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Hilong Holding Limited

海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

**CONTINUING CONNECTED TRANSACTION
LEASING OF OFFICE PREMISES,
REVISION OF ANNUAL CAPS
AND
CHANGE OF TERMS OF EXITING TENANCY
AGREEMENT NO.2
AND EXITING TENANCY AGREEMENT NO.3**

New Tenancy Agreements

The Board announces that, due to business expansion of the Group and to cater for further operational needs, on 1 August 2017, the Group as tenant entered into the following New Tenancy Agreements for a term of three years commencing from 1 August 2017 to 31 July 2020:

- (1) New Tenancy Agreement 1 between Beijing Huashi Investment as landlord and Hilong Energy Technology as tenant to lease New Premises 1;
- (2) New Tenancy Agreement 2 between Longshi Investment as landlord and Hilong Group of Companies as tenant to lease New Premises 2;
- (3) New Tenancy Agreement 3 between Longshi Investment as landlord and Hilong Shine New Material as tenant to lease New Premises 3;
- (4) New Tenancy Agreement 4 between Longshi Investment as landlord and Hilong Petroleum Offshore Engineering as tenant to lease New Premises 4;
- (5) New Tenancy Agreement 5 between Longshi Investment as landlord and Hilong Petroleum Offshore Engineering Services as tenant to lease New Premises 5.

* For identification purposes only

As at the date of this announcement, Mr. ZHANG Jun, the controlling shareholder and a director of the Company, holds 95.65% of the interest in Huashi Hailong, which in turn holds 98.0% of the interest in Beijing Huashi Investment. Meanwhile, Mr. ZHANG Jun also directly holds 1.0% of the interest in Beijing Huashi Investment. Further, Beijing Huashi Investment holds 50.0% of the interest in Longshi Investment. As such, each of Beijing Huashi Investment and Longshi Investment is an associate of Mr. ZHANG Jun and thus a connected person of the Company under the Listing Rules. The leasing of the New Premises contemplated under the New Tenancy Agreements therefore constitute continuing connected transactions of the Company under Chapter 14A for the Listing Rules.

Given that the Existing Tenancy Agreements and the New Tenancy Agreements are (i) similar in nature; (ii) entered into by the Group as tenants and counterparties who are associates of Mr. ZHANG Jun as landlords; and (iii) transactions entered into within a 12-month period, the transactions contemplated under the Existing Tenancy Agreements and the New Tenancy Agreements would have to be aggregated for the purpose of considering the Company's compliance obligations pursuant to Rule 14A.81 of the Listing Rules. Further, the original annual caps for the continuing connected transactions under the Existing Tenancy Agreements would not be sufficient and need to be revised.

As the applicable percentage ratio in respect of the revised annual caps for the Existing Tenancy Agreements and the New Tenancy Agreements, on an aggregated basis, exceeds 0.1% but is less than 5%, the lease of the New Premises contemplated under the New Tenancy Agreements and the revised annual caps for the Existing Tenancy Agreements and the New Tenancy Agreements are exempt from independent shareholders' approval requirement but is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Change of terms of Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3

Reference is made to the announcement of the Company dated 28 December 2016 in relation to the continuing connected transactions entered into between Beijing Huashi Investment as landlord and Hilong Oil Service as tenant.

Beijing Huashi Investment as landlord under Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3, Hilong Oil Service as tenant under Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3, and Hilong Energy Technology, a wholly-owned subsidiary of the Company, entered into the Supplemental Agreements dated 10 April 2017. Pursuant to the Supplemental Agreements, Hilong Oil Service agreed to transfer all its rights and obligations under the Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3 respectively to Hilong Energy Technology. All other terms and conditions under the Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3 remain the same. The Supplemental Agreements take retrospective effect as from 21 March 2017.

