Hilong Holding Limited
海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND CONTINUED SUSPENSION OF TRADING

FINANCIAL HIGHLIGHTS

- Revenue was approximately RMB4,668.3 million, representing an increase of approximately 9.8% as compared with 2023.
- Gross profit was approximately RMB1,121.8 million, representing an increase of approximately 22.5% as compared with 2023. Gross profit margin was 24.0% in 2024.
- Profit for the year was approximately RMB30.1 million, representing a decrease of 82.4% as compared to the profit for the year of RMB171.5 million in 2023. Profit attributable to equity owners of the Company for the year was approximately RMB28.3 million, representing a decrease of 81.0% as compared to the profit attributable to equity owners of RMB148.7 million in 2023.

The Board resolved not to recommend any dividend for the year ended 31 December 2024.

* *For identification purposes only*

The board (the "**Board**") of directors (the "**Directors**") of Hilong Holding Limited (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**" or "**Hilong**" or "**us**") prepared according to the Hong Kong Financial Reporting Standards ("**HKFRS**") for the year ended 31 December 2024 (the "**Reporting Period**") with the comparative figures as follows:

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		Year ended 31 December	
	Notes	**2024**	2023
		RMB'000	*RMB'000*
Continuing operations			
Revenue	*3(a)*	**4,668,332**	4,251,531
Cost of sales and provision of services		**(3,546,567)**	(3,336,065)
Gross profit		**1,121,765**	915,466
Selling and marketing expenses		**(92,913)**	(74,305)
Administrative expenses		**(551,147)**	(451,232)
Research and development expenses		**(24,800)**	(18,434)
Net provision for impairment losses on receivables and contract assets		**(27,188)**	(13,368)
Other income	*6*	**14,145**	14,139
Other (losses)/gains – net	*7*	**(68,091)**	62,243
Operating profit		**371,771**	434,509
Finance income	*8*	**31,159**	15,804
Finance costs	*8*	**(287,057)**	(173,524)
Finance costs – net		**(255,898)**	(157,720)
Profit before income tax		**115,873**	276,789
Income tax expense	*9*	**(85,801)**	(81,053)
Profit for the year from continuing operations		**30,072**	195,736
Discontinued operation			
Loss for the year from discontinued operation	*12*	**–**	(24,205)
Profit for the year		**30,072**	171,531
Other comprehensive (expenses)/income:			
Items that may be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income		**19**	(14)
Currency translation differences		**(99,983)**	(169,374)
Reclassification adjustments for foreign operations disposed of during the year		**–**	79,696

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (CONT.)
For the year ended 31 December 2024

	Notes	**Year ended 31 December 2024** *RMB'000*	2023 *RMB'000*
Other comprehensive expenses for the year, net of tax		**(99,964)**	(89,692)
Total comprehensive (expenses)/income for the year		**(69,892)**	81,839
Profit for the year attributable to			
Equity owners of the Company		**28,275**	148,665
Non-controlling interests		**1,797**	22,866
		30,072	171,531
Profit/(loss) for the year attributable to equity owners of the Company			
from continuing operations		**28,275**	183,175
from discontinued operation		**–**	(34,510)
		28,275	148,665
Total comprehensive (expenses)/income for the year attributable to			
Equity owners of the Company		**(71,621)**	59,117
Non-controlling interests		**1,729**	22,722
		(69,892)	81,839
Total comprehensive (expense)/income for the year attributable to equity owners of the Company			
from continuing operations		**(71,621)**	67,268
from discontinued operation		**–**	(8,151)
		(71,621)	59,117
Earnings/(loss) per share attributable to the equity owners of the Company for the year (expressed in RMB per share)			
From continuing and discontinued operations			
– Basic earnings per share	*10*	**0.0167**	0.0876
– Diluted earnings per share	*10*	**0.0167**	0.0876
From continuing operations			
– Basic earnings per share	*10*	**0.0167**	0.1079
– Diluted earnings per share	*10*	**0.0167**	0.1079
From discontinued operation			
– Basic loss per share	*10*	**N/A**	(0.0203)
– Diluted loss per share	*10*	**N/A**	(0.0203)

CONSOLIDATED BALANCE SHEET
As at 31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**2,366,346**	2,315,342
Right-of-use assets		**50,946**	54,040
Intangible assets		**132,970**	135,843
Deferred income tax assets		**150,531**	147,300
Contract costs		**141,069**	109,339
Prepayments		**69,829**	55,502
		2,911,691	2,817,366
Current assets			
Inventories		**1,095,842**	1,076,014
Contract assets		**38,039**	7,063
Financial assets at fair value through other comprehensive income		**212,583**	118,399
Trade and other receivables	*4*	**2,620,792**	2,397,381
Prepayments		**363,565**	511,793
Current income tax recoverable		**68,873**	96,513
Restricted cash		**44,705**	93,010
Cash and cash equivalents		**721,631**	840,384
		5,166,030	5,140,557
Total assets		**8,077,721**	7,957,923
EQUITY			
Capital and reserves attributable to equity owners of the Company			
Share capital		**141,976**	141,976
Other reserves		**1,308,215**	1,301,787
Currency translation differences		**(459,721)**	(359,806)
Retained earnings		**2,273,448**	2,251,582
		3,263,918	3,335,539
Non-controlling interests		**(4,794)**	(6,534)
Total equity		**3,259,124**	3,329,005

