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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)

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

The Board announces that on 22 September 2017, the Lender (a wholly-owned subsidiary of the Company), the Borrower and the Borrower Guarantors entered into the Second Loan Renewal Agreement, pursuant to which the Lender conditionally agreed to renew the Loan in the principal amount of HK\$70 million for a further term of 12 months until the Second Extended Maturity Date. The repayment obligations of the Lender under the Loan will continue to be secured by the Collaterals 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 Loan (under the assets and consideration ratios) and the interest income for the Loan (under the revenue and profits ratios), when aggregated with the monetary advantage or interest income derived from the Loan since its initial drawdown, are more than 25% but less than 100%, the renewal of the Loan under the Second Loan Renewal Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to announcement, circular and shareholders' approval requirements under the Listing Rules.

The SGM will be convened for the purpose of considering and, if thought fit, approving the Second Loan Renewal Agreement. A circular containing, among other things, (i) details of the Second Loan Renewal Agreement; (ii) other information prescribed by the Listing Rules; and (iii) a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 6 October 2017.

Reference is made to (a) the announcements of Ban Loong 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 “**Loan**”) by Ban Loong Finance Company Limited (the “**Lender**”, a wholly-owned subsidiary of the Company) to Queensway Asia Limited (the “**Borrower**”); and (b) the announcement of the Company dated 10 July 2017 in relation to the first renewal agreement of the Loan (the “**First Loan Renewal Agreement**”). As disclosed in the said announcements, the Loan was initially drawn down on 12 January 2017, initially due for repayment on 11 July 2017 and subsequently extended for repayment on or before 27 October 2017 (the “**First Extended Maturity Date**”) pursuant to the First Loan Renewal Agreement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 22 September 2017, the Lender, the Borrower and the Borrower Guarantors entered into a second loan renewal agreement (the “**Second Loan Renewal Agreement**”), pursuant to which the Lender conditionally agreed to renew the Loan in the principal amount of HK\$70 million for a further term of 12 months until 26 October 2018 (the “**Second Extended Maturity Date**”).

THE SECOND LOAN RENEWAL AGREEMENT

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

Date	:	22 September 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) 14.4% per annum (revised from 13.2%), or (b) the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited, plus 9.4% per annum (revised from 8.2%)
- Loan period and repayment : The entire principal and any outstanding interest is repayable on 26 October 2018 (i.e., the Second Extended Maturity Date) or on demand by the Lender at any time before the Second 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 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**”, who 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**”, which together with the First Collateral are collectively referred to as the “**Collaterals**”) 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 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 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 Collaterals and the Lender shall not have any right to payment from the Borrower Guarantor or against any of their other property or assets.
- Early repayment : The Borrower shall have an option at any time before the Second Extended Maturity Date, by serving one month’s written notice to the Lender, to make early repayment of the whole or part of the Loan.

Condition precedent : The continual lending of the Loan beyond the First Extended Maturity Date until the Second Extended Maturity Date is conditional upon the Company having obtained the approval of its shareholders (“**Shareholders**”) at a special general meeting of the Company to be convened for approving the transactions contemplated under the Second Loan Renewal Agreement (the “**SGM**”).

If the above condition cannot be fulfilled on or before 27 October 2017, the Second Loan Renewal Agreement will lapse and the Loan will be repayable on 27 October 2017 pursuant to the original terms of the First Loan Renewal Agreement.

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 2016 were HK\$51.5 million and HK\$26.0 million, respectively; and (c) the unaudited total and net assets of the Borrower as at 31 August 2017 were HK\$127.6 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 23,000,000 Shares and 1,650,000 Shares, representing 0.51% and 0.04% 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 SECOND 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 Loan to the Borrower pursuant to the Second Loan Renewal Agreement is in the ordinary course of business of the Group.

The terms of the Second Loan Renewal Agreement 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, the punctual interest repayment records and the stable interest income generated from the Loan, the Directors consider that the terms of the Second Loan Renewal Agreement (including the revised interest rate, the extended loan period and the fortification by share charges and personal guarantees) are fair and reasonable and the entering into of the Second 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in respect of the monetary advantage together with the value of the financial assistance pursuant to the Loan (under the assets and consideration ratios) and the interest income for the Loan (under the revenue and profits ratios), when aggregated with the monetary advantage or interest income derived from the Loan since its initial drawdown, are more than 25% but less than 100%, the renewal of the Loan under the Second Loan Renewal Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to announcement, circular and shareholders' approval requirements under the Listing Rules.

The SGM will be convened for the purpose of considering and, if thought fit, approving the Second Loan Renewal Agreement. A circular containing, among other things, (i) details of the Second Loan Renewal Agreement; (ii) other information prescribed by the Listing Rules; and (iii) a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 6 October 2017.

Based on the information provided by the Borrower, as at the date of this announcement, the First Guarantor and the Second Guarantor respectively own 23,000,000 Shares and 1,650,000 Shares, representing 0.51% and 0.04% of the issued share capital of the Company. The First Guarantor and the Second Guarantor are regarded to have a material interest in the transactions contemplated under the Second Loan Renewal Agreement and are required to abstain from voting on the resolution to approve the Second Loan Renewal Agreement. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Second Loan Renewal Agreement. As such, no other Shareholder will be required to abstain from voting on the resolution to approve the Second Loan Renewal Agreement. Any vote cast by the Shareholders at the SGM shall be taken by way of poll.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23 October 2017 to Thursday, 26 October 2017, both days inclusive, for the purpose of determining shareholders' entitlements to attend and vote at the SGM to be held on 26 October 2017. No transfer of shares will be registered during this book closure period. In order to qualify for shareholder's entitlements to attend and vote at the SGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20 October 2017.

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

Hong Kong, 22 September 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