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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)

INSIDE INFORMATION

UPDATE ON EXCHANGE OFFER

This announcement is made by Hilong Holding Limited (the “Company”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

* For identification purposes only

Reference is made to the announcements of the Company dated 20 May 2020, 27 May 2020, 29 May 2020, 8 June 2020 and 16 June 2020 (the “Announcements”) relating to the Exchange Offer with respect to the Existing Notes (ISIN: XS1628314889; Common Code: 162831488; Stock Code: 5224). Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Announcements.

The Company would like to update Eligible Holders that, as of 4:00 p.m., London time, 18 June 2020, approximately 58.12% in aggregate principal amount of the Existing Notes outstanding had been tendered in the Exchange Offer, which was lower than the minimum acceptance amount of 80% required in the Acceptance Condition. As provided in the Exchange Offer Memorandum, the Acceptance Condition may not be waived or amended.

As previously announced, the Exchange Expiration Deadline has been extended to 4:00 p.m., London time, 19 June 2020.

If the Acceptance Condition is not met upon the Exchange Expiration Deadline, the Exchange Offer will not consummate and will lapse.

The Company urges Eligible Holders who have not tendered their Existing Notes in the Exchange Offer to do so before the Exchange Expiration Deadline, considering the risks of not consummating the Exchange Offer as set forth in the Exchange Offer Memorandum. The Company does not and will not have alternative financing means available to repay the Existing Notes, which mature on 22 June 2020. If the Exchange Offer is not consummated, the Company will not be able to repay the Existing Notes upon maturity, which will constitute an event of default under the Existing Notes. This, in turn, will cross default its other indebtedness, including but not limited to its 8.25% Senior Notes due 2022 (the “2022 Notes”). Such event of default triggered under the 2022 Notes will not automatically result in acceleration.

The Company will publish an announcement to provide an update of the above as soon as practicable.

Shareholders, holders of the Existing Notes and potential investors should note that completion of the Exchange Offer remains subject to the fulfillment or waiver (if applicable) of the conditions precedent to the Exchange Offer as set forth in the Exchange Offer memorandum and summarized in the Announcements. No assurance can be given that the Exchange Offer will be completed and the Company reserves the right to amend (other than the Acceptance Condition), withdraw or terminate the Exchange Offer with or without conditions.

The Company may, at its sole discretion, amend or waive the conditions precedent to the Exchange Offer (other than the Acceptance Condition). **As the Exchange Offer may or may not proceed, shareholders, holders of the Existing Notes and potential investors should exercise caution when dealing in the shares of the Company or the Existing Notes.**

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions.

The Exchange Offer Memorandum and all other documents related to the Exchange Offer are available on the Exchange Website: <https://sites.dfkingltd.com/hilong>

IMPORTANT NOTICE – THE EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (WITHIN THE MEANING OF REGULATION S) AND ARE OUTSIDE THE UNITED STATES. U.S. PERSONS (AS DEFINED UNDER REGULATION S), PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER THE EXISTING NOTES IN THE EXCHANGE OFFER.

By Order of the Board
Hilong Holding Limited
ZHANG Jun
Chairman

Hong Kong, 19 June 2020

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 and Dr. YANG Qingli; and the independent non-executive directors are Mr. WANG Tao (王濤), Mr. WONG Man Chung Francis and Mr. SHI Zheyang.