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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 AND TERM EXTENSION;  
DEFAULT ON NOTES;  
TRADING SUSPENSION OF THE 8.25% SENIOR NOTES  
DUE 2022 (STOCK CODE: 40001)**

\* For identification purposes only

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 and 19 June 2020 (the “**Announcements**”) relating to the Exchange Offer with respect to the Existing Notes (Stock Code: 5224). Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Announcements.

### **Update on Exchange Offer and Term Extension**

The Company would like to update Eligible Holders that approximately 63.45% in aggregate principal amount of the Existing Notes outstanding have so far been tendered in the Exchange Offer, which is 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.

The Company hereby announces that both the Early Participation Deadline and the Exchange Expiration Deadline have been extended to 4:00 p.m., London time, 29 June 2020.

Subject to satisfaction or waiver (if applicable) of the conditions as set forth in the Exchange Offer Memorandum, if the Exchange Offer is consummated, settlement of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange, and execution of the Indenture are expected to occur as soon as practicable after the Exchange Expiration Deadline.

## **Default on Notes**

**The Existing Notes mature on 22 June 2020 (the “2020 Notes Maturity Date”). As previously announced, without a consummation of the Exchange Offer, the Company does not and will not have alternative financing means available to repay the Existing Notes upon maturity. Since the Exchange Offer has not been consummated, the Company will not be able to repay the Existing Notes on the 2020 Notes Maturity Date, which will constitute an event of default under the Existing Notes. This, in turn, will cross-default its 8.25% Senior Notes due 2022 (Stock Code: 40001, the “2022 Notes”). Such event of default triggered under the 2022 Notes will 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.**

**The Company has decided to further extend the Exchange Expiration Deadline with a hope to consummate the Exchange Offer, such that it could cure the payment default on the Existing Notes and the cross-defaults it triggers as soon as possible. The Company urges Eligible Holders who have not tendered their Existing Notes in the Exchange Offer to do so before the further extended Exchange Expiration Deadline, and holders of the 2022 Notes to exercise constraint, to help avoid material disruptions to the Company’s operations and preserve value to all investors as a whole.**

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.**

Upon the maturity on the 2020 Notes Maturity Date, the Existing Notes will be delisted from the Stock Exchange.

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 (including a supplement dated hereof) and all other documents related to the Exchange Offer are available on the Exchange Website: <https://sites.dfkingltd.com/hilong> or from the Dealer Managers (Admiralty Harbour and SPDB International).

Eligible Holders who have validly tendered their Existing Notes do not need to take any action. Such instructions remain valid and irrevocable, subject to the terms and conditions of the Exchange Offer.

### **Further Information**

Holders of the Existing Notes and the 2022 Notes requiring further information in connection with the Existing Notes or the 2022 Notes, respectively, may contact the Company at [ir@hilonggroup.com](mailto:ir@hilonggroup.com).

### **Suspension of Trading of the 2022 Notes**

At the request of the Company, trading of the 2022 Notes on the Stock Exchange will be suspended since 9 a.m. on 22 June 2020 and will remain suspended until further notice, due to expected cross default triggered by the expected default of the Existing Notes.

**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, 22 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.*