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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 – CHANGES IN THE TERMS OF THE PROVISION OF LOAN

Reference is made to the announcement (the “**Announcement**”) of Ban Loon Holdings Limited (the “**Company**”) dated 12 December 2016 in relation to the proposed grant of the Loan of not more than HK\$80 million by the Lender (a wholly-owned subsidiary of the Company) to the Borrower. Terms defined in the Announcement shall have the same meanings when used in this announcement unless the context requires otherwise.

As disclosed in the Announcement, the draw down of the Loan is subject to the signing of definitive loan documentation including loan agreement, personal guarantee and charge/pledge documentation. The Company wishes to announce that on 11 January 2017, the Lender entered into the following definitive loan documentation (the “**Definitive Loan Documentation**”) with the Borrower and the Borrower Guarantors:

- (1) A definitive loan agreement (the “**Definitive Loan Agreement**”) dated 11 January 2017 and entered into between the Lender, the Borrower and the Borrower Guarantors, containing the following changes in its key terms when compared with the terms of the Loan as originally set out in the Loan Agreement and disclosed in the Announcement:
 - (a) The loan principal was fixed at HK\$70 million, instead of HK\$80 million.

- (b) The interest rate was revised to the higher of (i) 12% (instead of 14%) per annum or (ii) the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited plus 7% (instead of 9%).
 - (c) The draw down was limited to a one-time advance of the entire loan principal sum of HK\$70 million, which has already taken place on 12 January 2017.
 - (d) The loan period was fixed at six months after draw down (i.e. 11 July 2017) (the “**Maturity Date**”) but will not be extended beyond the Maturity Date in any event. The Borrower expects to obtain long-term equity or debt financing from financial investors during the next six months to finance its repayment to the Lender.
 - (e) The interest of the loan shall be repaid by monthly installments. The loan principal, together with any outstanding interest, shall be fully repaid on the Maturity Date. The Lender does not expect to demand early repayment of the loan principal before the Maturity Date.
 - (f) The loan is fixed instead of revolving. Any repaid amount of the loan may not be re-borrowed.
 - (g) The repayment obligations of the Lender shall 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**”), 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.
- (2) A deed of guarantee (“**PG1**”) dated 11 January 2017 and executed by way of deed by the First Guarantor. The maximum liability of the First Guarantor under PG1 is limited to the extent that such liability is required to permit the Lender to realize upon the First Collateral and, in the event that the First Guarantor shall default in his obligations under PG1, the sole recourse of the Lender against the First Guarantor shall be with respect to the security interest granted to the Lender in the First Collateral and the Lender shall not have any right to payment from the First Guarantor or against any of his other property or assets.

- (3) A deed of guarantee (“**PG2**”) dated 11 January 2017 and executed by way of deed by the Second Guarantor. The maximum liability of the Second Guarantor under PG2 is limited to the extent that such liability is required to permit the Lender to realize upon the Second Collateral and, in the event that the Second Guarantor shall default in his obligations under PG2, the sole recourse of the Lender against the Second Guarantor shall be with respect to the security interest granted to the Lender in the Second Collateral and the Lender shall not have any right to payment from the Second Guarantor or against any of his other property or assets.
- (4) An all-money first legal charge (“**SC1**”) dated 11 January 2017 and executed by way of deed by the First Guarantor to charge the First Collateral in favour of the Lender.
- (5) An all-money first legal charge (“**SC2**”) dated 11 January 2017 and executed by way of deed by the Second Guarantor to charge the Second Collateral in favour of the Lender.

Save as the changes expressly stated in the Definitive Loan Documentation, all other terms and conditions of the Loan as originally set out in the Loan Agreement and disclosed in the Announcement remain unchanged.

The granting of the Loan to the Borrower pursuant to the Definitive Loan Documentation is in the ordinary course of business of the Group. The revised terms of the Definitive Loan Documentation (including the revised loan principal, the revised interest rate, the intention of the Lender not to demand early repayment, and the limited-recourse of the personal guarantees) were re-negotiated on an arm’s length basis amongst the Lender, the Borrower and the Borrower Guarantors between the signing of the Loan Agreement and the signing of the Definitive Loan Documentation, 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 Loan, the Directors consider that the revised terms of the Definitive Loan Documentation are fair and reasonable and the entering into of the Definitive Loan Documentation is in the interests of the Company and its shareholders as a whole.

Based on the information provided by the Borrower, as at the date of this announcement Mr. Lam Man Kwong and Mr. Lam Wai Hang respectively own 137,000,000 Shares and 26,000,000 Shares, representing 3.42% and 0.65% 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).

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted by the Group to the Borrower under the Definitive Loan Documentation are more than 5% but less than 25%, the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

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

Hong Kong, 12 January 2017

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