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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 19 January 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, a maximum of 534,132,000 Placing Shares to not less than six independent Placees at a price of HK\$0.110 per Placing Share.

The Placing Price of HK\$0.110 per Placing Share represents: (i) a discount of approximately 19.12% to the closing price of HK\$0.136 per Share as quoted on the Stock Exchange on 19 January 2017, being the date of the Placing Agreement; and (ii) a discount of approximately 14.73% to the average closing price of approximately HK\$0.129 per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately prior to the date of the Placing Agreement.

Assuming the Placing Shares are fully placed, the maximum number of 534,132,000 Placing Shares represents approximately 13.33% of the issued share capital of the Company of 4,005,994,800 Shares as at the date of this announcement, and approximately 11.76% of the issued share capital of the Company as enlarged by the issue of a maximum of 534,132,000 Placing Shares.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing are approximately HK\$58.75 million and HK\$57.14 million, respectively. It is intended that such net proceeds will be used by the Company for the repayment of part of the Bonds, if and when required to do so.

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued pursuant to the Refreshed General Mandate.

THE PLACING AGREEMENT

Date

19 January 2017 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Placees

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners are not connected persons of the Company and will be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. It is expected that none of the Placees nor their respective associates will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares

The Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, a maximum of 534,132,000 Placing Shares. Assuming the Placing Shares are fully placed, the maximum number of 534,132,000 Placing Shares represents approximately 13.33% of the issued share capital of the Company of 4,005,994,800 Shares as at the date of this announcement, and approximately 11.76% of the issued share capital of the Company as enlarged by the issue of a maximum of 534,132,000 Placing Shares. The aggregate nominal value of the maximum number of 534,132,000 Placing Shares is HK\$5,341,320.00.

Placing Price

The Placing Price of HK\$0.11 per Placing Share was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

- (i) a discount of approximately 19.12% to the closing price of HK\$0.136 per Share as quoted on the Stock Exchange on 19 January 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 14.73% to the average closing price of approximately HK\$0.129 per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately prior to the date of the Placing Agreement.

Placing Commission

The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing Shares which are successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to, amongst other things, the prevailing market rate.

Condition of the Placing

Completion of the Placing is conditional upon the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Placing Shares.

If the above condition is not satisfied on or before 9 February 2017 (or such later date as may be agreed between the Placing Agent and the Company) (the “**Long Stop Date**”), the Placing will lapse and all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and determine and neither party shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on the third business day after the fulfillment of the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree).

Rescission of the Placing Agreement

If any of the following events occur at any time prior to 10:00 a.m. on the date of completion of the Placing (the “**Completion Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Completion Date, rescind the Placing Agreement without liability to the other party, and the Placing Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations and warranties contained in the Placing Agreement untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Application for listing

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

GENERAL MANDATE

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued under the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 29 September 2016.

Pursuant to the General Mandate, the Company was authorized to issue and allot up to 534,132,640 Shares, representing 20% of the aggregate nominal value of the share capital of the Company in issue on the date of passing such resolution. As at the date of this announcement, no Share has been issued pursuant to the General Mandate. As the maximum number of 534,132,000 Placing Shares to be allotted and issued under the Placing is within the number of Shares which is available for issue under the General Mandate, the Placing is not subject to the Shareholders' approval.

REASONS FOR ENTERING INTO THE PLACING AGREEMENT

The Company is an investment holding company. The Group is principally engaged in providing financial quotation services, wireless applications development, mining operations, money lending and trading of goods and commodities.

As disclosed in the Company's Interim Report 2016/2017, as at 30 September 2016, the Group had outstanding unsecured 5.5% per-annum 7-years (i.e. due between January and July 2021) corporate bonds (the "**Bonds**") with aggregate principal sum of HK\$70,000,000. Under the terms of the subscription agreements in relation to the Bonds, to the extent which is legally permissible, the Company undertook to continue to maintain its interests in the mining assets (the "**Mining Assets**") owned by Jun Qiao Limited and its subsidiaries and not to dispose of, transfer or sell any of the Mining Assets until the maturity of the Bonds, unless the consent of the majority of the bondholders is obtained.