CONSOLIDATED BALANCE SHEET (CONT.)
As at 31 December 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**–**	119,436
Contract liabilities		**62,520**	39,038
Lease liabilities		**17,548**	22,724
Deferred income tax liabilities		**33,804**	36,146
Deferred income		**17,803**	16,719
		131,675	234,063
Current liabilities			
Trade and other payables	*5*	**1,737,743**	1,395,278
Contract liabilities		**121,441**	86,973
Current income tax liabilities		**131,496**	85,570
Borrowings		**2,686,464**	2,744,476
Lease liabilities		**9,778**	7,077
Provision		**–**	75,475
Deferred income		**–**	6
		4,686,922	4,394,855
Total liabilities		**4,818,597**	4,628,918
Total equity and liabilities		**8,077,721**	7,957,923

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 GENERAL INFORMATION OF THE GROUP

Hilong Holding Limited (the "**Company**") was incorporated in the Cayman Islands on 15 October 2008 as an exempted company with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are principally engaged in manufacturing and distribution of oil and gas drilling equipment, oilfield and offshore engineering services.

The Company completed its global initial public offering and listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited on 21 April 2011.

The consolidated financial statements are presented in Renminbi thousand (RMB'000), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 28 March 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all Hong Kong Financial Reporting Standards ("**HKFRSs**"), which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2.1 Application of new and amendments to Hong Kong Financial Reporting Standards

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's financial annual period beginning on or after 1 January 2024, to the consolidated financial statements for the current accounting year:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The Group has not applied any new standards and amendments to HKFRSs that are not yet mandatorily effective for the current accounting period. The application of the amendments to HKFRSs in the current year have had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within twelve months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met on or before the end of the reporting period, even if the lender does not test compliance until a later date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation ("**HKAS 32**").

  The amendments also specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period. The disclosure includes information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments have no impact on the consolidated financial statements for the current and prior years.

Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The amendments add a disclosure objective to HKAS 7 Statement of Cash Flows stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, HKFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments provide transition relief by not requiring disclosure of comparative information in the first year of application, and also not requiring disclosure of specified opening balances.

The amendments have no material impact on the Group's consolidated financial statements for the current year.

Amendments to HKRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

The amendments have no impact on the consolidated financial statements for the current and prior years.

2.2 Going concern basis

At 31 December 2024, the current liabilities included borrowings of RMB2,686,464,000, of which the Group failed to repay the 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. The Group's cash and cash equivalents amounted to RMB721,631,000 as at 31 December 2024.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. The Group are undertaking the following plans and measures to mitigate the liquidity pressure and to improve its cash flows.

- The Group has been proactively working with its legal advisor and financial advisor for communicating with the holders of the 2024 Notes to seek their support on the proposed restructuring for extension of maturity date, and will continue its efforts to successfully complete the holistic proposed restructuring as earliest as it can, in order to achieve a long-term sustainable capital structure and to resolve its liquidity issue.

- The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

- The Group will continue its efforts to implement measures to speed up the collection of trade and other receivables and effectively control cost and expenses so as to improve its working capital and cash flow position.

The directors have reviewed the Group's cash flow projection prepared by management, which covers a period of at least 12 months from the date of approval of the consolidated financial statements. They are of the opinion that, the holders of the 2024 Notes will agree to the proposed restructuring plan to extend the maturity date of the 2024 Notes, the Group will successfully obtain new finance, the Group will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the plans and measures taken by management, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the followings:

- successfully completing the holistic restructuring of the 2024 Notes for extension of maturity date;

- successfully obtaining additional new sources of financing as and when needed; and

- successfully implementing measures to speed up the collection of trade and other receivables and effectively control costs and expenses.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their immediate recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3 SEGMENT INFORMATION

The chief operating decision-maker has been identified as senior executive management. Senior executive management reviews the Group's internal reporting in order to assess performance and allocate resources. Senior executive management has determined the operating segment based on these reports.

Senior executive management considers the business from a business perspective, and assesses the performance of the business segment based on profit before income tax without allocation of finance income, finance costs, share of profit of associates and corporate overheads, which is consistent with that in the consolidated financial statements.

The corporate overheads are not considered as business segment expenses as such expenses are general management expenses and incurred by the headquarters of the Group, and are not specifically attributable to individual segments.

The amount provided to senior executive management with respect to total assets is measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segments.

The amount provided to senior executive management with respect to total liabilities is measured in a manner consistent with that of the consolidated financial statements. These liabilities are allocated based on the operations of the segments.

The Group's operations are mainly organised under the following business segments:

- Oilfield equipment manufacturing and services provision, including the production of oilfield equipment;
- Oilfield services provision, including the provision of well drilling services, integrated comprehensive services, oil country tubular goods ("**OCTG**") trading and related services to oil and gas producers; and
- Offshore engineering services provision, including the provision of offshore engineering services and offshore design services.

