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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

EXPIRATION OF EXCHANGE OFFER; DEFAULT ON NOTES; APPOINTMENT OF EXTERNAL ADVISORS

This announcement is made by Hilong Holding Limited (the “**Company**”) pursuant to Rules 13.09(2), 13.19 and 37.47(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 20 May 2020, 27 May 2020, 29 May 2020, 8 June 2020, 16 June 2020, 19 June 2020 and 22 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.

* *For identification purposes only*

EXPIRATION OF ON EXCHANGE OFFER

The Company would like to update Eligible Holders that, as of the Exchange Expiration Deadline, the Company had received an aggregate principal amount of the Existing Notes tendered in the Exchange Offer that fell short of the minimum acceptance amount of 80% required in the Acceptance Condition. As such, the Exchange Offer was not consummated and has expired. The Company greatly appreciates the support of the Eligible Holders who tendered their Existing Notes in support of the Exchange Offer.

DEFAULT ON NOTES AND CONSENSUAL APPROACH

The Existing Notes matured on 22 June 2020. As previously announced, other than the now expired Exchange Offer, the Company did not have alternative financing means available to repay the Existing Notes on the 2020 Notes Maturity Date, which constituted an event of default under the Existing Notes. This, in turn, cross-defaulted the 2022 Notes (Stock Code: 40001). The event of default triggered under the 2022 Notes does not automatically result in acceleration. The Company is currently assessing the impact of the above default on its other indebtedness, and will provide an update of the above matter by way of further announcement(s) in accordance with the requirements of the Listing Rules.

As of the date of this announcement, the Company has not received any request to accelerate the 2022 Notes nor any notice demanding immediate repayment of debts under other indebtedness. The Company has received a letter dated 26 June 2020 from a global law firm purportedly acting for certain holders of the 2022 Notes who held in aggregate more than 25% of the aggregate principal amount of the 2022 Notes then outstanding, stating that such holders have formed an ad hoc committee. In the letter, the ad hoc committee expressed its willingness to work together with the Company to ensure the best possible outcomes for all stakeholders.

The Company encourages holders of the Existing Notes and the 2022 Notes to consider joining the ad hoc committee. The Company is commencing and intends to pursue, in a timely manner, a transparent dialogue with the holders of the Existing Notes and the 2022 Notes, with a view to identifying and implementing a consensual resolution that appropriately takes into consideration the positions of all stakeholders. The Company will make timely updates to the market on the progress of these efforts.

APPOINTMENT OF EXTERNAL ADVISORS

With a view to facilitating a resolution, the Company has engaged Admiralty Harbour Capital Limited as its financial advisor and Sidley Austin as its legal advisor for this purpose and the holders of the Existing Notes and 2022 Notes are encouraged to contact Admiralty Harbour Capital Limited (by email to: hilong@ahfghk.com) to establish contact and initiate discussions.

The Company will keep Shareholders, holders of the Existing Notes and the 2022 Notes, other stakeholders and potential investors updated by way of further announcements as and when appropriate.

Shareholders, holders of other securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Hilong Holding Limited
ZHANG Jun
Chairman

Hong Kong, 30 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 and Dr. YANG Qingli; and the independent non-executive directors are Mr. WANG Tao (王濤), Mr. WONG Man Chung Francis and Mr. SHI Zheyuan.