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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 IN RELATION TO THE RENEWAL OF LOAN

THE THIRD LOAN RENEWAL AGREEMENT

The Board announces that on 12 June 2020, the Lender (a wholly-owned subsidiary of the Company) and the Borrower entered into the Third Loan Renewal Agreement, pursuant to which the Lender agreed to renew the Loan in the aggregate principal amount of HK\$15 million and extend the repayment date of the Loan to 12 June 2021 in accordance with the terms and conditions of the Third Loan Renewal Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Third Loan Renewal Agreement are more than 5% but less than 25%, the Third Loan Renewal Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

BACKGROUND

On 11 December 2017, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to advance to the Borrower a loan in the principal amount of HK\$15 million.

The principal terms of the Loan Agreement are as follows:

Date:	11 December 2017
Lender:	Ban Loong Finance Company Limited
Borrower:	Pro-fusion Holdings Limited
Principal amount:	HK\$15 million
Interest rate:	18% per annum
Collateral:	Personal guarantee provided by Ms. Shan and share charge was provided as collateral during the second renewal of the Loan
Term:	Six months
Drawdown date:	13 December 2017
Repayment date:	12 June 2018
First renewal:	Renewal of the Loan and extension of the repayment date of the Loan to 12 June 2019 pursuant to the terms and conditions of the First Loan Renewal Agreement
Second renewal:	Renewal of the Loan and extension the repayment date of the Loan to 12 June 2020 pursuant to the terms and conditions of the Second Loan Renewal Agreement

The Board announces that on 12 June 2020, the Lender and the Borrower entered into the Third Loan Renewal Agreement, pursuant to which the Lender agreed to renew the Loan and extend the repayment date of the Loan to 12 June 2021 in accordance with the terms and conditions of the Third Loan Renewal Agreement. The principal terms of the Third Loan Renewal Agreement are set out below:

THE THIRD LOAN RENEWAL AGREEMENT

Date:	12 June 2020
Lender:	Ban Loong Finance Company Limited
Borrower:	Pro-fusion Holdings Limited
Principal amount:	HK\$15 million
Interest rate:	18% per annum
Collateral:	Personal guarantee provided by Ms. Shan
Term:	12 months
Repayment date:	12 June 2021

INFORMATION ON THE BORROWER

The Borrower is a company incorporated in Hong Kong with limited liability, which is engaged in trading of watch and cosmetic. The ultimate beneficial owner of the Borrower is Ms. Shan. Each of the Borrower and Ms. Shan is an Independent Third Party.

INFORMATION ON THE GROUP AND THE LENDER

The principal activity of the Company is investment holding. The Group is principally engaged in money lending and trading of goods and commodities.

The Lender is a wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong under the provisions of the Money Lenders Ordinance.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE THIRD LOAN RENEWAL AGREEMENT

The renewal of the Loan under the Third Loan Renewal Agreement is in the ordinary course of business of the Group. The Lender has financed the Loan with the Group's internal resources.

As the Lender has already conducted credit assessment procedures for renewing the Loan with the Borrower, has an understanding of the background of the Borrower and has established a good customer relationship with the Borrower, the Directors are of the view that the renewal of the Loan with the Borrower would be simpler, quicker and more cost-effective as compared to the granting of a new loan to a new customer.

The terms of the Third Loan Renewal Agreement (including the interest rate and the term of the Loan) were negotiated on an arm's length basis between the Lender and the Borrower and are on normal commercial terms based on the Group's credit policy. Taking into account the results of (i) the Group's due diligence on the financial background, the satisfactory payment records in the past and repayment ability of the Borrower; and (ii) the stable interest income expected to be generated from the renewal of the Loan, the Directors consider that the terms of the Third Loan Renewal Agreement (including the interest rate and term of the Loan) are fair and reasonable and the entering into of the Third Loan Renewal Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Third Loan Renewal Agreement are more than 5% but less than 25%, the Third Loan Renewal Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Borrower”	Pro-fusion Holdings Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Company”	Ban Loong Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 30)
“connected person(s)”	has the meaning ascribed hereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Loan Renewal Agreement”	the first loan renewal agreement dated 5 June 2018 and entered into between the Lender and the Borrower in respect of the renewal of the Loan and the extension of the repayment date to 12 June 2019
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons
“Lender”	Ban Loong Finance Company Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and holds a money lender’s licence under the Money Lenders Ordinance

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan with the principal amount of HK\$15 million
“Loan Agreement”	the loan agreement dated 11 December 2017 and entered into between the Lender and the Borrower in respect of the provision of Loan by the Lender to the Borrower
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Ms. Shan”	Ms. Shan Haiyan, the sole director of the Borrower
“Second Loan Renewal Agreement”	the second loan renewal agreement dated 5 June 2019 and entered into between the Lender and the Borrower in respect of the renewal of the Loan and the extension of the repayment date to 12 June 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Loan Renewal Agreement”	the third loan renewal agreement dated 12 June 2020 and entered into between the Lender and the Borrower in respect of the renewal of the Loan and the extension of the repayment date to 12 June 2021
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 12 June 2020

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

Executive Directors:

Mr. Wang Minghui (*Chairman*)

Mr. Chow Wang (*Deputy Chairman & Chief Executive Officer*)

Mr. Yin Pinyao

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