Sales between segments are based on terms mutually agreed.

(a) Revenue

The revenue of the Group for the years ended 31 December 2024 and 2023 are set out as follows:

Continuing operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Oilfield equipment manufacturing and services	**2,124,700**	2,614,421
Oilfield services	**1,579,862**	1,168,928
Offshore engineering services	**963,770**	468,182
	4,668,332	4,251,531

(b) Segment information

The segment information provided to senior executive management for the reportable segments for the year ended 31 December 2024 and 2023 is as follows:

Continuing operations

Business segment	Year ended 31 December 2024			
	Oilfield equipment manufacturing and services *RMB'000*	**Oilfield services** *RMB'000*	**Offshore engineering services** *RMB'000*	**Total** *RMB'000*
Revenue				
Segment revenue	**2,146,537**	**1,583,500**	**966,935**	**4,696,972**
Inter-segment sales	**(21,837)**	**(3,638)**	**(3,165)**	**(28,640)**
Revenue from external customers	**2,124,700**	**1,579,862**	**963,770**	**4,668,332**
Revenue from contracts with customers:				
– at a point in time	**2,100,282**	**718,367**	**25,544**	**2,844,193**
– over time	**17,632**	**849,717**	**938,226**	**1,805,575**
	2,117,914	**1,568,084**	**963,770**	**4,649,768**
Revenue from other sources:				
– rental income – operating lease payments that are fixed	**6,786**	**11,778**	**–**	**18,564**
	2,124,700	**1,579,862**	**963,770**	**4,668,332**
Results				
Segment gross profit	**559,371**	**472,691**	**89,703**	**1,121,765**
Segment profit	**319,639**	**156,775**	**185**	**476,599**
Corporate overheads				**(104,828)**
Operating profit				**371,771**
Finance income				**31,159**
Finance costs				**(287,057)**
Profit before income tax				**115,873**

Business segment	Oilfield equipment manufacturing and services *RMB'000*	Oilfield services *RMB'000*	Offshore engineering services *RMB'000*	Total *RMB'000*
	Year ended 31 December 2023			
Revenue				
Segment revenue	2,638,420	1,185,913	468,392	4,292,725
Inter-segment sales	(23,999)	(16,985)	(210)	(41,194)
Revenue from external customers	2,614,421	1,168,928	468,182	4,251,531
Revenue from contracts with customers:				
– at a point in time	2,385,329	264,118	–	2,649,447
– over time	207,892	904,810	433,105	1,545,807
	2,593,221	1,168,928	433,105	4,195,254
Revenue from other sources:				
– rental income				
– operating lease payments that are fixed	21,200	–	35,077	56,277
	2,614,421	1,168,928	468,182	4,251,531
Results				
Segment gross profit/(loss)	638,485	365,948	(88,967)	915,466
Segment profit/(loss)	558,712	149,477	(188,607)	519,582
Corporate overheads				(85,073)
Operating profit				434,509
Finance income				15,804
Finance costs				(173,524)
Profit before income tax				276,789

4 TRADE AND OTHER RECEIVABLES

Trade and other receivables of RMB2,620,792,000 (2023: RMB2,397,381,000) included gross amounts of trade receivables of RMB2,054,535,000 (2023: RMB1,883,372,000).

The following table sets forth an aging analysis of trade receivables from sales of products and provision of services to third parties and related parties as at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Trade receivables, gross		
– Within 90 days	**1,307,989**	1,422,475
– Over 90 days and within 180 days	**374,921**	203,426
– Over 180 days and within 360 days	**61,613**	72,602
– Over 360 days and within 720 days	**157,615**	106,670
– Over 720 days	**152,397**	78,199
	2,054,535	1,883,372

5 TRADE AND OTHER PAYABLES

Trade and other payables of RMB1,737,743,000 (2023: RMB1,395,278,000) included trade payables of RMB1,261,029,000 (2023: RMB991,614,000).

Trade payables represent payables due to third party suppliers and related parties suppliers. The following table sets forth an aging analysis of trade payables due to third parties suppliers and related parties suppliers as at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– Within 90 days	**785,331**	798,906
– Over 90 days and within 180 days	**322,212**	109,989
– Over 180 days and within 360 days	**32,818**	47,701
– Over 360 days and within 720 days	**116,201**	12,715
– Over 720 days	**4,467**	22,303
	1,261,029	991,614

6 OTHER INCOME

Continuing operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other government grants	**10,622**	6,831
Release of deferred government grant	**3,523**	2,021
Interest income from late payment of trade receivable	**–**	5,287
	14,145	14,139

7 OTHER (LOSSES)/GAINS – NET

Continuing operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss on disposal of property, plant and equipment – net	**(3,484)**	(1,272)
Gain on disposal of associates	**–**	17,023
Impairment loss on prepayment	**(4,002)**	(12,585)
Net foreign exchange (losses)/gains	**(40,919)**	54,291
Write-off on other receivables	**(13,667)**	–
Others	**(6,019)**	4,786
	(68,091)	62,243

