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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)

PROFIT WARNING

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**”).

The Company is in the process of preparing the results of the Group for the year ended 31 December 2020 (the “**Financial Year**”). The Board wishes to inform all stakeholders and potential investors that, based on the information currently available to the Board and the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a net loss ranging from approximately RMB250 million to approximately RMB330 million for the Financial Year. The anticipated net loss of the Group for the year ended 31 December 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 Financial Year given the current market environment and management’s expectation of receivables impacted by the current economic downturn; and (3) foreign exchange loss resulting from the fluctuations in the exchange rates of RMB against U.S. Dollar (USD).

* For identification purposes only

The Company is still in the process of finalising the annual results of the Group for the Financial Year, and the information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the Financial Year, which has not been audited or reviewed by the Company's auditors or the audit committee of the Company. The actual results of the Group for the Financial Year may be subject to adjustments where necessary, and may differ from the information contained in this announcement. All stakeholders and potential investors should refer to the Group's annual results announcement, which is expected to be published before the end of March 2021, for detailed financial information and performance of the Group.

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

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

Hong Kong, 19 March 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 Zheyang.