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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)

**(1) QUARTERLY UPDATE ON STATUS OF RESUMPTION;
AND
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Hilong Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) 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).

References are made to the Company’s announcements dated (i) 19 March 2024 and 25 March 2024 in relation to, among others, the delay in publication of the 2023 Annual Results announcement and despatch of the 2023 Annual Report, the establishment of the Investigation Committee, and the postponement of the Board meeting; (ii) 30 April 2024 in relation to further delay in publication of the 2023 Annual Results and despatch of the 2023 Annual Report; (iii) 31 May 2024 in relation to, among others, the resignation of PricewaterhouseCoopers as the auditor of the Company and the postpone of the 2024 annual general meeting; (iv) 18 June 2024 in relation to the Resumption Guidance; (v) 28 June 2024 in relation to the first quarterly update on status of resumption; (vi) 8 July 2024 in relation to the appointment of Crowe as the new auditor of the Company; (vii) 22 August 2024 in relation to further delay in publication of the 2023 Annual Results and despatch of the 2023 Annual Report, and delay in publication of the 2024 Interim Results and 2024 Interim Report; (viii) 27 September 2024 in relation to the second quarterly update on status of resumption; (ix) 16 October 2024 in relation to key findings of the Investigation; (x) 30 December 2024 in relation to the third quarterly update on the status of resumption; (xi) 30 March 2025 in relation to the annual results announcement for the year ended 31 December 2024 (collectively, the “**Announcements**”); (xii) the 2023 Annual Report published on 28 November 2024; and (xiii) the 2024 Interim Report published on 16 December 2024 (collectively, the “**Reports**”). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as defined in the Announcements and/or the Reports.

QUARTERLY UPDATES REGARDING BUSINESS OPERATION OF THE GROUP

The Group is principally engaged in the manufacture and distribution of oil and gas drilling equipment and provide oilfield and offshore engineering services worldwide. The Group operates its business through three segments, namely (1) oilfield equipment manufacturing and services; (2) oilfield services; and (3) offshore engineering services. Notwithstanding the suspension of trading in the shares of the Company, up to the date of this announcement, the Group is carrying on its business operations as usual in all material respects and will continue to closely monitor its financial position and business operations.

UPDATE ON PROGRESS OF RESUMPTION

Below is the Resumption Guidance of the Stock Exchange and the Company's resumption plan with details of actions that the Company has taken as at the date of this announcement or intends to take as well as the expected timeframe in fulfilling the Resumption Guidance to resume trading in the Shares.

Resumption Guidance	Update on resumption progress and the expected timeline
(a) conduct an appropriate independent investigation into the matters relating to the Transactions, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions	<p>The Company announced the key findings of the Investigation on 16 October 2024. The Company is in the course of addressing observations and queries from the Stock Exchange as to the adequacy of the scope, process and findings of the Investigation. A supplementary investigation review of the Transactions has been conducted.</p> <p>The Company will publish further announcement(s) to keep the Shareholders and potential investors of the Company informed and appraised of the status and development in this regard, as and when appropriate.</p>
(b) publish all outstanding financial results required under the Listing Rules and address any audit modifications	<p>As of the date of this announcement, the Company has published all outstanding financial results on the following dates:</p> <ul style="list-style-type: none">(a) the 2023 Annual Results on 18 October 2024;(b) the 2023 Annual Report on 28 November 2024;(c) the 2024 Interim Results on 27 October 2024;

Resumption Guidance	Update on resumption progress and the expected timeline
	<p>(d) the 2024 Interim Report on 16 December 2024; and</p> <p>(e) the 2024 Annual Results on 30 March 2025.</p> <p>Please refer to the 2024 Annual Results for details of Crowe’s disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2024.</p> <p>As set out in note 2.2 to the consolidated financial statements in the 2024 Annual Results, as at 31 December 2024, the Group’s current liabilities included borrowings of RMB2,686,464,000, of which the Group failed to repay loan notes of RMB2,261,082,000 (the “2024 Notes”) on due date on 18 November 2024, and bank and other borrowings of RMB425,382,000 are repayable within 12 months from the end of the reporting period but the Group’s cash and cash equivalents amounted to RMB721,631,000 only. This condition, together with other matters disclosed in the note 2.2 to the consolidated financial statements, indicates the existence of material uncertainties which cast significant doubt on the Group’s ability to continue as a going concern.</p> <p>As of the date of this announcement, no agreement on the terms of the restructuring of the 2024 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 2024 Notes to all stakeholders as appropriate.</p>

Resumption Guidance	Update on resumption progress and the expected timeline
(c) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence	<p>As disclosed in the announcement on the key findings of the Investigation dated 16 October 2024, the Investigation Committee is of the view that nothing has come to its attention that gives rise to concern about the integrity, competence or character of the Directors or senior management of the Company which may pose a risk to the Shareholders and potential investors or damage market confidence, for the reasons as set out in the said announcement.</p> <p>The Company is in the course of addressing observations and queries from the Stock Exchange in this regard. The Company will publish further announcement(s) to keep the Shareholders and potential investors of the Company informed and appraised of the status and development in this regard, as and when appropriate.</p>
(d) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules	As at the date of this announcement, the final draft report on the Internal Control Review is issued for the Board's consideration. The Company will separately announce the key findings of the Internal Control Review, rectification recommendations and the implementation of remedial actions in due course.
(e) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules	Since the suspension of trading in the Company's shares on 2 April 2024 and up to the date of this announcement, the Group has continued its normal business operations as usual and there has been no major change in the business operations of the Group.

Resumption Guidance	Update on resumption progress and the expected timeline
(f) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position	Since the suspension of trading in its shares on 2 April 2024, the Company has been updating the Shareholders and potential investors on a regular basis and publishing all material information on a timely basis. The Company will continue to inform the market of all material information as and when appropriate. The Company is continuing to work closely with its professional advisers and taking appropriate steps to fulfill the Resumption Guidance and will update the Shareholders and potential investors of the Company as and when appropriate.

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, 31 March 2025

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 purposes only