INTRODUCTION

The Board announces that, due to business expansion of the Group and to cater for further operational needs, on 1 August 2017, the Group as tenant entered into the following New Tenancy Agreements for a term of three years commencing from 1 August 2017 to 31 July 2020:

- (1) New Tenancy Agreement 1 between Beijing Huashi Investment as landlord and Hilong Energy Technology as tenant to lease New Premises 1;
- (2) New Tenancy Agreement 2 between Longshi Investment as landlord and Hilong Group of Companies as tenant to lease New Premises 2;
- (3) New Tenancy Agreement 3 between Longshi Investment as landlord and Hilong Shine New Material as tenant to lease New Premises 3;
- (4) New Tenancy Agreement 4 between Longshi Investment as landlord and Hilong Petroleum Offshore Engineering as tenant to lease New Premises 4;
- (5) New Tenancy Agreement 5 between Longshi Investment as landlord and Hilong Petroleum Offshore Engineering Services as tenant to lease New Premises 5.

PRINCIPAL TERMS OF THE NEW TENANCY AGREEMENTS

1. New Tenancy Agreement 1

Date:	1 August 2017
Term:	1 August 2017 to 31 July 2020
Landlord:	Beijing Huashi Investment
Tenant:	Hilong Energy Technology
Premises:	Located at Room 501, Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, the PRC
Leased Area:	276.74 square meters
Monthly Rental:	The monthly rent for the period from 1 August 2017 to 31 December 2017 is RMB85,858.59 excluding management fees and utility fees, the monthly rent for the period from 1 January 2018 to 31 December 2018 is RMB88,383.84 excluding management fees and utility fee, the monthly rent from 1 January 2019 to 31 December 2019 is RMB90,909.09 excluding management fees and utility fee; and the monthly rent from 1 January 2020 to 31 July 2020 is RMB93,434.35 excluding management fees and utility fee. Accordingly, the maximum rent payable by Hilong Energy Technology under New Tenancy Agreement 1 is RMB3,234,848.56
Rental Deposits:	RMB171,717.18
Usage:	Office

Payment of rental

The payment of the first five months of rental together with the rental deposits is payable by Hilong Energy Technology within 3 days from the date of New Tenancy Agreement 1. The annual rental for each of 2018 and 2019 is payable in two instalments every six months. The payment of the last seven months of rental is payable by Hilong Energy Technology in one instalment.

Renewal of leases

Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including the Listing Rules) and negotiation of the parties, Hilong Energy Technology has the option to renew New Tenancy Agreement 1 by giving 60 days' prior written notice to Beijing Huashi Investment before the expiration of the New Tenancy Agreement 1. A new tenancy agreement or a renewal agreement may be entered into by the parties.

2. New Tenancy Agreement 2

Date:	1 August 2017
Term:	1 August 2017 to 31 July 2020
Landlord:	Longshi Investment
Tenant:	Hilong Group of Companies
Premises:	Located at 6/F (southwest half of the whole floor), Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Leased Area:	1,008 square meters
Monthly Rental:	The monthly rent for the period from 1 August 2017 to 31 July 2018 is RMB137,970.00 excluding management fees and utility fees, the monthly rent for the period from 1 August 2018 to 31 July 2019 is RMB153,300.00 excluding management fees and utility fee, and the monthly rent for the period from 1 August 2019 to 31 July 2020 is also RMB153,300.00 excluding management fees and utility fee. Accordingly, the maximum rent payable by Hilong Group of Companies under New Tenancy Agreement 2 is RMB5,334,840.00
Rental Deposits:	RMB275,940.00
Usage:	Office

Payment of rental

Annual rental is payable by Hilong Group of Companies in every six months period. Hilong Group of Companies is required to pay the first six months of rental together with the rental deposits within 3 days from the date of New Tenancy Agreement 2. Thereafter, Hilong Group of Companies is required to make rental payment every six months.

Renewal of leases

Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including the Listing Rules) and negotiation of the parties, Hilong Group of Companies has the option to renew New Tenancy Agreement 2 by giving 60 days' prior written notice to Longshi Investment before the expiration of the New Tenancy Agreement 2. A new tenancy agreement or a renewal agreement may be entered into by the parties.

