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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)

CLARIFICATION ANNOUNCEMENT – LITIGATIONS INVOLVING THE MINING ASSETS OF THE GROUP

Reference is made to: (a) the Company's announcement dated 28 March 2011 (the "**Acquisition Announcement**") in relation to the acquisition by the Company of 60% issued share capital and shareholders' loans of Jun Qiao (the "**Acquisition**"); and (b) the Company's announcement dated 15 January 2017 (the "**Litigation Announcement**") in relation to the First Civil Ruling obtained by Mr. Wang Huaqing and Mr. Huang Suiyun (the "**First Civil Ruling Plaintiffs**"), and the Second Civil Judgment and the Enforcement Order obtained by Henan Guiyuan, all relating to the Mining Assets. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Litigation Announcement.

PURPORTED TRANSFER OF 90% EQUITY OF YIN DI MINING

The Board wishes to update its shareholders that according to public record searches conducted by the Company and its legal advisers on the official web site of National Enterprise Credit Information Publicity System operated by the State Administration for Industry and Commerce of the PRC, the 90% equity of Yin Di Mining held by Jinfuyuan Mining was purportedly transferred to Henan Guiyuan on 17 January 2017 (the "**Purported Transfer**"), and the Group might have temporarily lost effective control over the entire operations of the Mining Segment and all Mining Assets since then.

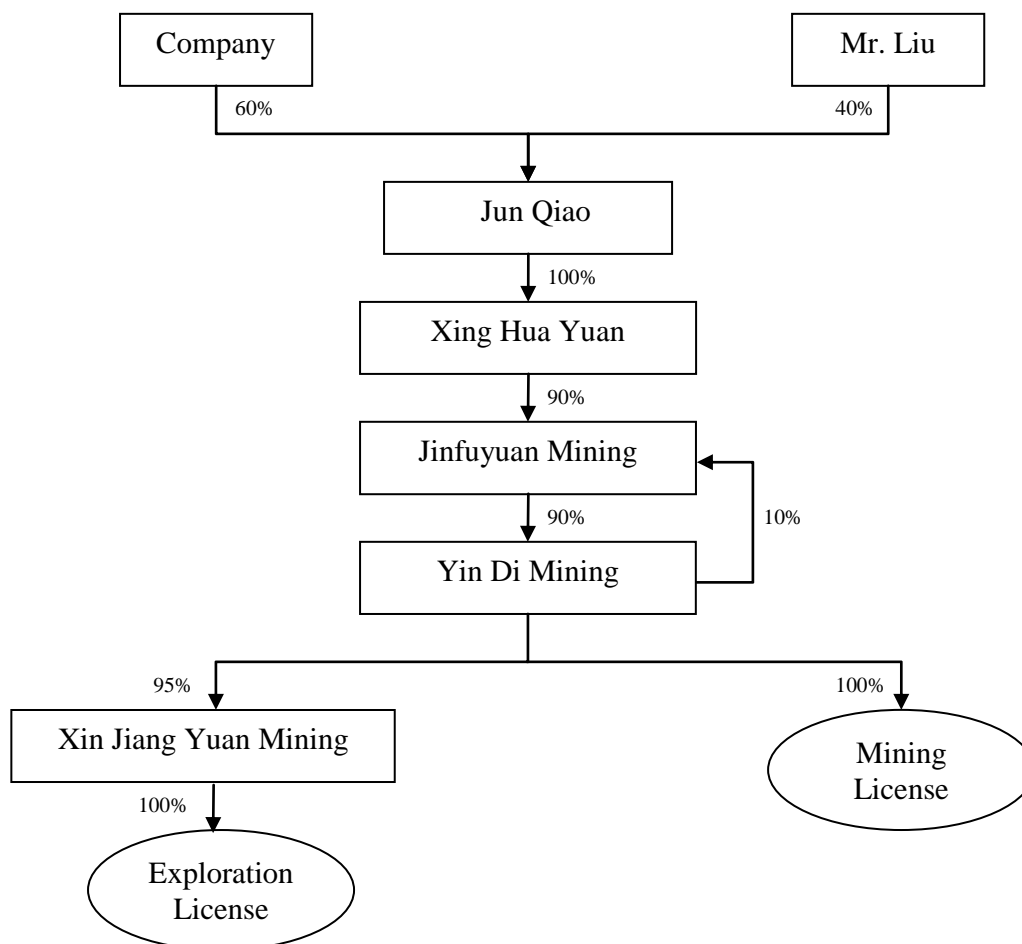
As disclosed in the Litigation Announcement, the Company intends to commence civil actions against (inter alia) seeking to recover the 90% equity of Yin Di Mining from Henan Guiyuan, and to file criminal complaints against any person(s)/entity(ies) who are suspected to have conducted unlawful activities in relation to the Purported Transfer. Based on the preliminary legal advice currently obtained by the Company (which is still subject to further findings of factual circumstances and further legal advice), the Group should have sufficient evidential bases to commence legal

