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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)

UPDATE ON PROGRESS OF PROPOSED OFFSHORE DEBT RESTRUCTURING

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

UPDATE ON PROGRESS OF PROPOSED OFFSHORE DEBT RESTRUCTURING

The Company has been working with its financial advisor, Admiralty Harbour Capital Limited, to assess the Group’s current operational and financial conditions, including without limitation the upcoming scheduled maturity of the Company’s 9.75% senior secured notes due 18 November 2024 (Reg S: ISIN Number: XS2344083139; Common Code: 234408313; Rule 144A: ISIN Number: XS2344082917; Common Code: 234408291; IAI: ISIN Number: XS2344083303; Common Code: 234408330) (the “**Notes**”).

In this regard, the Company is exploring a potential restructuring and/or amendment of the Notes. The Company has been communicating and constructively engaging with certain holders of the Notes (the “**Ad Hoc Group**”) and their financial advisor, Houlihan Lokey (China) Limited, to formulate a consensual restructuring proposal for the Notes. The Ad Hoc Group has informed the Company that they collectively hold or control a significant principal amount of the Notes.

Since then, the Company and its advisers have delivered preliminary restructuring proposals to certain members of the Ad Hoc Group and its advisers. The proposals contemplate (but are not limited to) the following features:

- (1) the rolling of the interest payment that is due in November 2024 into the total outstanding amount under the Notes, to be subject to the revised repayment schedule as described below;
- (2) a portion of the total outstanding amount under the Notes payable in cash on the restructuring effective date, with a further amount payable in cash within six months from the restructuring effective date;
- (3) extension of the maturity date by no more than four years from the restructuring effective date, with an obligation to repay a minimum amount of the Notes by each anniversary of the restructuring effective date;
- (4) a modest downward adjustment to the interest payable on the Notes, with flexibility to pay interest in kind only beyond the payment of a minimum amount of cash interest;
- (5) retention of substantially the same credit protection package that the Notes already benefit from (including asset security, guarantees and other covenants); and
- (6) offering consent or equivalent fees for holders of the Notes who provide their support to the restructuring proposal.

As of the date of this announcement, no agreement on the terms of the restructuring of the Notes has been reached between the Company and the Ad Hoc Group. Notwithstanding the foregoing, the Company maintains a constructive dialogue with the Ad Hoc Group and its advisors, with a view to reaching an agreement on various economic terms as soon as practicable. In this regard, the Group will continue to provide material updates on the restructuring process of the Notes to all stakeholders as appropriate.

GENERAL

The Company will make further announcement(s) in relation to the Notes as and when appropriate in accordance with the requirements of the Listing Rules, the SFO and/or other applicable laws and regulations.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 2 April 2024, and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise due caution when dealing in the securities of the Company. When in doubt, shareholders and potential investors of the Company are advised to seek advice from their own professional or financial advisers.

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

Hong Kong, 30 October 2024

As at the date of this announcement, the executive director of the Company is Mr. ZHANG Jun; the non-executive directors are Ms. ZHANG Shuman, Dr. YANG Qingli, Mr. CAO Hongbo and Dr. FAN Ren Da Anthony; and the independent non-executive directors are Mr. WANG Tao, Mr. WONG Man Chung Francis and Mr. SHI Zheyang.

* *For identification purpose only*