3. New Tenancy Agreement 3

Date:	1 August 2017
Term:	1 August 2017 to 31 July 2020
Landlord:	Longshi Investment
Tenant:	Hilong Shine New Material
Premises:	Located at Area A, 5/F, Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Leased Area:	411.12 square meters
Monthly Rental:	The monthly rent for period from 1 August 2017 to 31 July 2018 is RMB56,272.05 excluding management fees and utility fees, the monthly rent for the period from 1 August 2018 to 31 July 2019 is RMB62,524.50 excluding management fees and utility fee, and the monthly rent for the period from 1 August 2019 to 31 July 2020 is also RMB62,524.50 excluding management fees and utility fee. Accordingly, the maximum rent payable by Petroleum Offshore Engineering under New Tenancy Agreement 3 is RMB2,175,852.60
Rental Deposits:	RMB112,544.10
Usage:	Office

Payment of rental

Annual rental is payable by Hilong Shine New Material in every six months period. Hilong Shine New Material is required to pay the first six months of rental together with the rental deposits within 3 days from the date of New Tenancy Agreement 3. Thereafter, Hilong Shine New Material is required to make rental payment every six months.

Renewal of leases

Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including Listing Rules) and negotiation of the parties, Hilong Shine New Material has the option to renew New Tenancy Agreement 3 by giving 60 days' prior written notice to Longshi Investment before the expiration of the New Tenancy Agreement 3. A new tenancy agreement or a renewal agreement may be entered into by the parties.

4. New Tenancy Agreement 4

Date:	1 August 2017
Term:	1 August 2017 to 31 July 2020
Landlord:	Longshi Investment
Tenant:	Hilong Petroleum Offshore Engineering
Premises:	Located at Area B, 5/F, Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Leased Area:	1,046.58 square meters
Monthly Rental:	The monthly rent for the period from 1 August 2017 to 31 July 2018 is RMB143,250.64 excluding management fees and utility fees, the monthly rent for the period from 1 August 2018 to 31 July 2019 is RMB159,167.38 excluding management fees and utility fee, and the monthly rent for the period from 1 August 2019 to 31 July 2020 is also RMB159,167.38 excluding management fees and utility fee. Accordingly, the maximum rent payable by Petroleum Offshore Engineering under New Tenancy Agreement 4 is RMB5,539,024.80
Rental Deposits:	RMB286,501.28
Usage:	Office

Payment of rental

Annual rental is payable by Hilong Petroleum Offshore Engineering in every six months period. Hilong Petroleum Offshore Engineering is required to pay the first six months of rental together with the rental deposits within 3 days from the date of New Tenancy Agreement 4. Thereafter, Hilong Petroleum Offshore Engineering is required to make rental payment every six months.

Renewal of leases

Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including Listing Rules) and negotiation of the parties, Hilong Petroleum Offshore Engineering has the option to renew New Tenancy Agreement 4 by giving 60 days' prior written notice to Longshi Investment before the expiration of the New Tenancy Agreement 4. A new tenancy agreement or a renewal agreement may be entered into by the parties.

5. New Tenancy Agreement 5

Date:	1 August 2017
Term:	1 August 2017 to 31 July 2020
Landlord:	Longshi Investment
Tenant:	Hilong Petroleum Offshore Engineering Services
Premises:	Located at Area C, 5/F, Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Leased Area:	603.16 square meters
Monthly Rental:	The monthly rent for the period from 1 August 2017 to 31 July 2018 is RMB82,557.53 excluding management fees and utility fees, the monthly rent for the period from 1 August 2018 to 31 July 2019 is RMB91,730.58 excluding management fees and utility fee, and the monthly rent for the period from 1 August 2019 to 31 July 2020 is also RMB91,730.58 excluding management fees and utility fee. Accordingly, the maximum rent payable by Hilong Petroleum Offshore Engineering Services under New Tenancy Agreement 5 is RMB3,192,224.28
Rental Deposits:	RMB165,155.06
Usage:	Office

Payment of rental

Annual rental is payable by Hilong Petroleum Offshore Engineering Services in every six months period. Hilong Petroleum Offshore Engineering Services is required to pay the first six months of rental together with the rental deposits within 3 days from the date of New Tenancy Agreement 5. Thereafter, Hilong Petroleum Offshore Engineering Services is required to make rental payment every six months.

