Hilong Holding Limited
海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

PROFIT WARNING
SUPPLEMENTAL ANNOUNCEMENT

This announcement is made by Hilong Holding Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

Reference is made to the announcement of the Company dated 26 July 2020 containing a profit warning of the Company (the "**Previous Announcement**"). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Previous Announcement.

The Board wishes to provide an update to the Announcement that, based on the preliminary review of the Group's unaudited consolidated management accounts and the information currently available to the Board, the Group is expected to record an unaudited net loss ranging from approximately RMB14.87 million to approximately RMB44.61 million for the Interim Period.

The anticipated unaudited net loss of the Group for the six months ended 30 June 2020 was mainly attributable to (1) the extended duration and impact of COVID-19 on the oil and gas industry and the global economy as a whole, and in particular, the decrease in demand from oil and gas companies in connection with exploration, drilling and production activities and disruptions to businesses as a result of the prolonged COVID-19 pandemic in regions such as South America, East Europe and Africa, in which the Group has operations; (2) increase in provision for bad debts of accounts receivable for the Interim Period given the current market environment and management's expectation of receivables collectivity impacted by the current economic downturn; and (3) foreign exchange loss resulting from the fluctuations in the exchange rates of Russian Ruble (RUB) against U.S. Dollar (USD).

* *For identification purposes only*

The information in this announcement is based only on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and the information currently available to be Board. The Company is in the process of finalising the unaudited results for the six months ended 30 June 2020. Shareholders and investors of the Company are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2020 which is expected to be released before the end of August 2020.

Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
Hilong Holding Limited
ZHANG Jun
Chairman

Hong Kong, 25 August 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 Zheyan.