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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)

**ANNOUNCEMENT MADE PURSUANT TO RULE 13.09(2) OF
THE LISTING RULES AND THE INSIDE INFORMATION
PROVISIONS UNDER PART XIVA OF THE SECURITIES AND
FUTURES ORDINANCE**

**DISPOSAL OF A SUBSIDIARY AND CESSATION OF
ENCRYPTION TECHNOLOGY BUSINESS**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Ban Loong Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

THE SALE AND PURCHASE AGREEMENT

The Board wishes to announce that on 24 March 2016 (after trading hours), the Company (as vendor) and Ms. Chen Chang Ying (the “**Purchaser**”) entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 60% of the issued share capital (the “**Sale Shares**”) of POMP International Limited (the “**Target Company**”, and together with its subsidiaries, collectively the “**Target Group**”) for the consideration of HK\$4 million (the “**Consideration**”), which shall be payable by the Purchaser by way of cashier’s order or bank transfer within two business days from the date of the Sale and Purchase Agreement.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

The Consideration was determined between the Company and the Purchaser after arm’s length negotiations, taking into account the unaudited net asset value of the Target Group as at 24 March 2016 in the amount of HK\$9,435,625. The Consideration received from the Disposal will be used as the general working capital of the Group.

Completion of the Sale and Purchase Agreement is conditional upon, among others, (a) the obtaining of necessary approval(s) by the Company regarding share transfer of the Sale Shares of the Target Company; and (b) the representations and warranties in the Sale and Purchase Agreement remain valid and subsisting. Completion of the Sale and Purchase Agreement shall take place within two business day after the fulfillment of the conditions precedent to the Sale and Purchase Agreement.

The Target Company is a limited company incorporated in the British Virgin Islands. Prior to the entering into of the Sale and Purchase Agreement, the Target Company was a 60% owned subsidiary of the Company. The Target Company owns 100% shareholding interest in Time Faith Development Limited (a Hong Kong company), which in turn owns 100% equity interest in Jinbo Environmental Protection Technology (Shenzhen) Co., Ltd. (金帛環保科技(深圳)有限公司) (a PRC company), which in turn owns 100% equity interest in DeTron Tech Ltd. (深圳市德創通信息科技有限公司) (a PRC company). DeTron is principally engaged in the development of an application platform with software relating to crypto cloud computing and quantum direct key encryption and the design, manufacture and distribution of portable devices embedded with such encryption technology. DeTron also holds 100% equity interest in Shenzhen Wangfutong Technology Co., Ltd. (深圳市旺富通科技有限公司), whose business scope includes the development of electronic devices, communication devices, computing devices, electronic communication and peripheral products, and mobile phone technology, domestic trade, import and export of goods and technology, and the manufacture, sale and repairs of mobile phones.

REASONS FOR DISPOSAL

The mobile and portable devices development sector in the PRC is in the saturation stage and the encryption technology business segment of the Group has been facing tough market conditions and unprecedented operating pressure. Due to the rapid development in technology and the unpredicted obstacles in getting all necessary licenses and approval to launch its products in the PRC market, the Group has been recording losses in the encryption technology segment since 2015. The loss of this business segment was approximately HK\$81.2 million for the years ended 31 March 2015. As disclosed in the Company's interim report for the six-months period ended 30 September 2015, no turnover was recorded and a segment loss of approximately HK\$5.4 million was recognized for this business segment during such period.

The Group expects that there will be a net loss of approximately HK\$1.66 million from the Disposal. The Board believes that the Disposal and the cessation of encryption technology business will cut the operation loss on this segment and allow the Group to focus on more profitable business segments in the future. The Board therefore considers that the Disposal is in the interest of the Company and its shareholders (the "**Shareholders**") as a whole.

CESSATION OF ENCRYPTION TECHNOLOGY BUSINESS

Following completion of the Disposal, the Group will cease its operation in the encryption technology business segment. The Company intends to focus on the remaining principal business segments of the Group.

IMPLICATION UNDER THE LISTING RULES

As none of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5%, the Disposal does not constitute a notifiable transaction for the Company.

By order of the Board
Ban Loong Holdings Limited
Chow Wang
Chairman and Executive Director

Hong Kong, 24 March 2016

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

Executive Directors:

Mr. Chow Wang (*Chairman*)

Mr. Cheung Wai Shing

Non-executive Director:

Mr. Fong For

Independent Non-executive Directors:

Mr. Jiang Zhi

Mr. Leung Ka Kui, Johnny

Ms. Wong Chui San, Susan