Renewal of leases

Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including the Listing Rules) and negotiation of the parties, Hilong Petroleum Offshore Engineering Services has the option to renew New Tenancy Agreement 5 by giving 60 days' prior written notice to Longshi Investment before the expiration of the New Tenancy Agreement 5. A new tenancy agreement or a renewal agreement may be entered into by the parties.

BASIS OF CONSIDERATION OF THE MONTHLY RENTAL UNDER THE NEW TENANCY AGREEMENTS

The monthly rental of each of the New Tenancy Agreements was determined on arm's length basis and on normal commercial terms taking into account: (i) the prevailing market rents with respect to each of the New Premises (which is obtainable as public information and after consulting several reputable local real estate agents); (ii) the conditions of the New Premises; (iii) the location of the New Premises; (iv) rental levels of similar properties in the vicinity of the New Premises (taking into account factors such as leased areas, floor levels and the age of the building); and (v) the availability of properties with similar sizes and in similar locations.

HISTORICAL TRANSACTION AMOUNTS AND REVISED ANNUAL CAPS

The rental incurred by the Group under the Existing Tenancy Agreements for the six months ended 30 June 2017 was RMB4,745,381. Since the New Tenancy Agreements have just been entered into by the parties, no historical transaction figure is available for the New Tenancy Agreements.

Due to the entering into of the New Tenancy Agreements, the original annual caps for the rental payable by the Group under the Existing Tenancy Agreements for the three years ending 31 December 2019 would not be sufficient and need to be revised.

Based on the terms of the Existing Tenancy Agreements and the New Tenancy Agreements, the Company estimated that the revised annual caps for the continuing connected transactions under the Existing Tenancy Agreements and the New Tenancy Agreements are as follows:

Financial year	Original annual caps	Proposed annual caps for the New Tenancy Agreements	Revised annual caps	Period covered
Financial year ending 31 December 2017	9,490,762	2,529,545	12,020,307	5 months from 1 August 2017 to 31 December 2017
Financial year ending 31 December 2018	9,759,412	6,334,571	16,093,983	12 months from 1 January 2018 to 31 December 2018
Financial year ending 31 December 2019	10,028,062	6,691,580	16,719,642	12 months from 1 January 2019 to 31 December 2019
Financial year ending 31 December 2020	–	3,921,099	3,921,099	7 months from 1 January 2020 to 31 July 2020

In arriving at the above revised annual caps (which are the aggregate amounts payable by the Group under the Existing Tenancy Agreements and the New Tenancy Agreements), the Directors have taken into account the amounts payable by the Group under the Existing Tenancy Agreements and the New Tenancy Agreements for the four years ending 31 December 2020.

The Directors are of the view that the revised annual caps are in line with the estimated development of the business of the Group, and are determined based on the principles of fairness and reasonableness.

REASONS FOR AND BENEFITS IN RELATION TO THE TRANSACTION

The Group has been leasing office premises from Beijing Huashi Investment since 2011. To cope with business expansion and development, the Group is in need for more office spaces and the Group believes that it is time and cost efficient to lease additional premises rather than to seek for alternative locations, which would incur unnecessary moving costs and cause potential disruption to the daily operations. Accordingly, the Group entered into the New Tenancy Agreements with Beijing Huashi Investment and Longshi Investment.