8 FINANCE COSTS – NET

Continuing operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance income:		
– Interest income derived from bank deposits	**31,159**	15,804
Finance costs:		
– Interest expense on 2024 Notes and bank and other borrowings	**(258,360)**	(281,565)
– Net foreign exchange loss	**(26,749)**	(44,904)
– Interest expense on lease liabilities	**(1,948)**	(1,882)
– Gains on repurchasing the 2024 Notes	**–**	154,827
	(287,057)	(173,524)
Finance costs – net	**(255,898)**	(157,720)

9 INCOME TAX EXPENSE

Continuing operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**91,374**	46,525
Deferred income tax	**(5,573)**	34,528
Income tax expense	**85,801**	81,053

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

Enterprises incorporated in British Virgin Islands, Dubai, Abu Dhabi and Labuan are not subject to any income tax according to relevant rules and regulations.

In accordance with the two-tiered profits tax regime, Hong Kong profits tax was calculated on 8.25% of the first HKD2,000,000 and 16.5% of the remaining balance of the estimated assessable profits from 1 April 2018 for one subsidiary of the Group.

Enterprises incorporated in other places (other than the Mainland China) are subject to income tax rates ranging from 15% to 35% prevailing in the places in which these enterprises operated for the years ended 31 December 2024 and 2023.

The income tax provision of the Group in respect of its operations in Mainland China has been calculated at the applicable corporate tax rate on the estimated assessable profits based on existing legislations, interpretations and practices. The corporate income tax rate applicable to the Group's subsidiaries located in the Mainland China is 25%.

Certain subsidiaries are qualified for new/high-tech technology enterprises status or incorporated in the western region of the Mainland China and engaged in encouraged industries, and therefore enjoy a preferential income tax rate of 15%.

Pursuant to the PRC Corporate Income Tax Law ("**CIT Law**"), a 10% withholding tax is levied on the dividends declared to foreign investors from the foreign investment enterprises established in the Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in the Mainland China in respect of their earnings generated from 1 January 2008.

Pursuant to the Arrangement between Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respects to Taxes on Income, a lower 5% withholding tax rate can be applied if the immediate holding companies of the PRC subsidiaries are established in Hong Kong and can be considered as a "beneficial owner". Hilong Energy Limited ("**Hilong Energy**") is a Hong Kong registered company and is the immediate holding company of the PRC subsidiaries, which has successfully applied for and been qualified as a "beneficial owner". Given the above, the local tax authority approved Hilong Group of Companies Ltd., the PRC holding company of all other subsidiaries in the PRC, to use a 5% withholding tax rate when it distributed its profits to Hilong Energy from 2019 to 2021. As at 31 December 2024, Hilong Energy is in the process of renewal of the qualification.

Additional deduction expenses

Pursuant to the CIT Law, an additional tax deduction expenses (including research and development expenses incurred) is allowed, after the approval by the tax authorities is obtained. This additional allowed deduction is calculated at 100% of the actual research and development expenses incurred from 1 January 2021.

10 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Continuing and discontinued operations

Basic earnings per share is computed by dividing the net profit for the year attributable to ordinary equity owners by the weighted-average number of ordinary shares outstanding during the year.

	Year ended 31 December	
	2024	2023
Profit attributable to equity owners of the Company *(RMB'000)*	**28,275**	148,665
Weighted average number of ordinary shares in issue *(thousands of shares)*	**1,696,439**	1,696,439
Basic earnings per share *(RMB per share)*	**0.0167**	0.0876

Continuing operations

Basic earnings per share is computed by dividing the net profit for the year attributable to ordinary equity owners from continuing operations by the weighted-average number of ordinary shares outstanding during the year.

	Year ended 31 December	
	2024	2023
Profit attributable to equity owners of the Company *(RMB'000)*	**28,275**	183,175
Weighted average number of ordinary shares in issue *(thousands of shares)*	**1,696,439**	1,696,439
Basic earnings per share *(RMB per share)*	**0.0167**	0.1079

Discontinued operation

Basic loss per share is computed by dividing the net loss for the year attributable to ordinary equity owners from discontinued operation by the weighted-average number of ordinary shares outstanding during the year.

	Year ended 31 December	
	2024	2023
Loss attributable to equity owners of the Company *(RMB'000)*	**N/A**	(34,510)
Weighted average number of ordinary shares in issue *(thousands of shares)*	**N/A**	1,696,439
Basic loss per share *(RMB per share)*	**N/A**	(0.0203)

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options.

The computation of diluted earnings/(loss) per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for the Company's shares for both 2024 and 2023.

11 DIVIDENDS

The Directors have determined that no dividend will be proposed for the year ended 31 December 2024 (2023: Nil).

12 DISCONTINUED OPERATION

Year ended 31 December 2023

Disposal of the operation of the line pipe technology and services provision and provision of coating services

On 31 March 2023, Hilong Group of Companies Ltd, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Shanghai Hilong Shine New Material Co., Ltd., a related party controlled by the controlling shareholder (the "**Purchaser**"), whereby the Group conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Group's businesses of the line pipe technology and services provision and provision of coating services comprising multifunctional coating materials and coating services, inspection services and maintenance services for various pipes utilised in oil and gas drilling and transmission processes in the PRC as well as overseas markets (representing 100% of the equity interest in Hilong Pipeline Engineering Technology Service Co., Ltd., an indirect wholly-owned subsidiary of the Company (the "**Target Company**", together with its subsidiaries, the "**Target Group**")) at the consideration of RMB700,000,000, subject to the terms and conditions of the agreement. The disposal was completed on 28 November 2023, when the Group lost control of the Target Group.

