 million (the “**Original Loan**”) by Ban Loong Finance Company Limited (the “**Lender**”, a wholly-owned subsidiary of the Company) which was drawn down by Queensway Asia Limited (the “**Borrower**”) on 12 January 2017. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board wishes to announce that on 10 July 2017, the Lender, the Borrower and the Borrower Guarantors entered into a loan renewal agreement (the “**Loan Renewal Agreement**”), pursuant to which the Lender agreed to renew the Original Loan to the Borrower for a further term of 108 days until the Extended Maturity Date (the “**Renewed Loan**”).

THE LOAN RENEWAL AGREEMENT

The principal terms of the Loan Renewal Agreement are as follows:

Date	:	10 July 2017
Lender	:	Ban Loong Finance Company Limited, a wholly-owned subsidiary of the Company
Borrower	:	Queensway Asia Limited
Loan principal	:	Fixed and non-revolving loan of HK\$70 million
Interest rate	:	The higher of: (a) 13.2% (revised from 12%) per annum, or (b) the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited, plus 8.2% (revised from 7%) per annum
Loan period and repayment	:	The entire principal and any outstanding interest is repayable on 27 October 2017 (the “ Extended Maturity Date ”) or on demand by the Lender at any time before the Extended Maturity Date. Interest is payable by the Borrower to the Lender on a monthly basis.

- Collaterals : The repayment obligations of the Lender under the Renewed Loan will continue to be guaranteed by (i) joint and several limited-recourse personal guarantees entered into by Mr. Lam Man Kwong (the “**First Guarantor**”) and Mr. Lam Wai Hang (the “**Second Guarantor**”), which together with the First Guarantor are collectively referred to as the “**Borrower Guarantors**”), respectively holding 70% shareholding (the “**First Collateral**”) and 30% shareholding (the “**Second Collateral**”) in the issued share capital of the Borrower; and (ii) all-money first legal charges entered into by the First and Second Guarantors to charge the First and Second Collaterals, respectively, in favour of the Lender. The maximum liability of the Borrower Guarantors under the personal guarantees is limited to the extent that such liability is required to permit the Lender to realize upon the First and Second Collaterals and, in the event that the Borrower Guarantors shall default in their obligations under the personal guarantees, the sole recourse of the Lender against the Borrower Guarantors shall be with respect to the security interest granted to the Lender in the First and Second Collaterals and the Lender shall not have any right to payment from the Borrower Guarantor or against any of their other property or assets.
- Prepayment : The Borrower shall have an option at any time before the Extended Maturity Date, by serving one month’s written notice to the Lender, to make early repayment of the whole or part of the Renewed Loan.

INFORMATION ON THE BORROWER

The Borrower is a company incorporated in Hong Kong with limited liability which is engaged in garment manufacturing and trading. Based on the information provided by the Borrower, (a) the issued share capital of the Borrower is 70% and 30% owned by the First Guarantor and the Second Guarantor, respectively; (b) the audited total and net assets of the Borrower as at 31 December 2015 were HK\$45.2 million and HK\$17.5 million, respectively; and (c) the unaudited total and net assets of the Borrower as at 31 December 2016 were HK\$59.4 million and HK\$27.8 million, respectively.

Based on the information provided by the Borrower, as at the date of this announcement, the First Guarantor and the Second Guarantor respectively own 44,756,000 Shares and 650,000 Shares, representing 0.99% and 0.01% of the issued share capital of the Company. Save as disclosed herein, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Borrower and its ultimate beneficial owners (i.e. the Borrower Guarantors) is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LOAN RENEWAL AGREEMENT

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in mining operations, money lending and trading of goods and commodities. The Lender is a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong registered under Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. The granting of the Renewed Loan to the Borrower pursuant to the Loan Renewal Agreement is in the ordinary course of business of the Group.

As disclosed in the Company's announcement dated 12 January 2017, when the Definitive Loan Documentation in respect of the Original Loan was entered into on 11 January 2017, it was the Company's intention that the loan maturity date should be fixed at six months after the drawdown date, which was not expected to be extended any further beyond 11 July 2017 (the "**Original Maturity Date**") in any event. The non-extension of loan was a compromise between the Lender and the Borrower at the relevant time, in return of a non-binding indication of intention by the Lender that it did not expect to demand early repayment of the loan principal before the Original Maturity Date, which was in turn requested by the Borrower to facilitate their cash flow utilization and planning.

In or around early June 2017, the Borrower applied for a renewal of the Original Loan for six months. After an updated credit control assessment conducted by the Lender and arm's length negotiation of the revised terms of the Renewed Loan (including the increase of interest rate and the reservation of right by the Lender to demand early repayment), it was finally agreed that the Original Loan be renewed for 108 days until the Extended Maturity Date in terms and conditions set out in the Loan Renewal Agreement.

The terms of the Loan Renewal Agreement (including the revised interest rate, the renewed loan period and the fortification by share charges and personal guarantees) were negotiated on an arm's length basis between the Lender and the Borrower and were on normal commercial terms based on the Company's credit policy. Taking into account the results of the Company's due diligence on the financial background and repayment ability of the Borrower and the Borrower Guarantors and the stable interest income expected to be generated from the Renewed Loan, the Directors consider that the terms of the Loan Renewal Agreement (including the revised interest rate, the renewed loan period and the fortification by share charges and personal guarantees) are fair and reasonable and the entering into of the Loan Renewal Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the percentage ratios under Rule 14.07 of the Listing Rules in respect of the monetary advantage together with the value of the financial assistance pursuant to the Renewed Loan (under the assets and consideration ratios) and the interest income for the Renewed Loan (under the revenue and profits ratios), when aggregated with the monetary advantage or interest income derived under the Original Loan, are more than 5% but less than 25%, the Renewed Loan granted under the Loan Renewal Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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

Hong Kong, 10 July 2017

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

Executive Directors:

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

Mr. Chu Ka Wa (*Chief Financial Officer*)

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