The terms of the New Tenancy Agreements were negotiated by the parties on an arm's length basis, taking into account prevailing market rentals, but in any event at leasing terms and rental rates no less favourable than those offered to the Group by independent third parties for the same or similar types of leased premises. Based on the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the continuing connected transactions contemplated under the New Tenancy Agreements are

fair and reasonable, such continuing connected transactions are on normal commercial terms and in the ordinary and usual course of business of the Group, and the entering into of such continuing connected transactions is in the interests of the Company and its shareholders as a whole. The Directors (including the independent non-executive Directors) are also of the view that the annual caps for the New Tenancy Agreements and the revised annual caps for the Existing Tenancy Agreements and the New Tenancy Agreements set out above are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. ZHANG Jun, the controlling shareholder and a director of the Company, holds 95.65% of the interest in Huashi Hailong, which in turn holds 98.0% of the interest in Beijing Huashi Investment; meanwhile, Mr. ZHANG Jun also directly holds 1.0% of the interest in Beijing Huashi Investment. Further, Beijing Huashi Investment holds 50.0% of the interest in Longshi Investment. As such, each of Beijing Huashi Investment and Longshi Investment is an associate of Mr. ZHANG Jun and thus a connected person of the Company under the Listing Rules. The leasing of the New Premises contemplated under the New Tenancy Agreements therefore constitute continuing connected transactions of the Company under Chapter 14A for the Listing Rules.

Given that the Existing Tenancy Agreements and the New Tenancy Agreements are (i) similar in nature; (ii) entered into by the Group as tenants and counterparties who are associates of Mr. ZHANG Jun as landlords; and (iii) transactions entered into within a 12-month period, the transactions contemplated under the Existing Tenancy Agreements and the New Tenancy Agreements would have to be aggregated for the purpose of considering the Company's compliance obligations pursuant to Rule 14A.81 of the Listing Rules. Further, the original annual caps for the continuing connected transactions under the Existing Tenancy Agreements would not be sufficient and need to be revised.

As the applicable percentage ratio in respect of the revised annual caps for the Existing Tenancy Agreements and the New Tenancy Agreements, on an aggregated basis, exceeds 0.1% but is less than 5%, the lease of the Premises contemplated under the New Tenancy Agreements and the revised annual caps for the Existing Tenancy Agreements and the New Tenancy Agreements are exempt from independent shareholders' approval requirement but is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Mr. ZHANG Jun, who has a material interest in the New Tenancy Agreements, and Ms. ZHANG Shuman, who is an associate of Mr. ZHANG Jun for the purpose of Chapter 14A of the Listing Rules, abstained from voting on the board resolutions approving the New Tenancy Agreements and the transactions contemplated thereunder and the revised annual caps.

CHANGE OF TERMS OF EXISTING TENANCY AGREEMENT NO. 2 AND EXISTING TENANCY AGREEMENT NO. 3

Reference is made to the announcement of the Company dated 28 December 2016 in relation to the continuing connected transactions entered into between Beijing Huashi Investment as landlord and Hilong Oil Service as tenant.

Beijing Huashi Investment as landlord under Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3, Hilong Oil Service as tenant under Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3, and Hilong Energy Technology, a wholly-owned subsidiary of the Company, entered into the Supplemental Agreements dated 10 April 2017. Pursuant to the Supplemental Agreements, Hilong Oil Service agreed to transfer all its rights and obligations under the Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3 respectively to Hilong Energy Technology. All other terms and conditions under the Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3 remain the same. The Supplemental Agreements take retrospective effect as from 21 March 2017.

GENERAL INFORMATION

The Group

The Company is an investment holding company. The principal business activities of the Group are manufacturing and distribution of oil and gas drilling equipment and coating materials, and provision of coating, oilfield and offshore engineering services.

Beijing Huashi Investment

Beijing Huashi Investment is an associate of Mr. ZHANG Jun and is principally engaged in investment management and sales of chemical industry products.

Longshi Investment

Longshi Investment is an associate of Mr. ZHANG Jun and is principally engaged in investment management, business advisory, property management and sales of daily articles.