The results of the discontinued operation, which have been included in the profit for the year ended 31 December 2023, are set out below.

	Period from 1 January 2023 to 28 November 2023
	RMB'000
Revenue *(Note)*	371,368
Cost of sales and provision of services *(Note)*	–
Gross profit	371,368
Selling and marketing expenses	(39,349)
Administrative expenses	(109,386)
Research and development expenses	(31,997)
Net provision for impairment losses on receivables and contract assets	(12,571)
Other income	3,555
Other losses – net	(15,733)
Operating profit	165,887
Finance income	1,585
Finance costs	(4,399)
Finance costs – net	(2,814)
Share of profit of associates	3,000
Profit before income tax	166,073
Attributable income tax expenses	(46,477)
Profit after tax from discontinued operation	119,596
Loss on disposal of subsidiaries from discontinued operation	(143,801)
Loss for the period from discontinued operation	(24,205)
Loss for the period from discontinued operation attributable to:	
– equity owners of the Company	(34,510)
– non-controlling interests	10,305
	(24,205)

Note: The inter-company transactions between continuing operations and discontinued operation are eliminated against discontinued operation, as the Group expects the transactions between continuing operations and discontinued operation will continue subsequent to the disposal and therefore to give an indication of the results of the continuing businesses on an ongoing basis.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The Company's independent auditor has issued the disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 December 2024, an extract of which is as follows:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on the consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Relating to Going Concern

As set out in Note 2.2 to the consolidated financial statements, 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 note 2.1.3 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.

The directors of the Company have been undertaking plans and measures to improve the Group's liquidity and financial position, which are set out in Note 2.2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) successfully completing the holistic restructuring of the 2024 Notes for extension of maturity date; (ii) successfully obtaining additional new sources of financing as and when needed; and (iii) successfully implementing measures to speed up the collection of trade and other receivables and effectively control costs and expenses so as to improve the Group's working capital and cash flow position.

As a result of these multiple uncertainties, their potential interaction, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the abovementioned plans and measures, the Group might not be able to meet is financial obligations as and when they fall due and to continue to operate as a going concern, and adjustments would have to be made to write down the carrying amount of the Group's assets to their immediate recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

The following table sets forth our revenue by business segment for the years indicated:

Continuing operations

	Year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Oilfield equipment manufacturing and services				
– Drill pipes	**1,995,105**	**42.7**	2,317,689	54.5
– Oil country tubular goods ("**OCTG**") coating services	**–**	**–**	111,606	2.6
– Drill pipe components	**9,601**	**0.2**	70,708	1.7
– Hardbanding	**–**	**–**	7,052	0.2
– Others	**119,994**	**2.7**	107,366	2.5
Subtotal	**2,124,700**	**45.6**	2,614,421	61.5
Oilfield services	**1,579,862**	**33.8**	1,168,928	27.5
Offshore engineering services	**963,770**	**20.6**	468,182	11.0
Total revenue	**4,668,332**	**100.0**	4,251,531	100.0

Revenue increased by RMB416.8 million, or 9.8%, from RMB4,251.5 million in 2023 to RMB4,668.3 million in 2024. Such increase was mainly due to the increase in revenue from the oilfield services and offshore engineering services segment.

Oilfield equipment manufacturing and services. Revenue from the oilfield equipment manufacturing and services segment decreased by RMB489.7 million, or 18.7%, from RMB2,614.4 million in 2023 to RMB2,124.7 million in 2024. Such decrease primarily reflected the decrease in revenue derived from sales of drill pipes.

The following table sets forth the revenue analysis of the drill pipe sales for the years indicated:

	Year ended 31 December	
	2024	2023
Sales of drill pipes		
– International market		
– volume *(tonnes)*	**63,851**	64,004
– unit price *(RMB/tonne)*	**28,620**	30,734
Subtotal *(RMB'000)*	**1,827,419**	1,967,086
– The PRC market		
– volume *(tonnes)*	**8,115**	16,651
– unit price *(RMB/tonne)*	**20,663**	21,056
Subtotal *(RMB'000)*	**167,686**	350,603
Total *(RMB'000)*	**1,995,105**	2,317,689

Revenue from sales of drill pipes in the international market decreased by RMB139.7 million, or 7.1%, from RMB1,967.1 million in 2023 to RMB1,827.4 million in 2024. The decrease primarily reflected a decrease of 6.9% in the average selling price of drill pipes sold from RMB30,734 in 2023 to RMB28,620 in 2024. Such decrease in the average selling price primarily reflected more intense market competition in the Middle East market.