As disclosed in the Company's announcement dated 15 January 2017 (the "**Litigation Announcement**"), the Company is now given to understand that the Group's equity holding in Yin Di Mining (as defined in the Litigation Announcement) and the Mining License (as defined in the Litigation Announcement) might be affected or encumbered by the First Civil Ruling, the Second Civil Judgment and the Enforcement Order (as such terms are defined in the Litigation Announcement), and that there is a risk that the Group may lose control over the Mining Assets. It is therefore prudent for the Company to replenish its cash reserve to prepare for the repayment of the Bonds, in case a mutually-acceptable solution cannot be reached between the Company and the majority bondholders.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing are approximately HK\$58.75 million and HK\$57.14 million, respectively, and the net placing price will be approximately HK\$0.107 per Placing Share. It is intended that such net proceeds will be used by the Company for the repayment of part of the Bonds, if and when required to do so.

The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising exercises in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Equity fund raising exercise	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
14 November 2016	Rights issue of 1,335,331,600 shares at the subscription price of HK\$0.11 per share on the basis of one rights share for every two existing shares, which became unconditional on 28 December 2016.	Approximately HK\$142.7 million	<p>(a) as to approximately HK\$55 million for the development of the Group's money lending business;</p> <p>(b) as to approximately HK\$50 million for the development of the Group's trading business; and</p> <p>(c) as to approximately HK\$37.7 million for general working capital of the Group</p>	<p>(a) as to HK\$70 million for the provision of a loan to Queensway Asia Limited, as disclosed by the Company on 12 December 2016 and 12 January 2017;</p> <p>(b) as to HK\$40 million for the capital injection into Wan Long Xing Ye Commercial Trading (Shenzhen) Limited;</p> <p>(c) as to HK\$3 million for the establishment of a new investment entity in Hong Kong engaging in trading, marketing and supply-chain management, as disclosed by the Company on 12 December 2016; and</p> <p>(d) unutilized as to approximately HK\$29.7 million</p>

Date of announcement	Equity fund raising exercise	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
6 June 2016	Placing of shares, on best effort basis, for a maximum of 190,110,640 shares at a price of HK\$0.09 per Share under the general mandate granted to the Directors at the annual general meeting held on 30 September 2015. The placing was completed on 15 June 2016 whereby a total of 190,110,000 placing shares have been successfully placed.	Approximately HK\$16.60 million	For financing the Group's money lending business	Used as intended
19 February 2016	Placing of convertible bonds, on best effort basis, with a principal amount of up to HK\$52,800,000 carrying rights to convert to Shares at the conversion price of HK\$0.12 per Share under the general mandate granted to the Directors at the annual general meeting held on 30 September 2015. The placing was completed on 4 March 2016 whereby convertible bonds with an aggregate principal amount of HK\$30,000,000 have been successfully placed.	Approximately HK\$29.35 million	For financing the Group's money lending business	Approximately HK\$26 million used for financing the Group's money lending business and approximately HK\$3.35 million used for working capital

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the 12 months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing (assuming the Placing Shares were placed in full):

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Mr. Fong For	349,068,000	8.71	349,068,000	7.69
Mr. Chow Wang	335,826,000	8.38	335,826,000	7.40
Public shareholders	3,321,100,800	82.91	3,321,100,800	73.15
Placees	—	—	534,132,000	11.76
Total	<u>4,005,994,800</u>	<u>100.00</u>	<u>4,540,126,800</u>	<u>100.00</u>

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of its conditions precedent and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Ban Loong Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange with stock code 30
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company

“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 29 September 2016 to issue and allot up to 534,132,640 Shares, representing 20% of the aggregate nominal value of the share capital of the Company in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person(s) or entity(ies) procured by the Placing Agent or any of its sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing
“Placing”	the best-effort placing of up to 534,132,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	SR Wealth Securities Limited, a regulated entity licensed to carry on type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 19 January 2017 in relation to Placing
“Placing Price”	HK\$0.110 per Placing Share
“Placing Shares”	a maximum of 534,132,000 Placing Shares to be placed under the Placing

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“%”	per cent

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

Hong Kong, 19 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