Hilong Energy Technology

Hilong Energy Technology is an indirect wholly-owned subsidiary of the Company and is principally engaged in technology development, technology promotion, technology consulting and sales of chemical products.

Hilong Group of Companies

Hilong Group of Companies is an indirect wholly-owned subsidiary of the Company and is principally engaged in the distribution of oil and gas equipment.

Hilong Shine New Material

Hilong Shine New Material is an indirect wholly-owned subsidiary of the Company and is principally engaged in the manufacture and distribution of coating materials.

Hilong Petroleum Offshore Engineering

Hilong Petroleum Offshore Engineering is an indirect wholly-owned subsidiary of the Company and is principally engaged in offshore oilfield service provision.

Hilong Petroleum Offshore Engineering Services

Hilong Petroleum Offshore Engineering Services is an indirect wholly-owned subsidiary of the Company and is principally engaged in offshore design service provision.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Huashi Investment”	Beijing Huashi Hailong Oil Investment Co., Ltd. (北京華實海隆石油投資有限公司), a company established in the PRC, and an associate of Mr. ZHANG Jun
“Board”	the board of Directors
“Company”	Hilong Holding Limited (stock code: 1623), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company

“Existing Tenancy Agreement No. 2”	the tenancy agreement dated 28 December 2016 entered into between Hilong Oil Service as tenant and Beijing Huashi Investment as landlord in respect of the leasing of office premises located at Room 502, 5/F., Building 1, 13 Workers’ Stadium North Road, Chaoyang District, Beijing, the PRC with a total leasing area of 476.99 square meters for a term of three years starting from 1 January 2017 to 31 December 2019
“Existing Tenancy Agreement No. 3”	the tenancy agreement dated 28 December 2016 entered into between Hilong Oil Service as tenant and Beijing Huashi Investment as landlord in respect of the leasing of office premises located at Room 503-1, 5/F., Building 1, 13 Workers’ Stadium North Road, Chaoyang District, Beijing, the PRC with a total leasing area of 126.12 square meters for a term of three years starting from 1 January 2017 to 31 December 2019
“Existing Tenancy Agreements”	the three tenancy agreements dated 28 December 2016 entered into between Hilong Oil Service as tenant and Beijing Huashi Investment as landlord for a term of three years commencing from 1 January 2017 to 31 December 2019 in respect of the leasing of the office premises located at (i) 20/F., Building 1, 13 Workers’ Stadium North Road, Chaoyang District, Beijing, the PRC with a total leasing area of 1,850.32 square meters; (ii) Room 502, 5/F., Building 1, 13 Workers’ Stadium North Road, Chaoyang District, Beijing, the PRC, with a total leasing area of 476.99 square meters; and (iii) Room 503-1, 5/F., Building 1, 13 Workers’ Stadium North Road, Chaoyang District, Beijing, the PRC with a total leasing area of 126.12 square meters respectively
“Group”	the Company and its subsidiaries
“Hilong Energy Technology”	Hilong Energy Technology Co., Ltd. (海隆能源技術有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hilong Group of Companies”	Hilong Group of Companies Ltd. (海隆石油工業集團有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Hilong Oil Service”	Hilong Oil Service and Engineering Co., Ltd. (海隆石油技術服務有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hilong Petroleum Offshore Engineering”	Hilong Petroleum Offshore Engineering Limited (海隆石油海洋工程有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hilong Petroleum Offshore Engineering Services”	Hilong Petroleum Offshore Engineering Services (Shanghai) Co., Ltd. (海隆石油海洋工程服務(上海)有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hilong Shine New Material”	Shanghai Hilong Shine New Material Co., Ltd. (上海海隆賽能新材料有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Huashi Hailong”	Beijing Huashi Hailong Petroleum Machinery Equipment Co., Ltd. (北京華實海隆石油機械設備有限公司), an entity controlled by Mr. ZHANG Jun, a controlling shareholder and director of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Longshi Investment”	Shanghai Longshi Investment Management Company Limited (上海隆視投資管理有限公司), a company established in the PRC, and an associate of Mr. ZHANG Jun
“New Premises 1”	the subject premises under New Tenancy Agreement 1 located at Room 501, Building 1, 13 Workers’ Stadium North Road, Chaoyang District, Beijing, the PRC, with a gross floor area of 276.74 square meters
“New Premises 2”	the subject premises under New Tenancy Agreement 2 located at 6/F (southwest half of the whole floor), Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC, with a gross floor area of 1,008 square meters