Revenue from sales of drill pipes in the PRC market decreased by RMB182.9 million, or 52.2%, from RMB350.6 million in 2023 to RMB167.7 million in 2024. The decrease primarily reflected a decrease of 51.3% in the volume of drill pipes sold from 16,651 tonnes in 2023 to 8,115 tonnes in 2024. Such decrease in the sales volume primarily reflected the decreased demands from domestic markets.

Oilfield services. Revenue from the oilfield services segment increased by RMB411.0 million, or 35.2%, from RMB1,168.9 million in 2023 to RMB1,579.9 million in 2024. Such increase primarily reflected the increase in revenue from tubing and casing trading business and the recovery of the utilization rate of drilling rigs in 2024 as compared to 2023.

Offshore engineering services. Revenue from the offshore engineering service segment increased by RMB495.6 million, or 105.9%, from RMB468.2 million in 2023 to RMB963.8 million in 2024. The increase primarily reflected the increase in revenue from the subsea pipeline laying project and offshore drilling platform construction project.

Cost of sales and provision of services

Cost of sales/services increased by RMB210.5 million, or 6.3%, from RMB3,336.1 million in 2023 to RMB3,546.6 million in 2024.

Gross Profit and Gross Profit Margin

As a result of the foregoing, gross profit increased by RMB206.3 million, or 22.5%, from RMB915.5 million in 2023 to RMB1,121.8 million in 2024. Gross profit margin was 24.0% in 2024, increased by 2.5% from that in 2023.

Selling and Marketing Expenses

Selling and marketing expenses increased by RMB18.6 million, or 25.0%, from RMB74.3 million in 2023 to RMB92.9 million in 2024. These expenses, amounting to 2.0% of revenue in 2024, were higher than 1.7% in 2023.

Administrative Expenses

Administrative expenses increased by RMB99.9 million, or 22.1%, from RMB451.2 million in 2023 to RMB551.1 million in 2024. Such increase primarily reflected the increase in staff costs and corporate overheads.

Other (Losses)/Gains – Net

The Group recognized net loss of RMB68.1 million in 2024 and net gain of RMB62.2 million in 2023. The net loss recognized in 2024 primarily reflected the exchange loss of RMB40.9 million from the operating activities as a result of the depreciation of the Nigerian Naira. The net gain recognized in 2023 reflected the exchange gain of RMB54.3 million from the operating activities as a result of the appreciation of the United States Dollar ("**USD**").

Finance Costs – Net

Finance costs – net increased by RMB98.2 million, or 62.3%, from RMB157.7 million in 2023 to RMB255.9 million in 2024. Such increase is primarily due to decrease in gains on repurchasing the Notes (zero in 2024 compared to RMB154.8 million gains on repurchasing the Notes in 2023), and was partly offset by the decrease of RMB23.2 million interest expenses due to decline of the balance of borrowings and the decrease in net foreign exchange loss of RMB18.2 million from the financing activities resulting from the appreciation of USD.

Profit before Income Tax

As a result of the foregoing, the Group recognized profit before income tax of RMB276.8 million in 2023 and profit before income tax of RMB115.9 million in 2024.

Income Tax Expense

The Group recognized income tax expense of RMB81.1 million in 2023 and RMB85.8 million in 2024. Effective tax rate was approximately 29.3% in 2023 and 74.0% in 2024, the increase of effective tax rate mainly reflected the unbalanced distribution of profit among the Group's subsidiaries and the increase of tax losses of subsidiaries not recognized.

Profit for the year attributable to equity owners of the Company

As a result of the foregoing, the Group recognized profit for the year attributable to equity owners of the Company of RMB148.7 million in 2023 and profit for the year attributable to equity owners of the Company of RMB28.3 million in 2024.

Inventories

Inventories generally consist of raw materials, work-in-progress and finished goods, as well as packing materials and low value consumables. The following table sets forth the inventory balances as of the dates indicated as well as the turnover days of average inventory for the years indicated:

	As at/for the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Inventory	**1,095,842**	1,076,014
Turnover days of inventory (in days)[(1)]	**112**	128

(1) Turnover days of inventory for a year equals average inventory divided by total cost of sales and then multiplied by 365 for each of the years ended 31 December 2023 and 2024. Average inventory equals inventory balance at the beginning of the year plus inventory balance at the end of the year, divided by two.

The decrease in turnover days of inventory from 128 days as at 31 December 2023 to 112 days as at 31 December 2024 primarily reflected (i) a decrease in inventory balance for the oilfield equipment manufacturing and services segment, and (ii) higher revenue derived from provision of services, which generally requires lesser consumption of inventory compared to that from sales of goods.

Trade and Other Receivables

Trade and other receivables of RMB2,620.8 million (2023: RMB2,397.4 million) included gross trade receivable of RMB2,054.5 million (2023: RMB1,883.4 million).

The following table sets forth an aging analysis of trade receivables from sales of products and provision of services to third parties and related parties as at the dates indicated and turnover days of the gross trade receivables for the years indicated:

	As at/for the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
– Within 90 days	**1,307,989**	1,422,475
– Over 90 days and within 180 days	**374,921**	203,426
– Over 180 days and within 360 days	**61,613**	72,602
– Over 360 days and within 720 days	**157,615**	106,670
– Over 720 days	**152,397**	78,199
	2,054,535	1,883,372
Turnover days of trade receivables[1]	**154**	146

(1) Turnover days of trade receivables for a year equals average trade receivables divided by revenue and then multiplied by 365 for each of the years ended 31 December 2023 and 2024. Average trade receivables equals balance of trade receivables at the beginning of the year plus balance at the end of the year, divided by two.