actions in an attempt to recover the Mining Assets even if control over the Mining Assets is temporarily lost. However, in the event that the Group does not manage to recover the Mining Assets eventually, the Group may suffer a significant loss in its investment in the Mining Assets, while the level of impact of the loss of Mining Assets on the Group's revenue and gross profit is expected to be small to moderate in comparison. Further announcement(s) will be made by the Company regarding the status of the civil action and criminal complaints as and when appropriate.

CLARIFICATION ON THE CORPORATE STRUCTURE OF JUN QIAO GROUP

As disclosed in the Acquisition Announcement and according to the Company's records, immediately following completion of the Acquisition on 9 May 2011 up to and until 25 July 2011, Jun Qiao was owned as to 60% by the Company, 20% by Mr. Liu Ziqiang (劉梓強先生) ("**Mr. Liu**") and 20% by Wide Soar Limited (偉昇有限公司) ("**Wide Soar**") (a company which was 100% owned by Mr. Wong Chun Chung (王振忠先生) based on the Company's best information and knowledge). According to the Company's records, the 20% shareholding of Jun Qiao then held by Wide Soar was subsequently transferred to Mr. Liu on 25 July 2011.

Therefore, immediately prior to the Purported Transfer on 17 January 2017, the shareholding structure of Jun Qiao Group should be as follows:



CLARIFICATION ON THE DISCREPANCY BETWEEN 90% AND 95% EQUITY OF YIN DI MINING

Reference is made to the section headed “Second Civil Judgment and Enforcement Order” in the Litigation Announcement, in which it was stated that Henan Guiyuan might have made allegations to Zhengzhou Court during the course of the litigation that the Equity Transfer Agreement dated 28 February 2011 related to the transfer of “95% equity” of Yin Di Mining by Henan Guiyuan (as transferor) to Jinfuyuan Mining (as transferee).

Reference is made to the corporate chart disclosed above in this announcement. The Company wishes to clarify that according to its own records and public records, at all relevant times between the Acquisition and 16 January 2017, Jinfuyuan Mining was only the registered holder of 90% equity of Yin Di Mining. The Company is not aware of the reason why Henan Guiyuan had made allegations to Zhengzhou Court regarding the purported “95%” equity of Yin Di Mining owned by Jinfuyuan Mining. If the Company reveals any facts during the forthcoming civil actions and criminal investigations which throw any light on this apparent discrepancy about the equity holding proportions in Yin Di Mining, it will update shareholders by way of further announcement(s).

CLARIFICATION ON THE RELATIONSHIP BETWEEN THE FIRST CIVIL RULING AND THE SECOND CIVIL JUDGMENT

According to public record searches conducted by the Company, (a) Henan Guiyuan is a limited liability company established in the PRC with a registered capital of RMB 10,000,000, of which 90% and 10% equity are held by Shenzhen Kaideng Industrial Co., Ltd. (深圳市凱登實業有限公司) (“**Shenzhen Kaideng**”) and Zhang Jihuai (張繼懷), respectively; and (b) Shenzhen Kaideng is a limited liability company established in the PRC with a registered capital of RMB 8,000,000 and three equity holders, namely, Liao Liming (廖禮明), Lin Fuchun (林富春) and Zhang Zihong (張自紅) in equity proportions not revealed by public searches conducted by the Company.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Company is not currently aware of (a) any relationship between the First Civil Ruling and the Second Civil Judgment; and (b) any relationship amongst the First Civil Ruling Plaintiffs, Henan Guiyuan (or its ultimate beneficial owners) and Mr. Liu. If the Company reveals any facts during the forthcoming civil actions and criminal investigations which indicate any such relationships, it will update shareholders by way of further announcement(s).

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 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