“New Premises 3”	the subject premises under New Tenancy Agreement 3 located at Area A, 5/F, Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC, with a gross floor area of 411.12 square meters
“New Premises 4”	the subject premises under New Tenancy Agreement 4 located at Area B, 5/F, Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC, with a gross floor area of 1,046.58 square meters
“New Premises 5”	the subject premises under New Tenancy Agreement 5 located at Area C, 5/F, Building 2, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC, with a gross floor area of 603.16 square meters
“New Premises”	collectively, New Premises 1, New Premises 2, New Premises 3, New Premises 4 and New Premises 5
“New Tenancy Agreement 1”	the tenancy agreement dated 1 August 2017 entered into between Beijing Huashi Investment as landlord and Hilong Energy Technology as tenant in respect of the leasing of New Premises 1
“New Tenancy Agreement 2”	the tenancy agreement dated 1 August 2017 entered into between Longshi Investment as landlord and Hilong Group of Companies as tenant in respect of the leasing of New Premises 2
“New Tenancy Agreement 3”	the tenancy agreement dated 1 August 2017 entered into between Longshi Investment as landlord and Hilong Shine New Material as tenant in respect of the leasing of New Premises 3
“New Tenancy Agreement 4”	the tenancy agreement dated 1 August 2017 entered into between Longshi Investment as landlord and Hilong Petroleum Offshore Engineering as tenant in respect of the leasing of New Premises 4
“New Tenancy Agreement 5”	the tenancy agreement dated 1 August 2017 entered into between Longshi Investment as landlord and Hilong Petroleum Offshore Engineering Services as tenant in respect of the leasing of New Premises 5

“New Tenancy Agreements”	collectively, New Tenancy Agreement 1, New Tenancy Agreement 2, New Tenancy Agreement 3, New Tenancy Agreement 4 and New Tenancy Agreement 5
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the supplemental agreement dated 10 April 2017 entered into among Hilong Oil Service as tenant, Beijing Huashi Investment as landlord under the Existing Tenancy Agreement No. 2, and Hilong Energy Technology Co., Ltd. whereby Hilong Oil Service agreed to transfer all the rights and obligations under the Existing Tenancy Agreement No. 2 to Hilong Energy Technology, and the supplemental agreement dated 10 April 2017 entered into among Hilong Oil Service as tenant, Beijing Huashi Investment as landlord under the Existing Tenancy Agreement No. 3, and Hilong Energy Technology Co., Ltd. whereby Hilong Oil Services agreed to transfer all the rights and obligations under the Existing Tenancy Agreement No. 3 to Hilong Energy Technology. All other terms and conditions set out in Existing Tenancy Agreement No. 2 and Existing Tenancy Agreement No. 3 remain the same. The supplemental agreements take retrospective effect as from 21 March 2017
“%”	percent.

For and on behalf of the Board
Hilong Holding Limited
ZHANG Jun
Chairman

Hong Kong, 1 August 2017

As at the date of this announcement, the executive directors of the Company are Mr. ZHANG Jun and Mr. WANG Tao (汪濤); the non-executive directors are Ms. ZHANG Shuman, Mr. YUAN Pengbin, Mr. LI Huaiqi and Mr. YANG Qingli; and the independent non-executive directors are Mr. WANG Tao (王濤), Mr. Wong Man Chung Francis and Mr. LIU Haisheng.