The increase in turnover days of trade receivables from 146 days as at 31 December 2023 to 154 days as at 31 December 2024 primarily reflected that the settlement for trade receivables due from certain oil and gas companies in the international market was less active and slowed down in 2024.

Trade and Other Payables

Trade and other payables of RMB1,737.7 million (2023: RMB1,395.3 million) included trade payables of RMB1,261.0 million (2023: RMB991.6 million).

Trade payables represent payables due to third party suppliers and related parties. The following table sets forth an aging analysis of trade payables due to third parties and related parties as at the dates indicated and turnover days of trade payables for the years indicated:

	As at/for the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– Within 90 days	**785,331**	798,906
– Over 90 days and within 180 days	**322,212**	109,989
– Over 180 days and within 360 days	**32,818**	47,701
– Over 360 days and within 720 days	**116,201**	12,715
– Over 720 days	**4,467**	22,303
	1,261,029	991,614
Turnover days of trade payables(1)	**116**	88

(1) Turnover days of trade payables for a year equals average trade payables divided by total cost of sales and then multiplied by 365 for each of the years ended 31 December 2023 and 2024. Average trade payables equals to balance of trade payables at the beginning of the year plus balance at the end of the year, divided by two.

Liquidity and Financial Resources

As at 31 December 2024, the Group had total cash and cash equivalents amounting to RMB721.6 million (2023: RMB840.4 million). The Group's net borrowing as at 31 December 2024 was RMB1,964.9 million (2023: RMB2,023.5 million), being total borrowing of RMB2,686.5 million (2023: RMB2,863.9 million) less cash and cash equivalents of RMB721.6 million (2023: RMB840.4 million). After taking into account the restricted cash of RMB44.7 million (2023: RMB93.0 million), the Group's net borrowing as at 31 December 2024 was RMB1,920.2 million (2023: RMB1,930.5 million), being total borrowing less cash and cash equivalents and restricted cash.

As at 31 December 2024, cash and cash equivalent were mainly denominated in RMB, USD and RUB.

The current ratio of the Group as at 31 December 2024 was 110.2% (2023: 117.0%), calculated on the basis of current assets of RMB5,166.0 million (2023: RMB5,140.6 million) over current liabilities of RMB4,686.9 million (2023: RMB4,394.9 million).

Capital Expenditures

Capital expenditures were RMB360.7 million and RMB410.7 million in 2023 and 2024, respectively. The increase in capital expenditures in 2024 was mainly due to the recovery of overseas business in the oilfield services segment.

Indebtedness

As at 31 December 2024, the outstanding indebtedness of RMB2,686.5 million was mainly denominated in USD and RMB. The following table sets forth the breakdown of the indebtedness as at the dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Non-current		
Bank borrowings	**429**	125,504
Less: Current portion of non-current borrowings		
– secured	**(429)**	(6,068)
	–	119,436
Current		
Bank borrowings	**409,368**	485,648
Other borrowings	**15,585**	18,427
2024 Notes	**2,261,082**	2,234,333
Less: Current portion of non-current borrowings		
– secured	**429**	6,068
	2,686,464	2,744,476
	2,686,464	2,863,912

As at 31 December 2024, bank borrowings of RMB2,645.8 million were obtained at a fixed rate (31 December 2023: RMB2,693.4 million).

In 2018, Hilong Oil Service Co., Ltd. entered into a USD loan facility agreement amounted to USD36,000,000, which was insured by China Export & Credit Insurance Corporation ("**SINO SURE**", a national policy insurance institution), and enjoyed a preferential interest rate. As at 31 December 2024, USD33,545,000 were drawn down, out of which USD32,760,000 had been repaid in past years and 2024. The remaining principals will be fully repayable in 2025.

Reference is made to "Management Discussion and Analysis – Financial Review" of the Company's 2021 annual report and the announcement dated 18 November 2024 in relation to the the Company's 9.75% senior secured notes (Reg S: ISIN Number: XS2344083139; Common Code: 234408313; Rule 144A: ISIN Number: XS2344082917; Common Code: 234408291; IAI: ISIN Number: XS2344083303; Common Code: 234408330) (the "**2024 Notes**"). The Company issued the 2024 Notes on 18 May 2021, and, in connection with the 2024 Notes, the Company pledged certain drilling rigs as securities. On 20 May 2021, the Company announced that the 2024 Notes had been listed on the Singapore Exchange Securities Trading Limited. Pursuant to the terms of the 2024 Notes, all outstanding principal amount on the Notes together with the accrued and unpaid interest thereon are due and payable on the maturity date of 18 November 2024 (the "**2024 Notes Maturity Date**"). The outstanding principal amount of USD314,546,000 on the 2024 Notes together with the accrued and unpaid interest thereon were not settled on the 2024 Notes Maturity Date, which constituted an event of default under the 2024 Notes. See "Other significant events" in this announcement for details.

