Hilong Holding Limited
海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

SUPPLEMENTAL ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF TENANCY AGREEMENTS

Reference is made to the announcement of the Company dated 29 January 2021 in relation to the continuing connected transactions contemplated under the 2021 Renewed Beijing Huashi Tenancy Agreements and 2021 Renewed Shine New Material Tenancy Agreement (the "**Announcement**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following further information regarding the Announcement.

The terms of each of the 2021 Renewed Beijing Huashi Tenancy Agreements and 2021 Renewed Shine New Material Tenancy Agreement were negotiated by the parties on arm's length basis, taking into account prevailing market rentals, but in any event at leasing terms and rental rates no less favourable than those offered to the Group by independent third parties for the same or similar types of leased premises. Based on the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the continuing connected transactions contemplated under each of the 2021 Renewed Beijing Huashi Tenancy Agreements and 2021 Renewed Shine New Material Tenancy Agreement and the 2021 Annual Cap are fair and reasonable, on normal commercial terms and in the ordinary and usual course business of the Group, and in the interests of the Company and its shareholders as a whole.

* *For identification purposes only*

As disclosed in the Announcement, Hilong Shine New Material is a wholly-owned subsidiary of Beijing Huashi Investment. Beijing Huashi Investment is held as to 98.0% by Huashi Hailong, which in turn is held as to approximately 95.65% by Mr. ZHANG Jun and approximately 4.35% by Ms. ZHANG Jingying, the mother of Mr. ZHANG Jun. Meanwhile, each of Mr. ZHANG Jun and Ms. ZHANG Jingying also directly holds 1.0% of the interest in Beijing Huashi Investment. Huashi Hailong is principally engaged in investment holding and management.

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

Hong Kong, 2 February 2021

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, Dr. YANG Qingli and Mr. CAO Hongbo; and the independent non-executive directors are Mr. WANG Tao (王濤), Mr. WONG Man Chung Francis and Mr. SHI Zheyan.