Gearing Ratio

The Group's objectives in capital management are to maintain the Group's ability to operate as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with peers in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) and lease liabilities less cash and cash equivalents and restricted cash. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

The gearing ratios as at 31 December 2023 and 31 December 2024 are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Total borrowings	**2,686,464**	2,863,912
Add: Lease liabilities	**27,326**	29,801
Less: Cash and cash equivalents	**(721,631)**	(840,384)
Restricted cash	**(44,705)**	(93,010)
Net debt	**1,947,454**	1,960,319
Total equity	**3,259,124**	3,329,005
Total capital	**5,206,578**	5,289,324
Gearing ratio	**37.40%**	37.06%

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies for the year ended 31 December 2024.

Foreign Exchange

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from recognized assets and liabilities in foreign operations. The conversion of RMB into foreign currencies, including the USD, has been based on rates set by the People's Bank of China. On 21 July 2005, the PRC government changed its decade-old policy of pegging the value of RMB to the USD. Under this policy, RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy has resulted in an approximately 11.3% appreciation of RMB against the USD from 21 July 2005 to 31 December 2024. There remains significant pressure on the PRC government to adopt a more flexible currency policy, which could result in a more fluctuated exchange rate of the RMB against USD. The Group may consider entering into currency hedging transactions to further manage its exposure to fluctuations in exchange rates, or nature hedging by actively matching the currency structure of monetary assets and liabilities. However, the effectiveness of such transactions may be limited. The revenue denominated in USD represented 44.6% and 44.2% of the total revenue of the Group in 2024 and 2023, respectively.

Staff and Remuneration Policy

As at 31 December 2024, the total number of full-time employees employed by the Group was 2,453 (31 December 2023: 2,370). The following table sets forth the number of the Group's full-time employees by area of responsibility as at 31 December 2024:

On-site workers	1,494
Administrative	336
Engineering and technical support	442
Research and development	98
Sales, marketing and after-sales services	63
Company management	20
	2,453

Employees are encouraged to take training courses or seminars from time to time to enhance their knowledge and skills. The Group offers employees remuneration packages mainly on the basis of individual performance and experience and also pays regard to industrial practice, which include basic wages, performance related bonuses and the social security and benefits. According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on the relevant statutory percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

The Company adopted a share award scheme on 11 September 2023 (the "**2023 Award Scheme**"). The 2023 Award Scheme is funded solely by the existing Shares and it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). No share awards have been granted under the 2023 Award Scheme during the year ended 31 December 2024. For further details of the 2023 Award Scheme, please refer to the Company's announcement dated 13 September 2023.

BUSINESS REVIEW

In 2024, the oil price showed a downward trend compared with last year, but it remained at a medium to high position. International and geographical factors such as supply shortage and economic recovery supported the oil price. The production adjustments on the supply side promoted the international oil price to remain above the medium position, while the recovery of economic growth on the demand side drove capital expenditure. The recovery of demand for aviation and gasoline consumption was the main driving force for the growth of oil consumption. At the same time, China gradually deepened and upgraded its cooperation with the Middle East and Central Asia regions covering from oil and gas trade to resource development and to technical cooperation. Market developments have also brought great opportunities to oil industry enterprises. Hilong adhered to the strategy of scientific and technological innovation, intelligent and high-quality development, and has achieved good results in key countries and regions such as the United States, Canada and the Middle East. The Group also strengthened its cash flow management by implementing active financial measures, such as strengthening accounts receivable management and inventory management measures, to enhance the overall operating efficiency, securing a relatively stable cash flow in 2024. In 2024, Hilong actively expanded both international and domestic markets and adopted a scientific management approach within the Group. While intensifying its efforts in market development, the Company attached importance to scientific development and technological innovation, and has been gradually developing into an asset-light, digital and high-tech intelligent enterprise. Business units of the Group were having a full workload. The three segments, namely oilfield equipment manufacturing and services, oilfield services and offshore engineering services, achieved important orders of high-end customers in a number of new and old markets, establishing a solid foundation for the long-term development of the Group. Hilong maintained its stable and efficient scientific operation in 2024. During the reporting period, Hilong recorded a total revenue of RMB4,668.3 million, representing an increase of 9.8% compared with 2023. The digital and intelligent transformation of Hilong has achieved remarkable results, further empowering the development and growth of its products and businesses.

Oilfield Equipment Manufacturing and Services

During the reporting period, the revenue of the oilfield equipment manufacturing and services segment was RMB2,124.7 million, representing a decrease of 18.7% compared with 2023. In 2024, demand in major drilling tool markets such as the United States and Canada declined slightly, and Hilong remained ahead of the competition in the market. The sales volume of various drilling tool products basically remained stable, and the orders on hand for various drilling tool products such as drill pipes and heavy weight drill pipes were basically stable. In 2024, Hilong constantly developed advanced technology and optimised its production processes. Hilong has overcome many scientific research difficulties and continued to improve the quality of products and services. Its product performance and the quality of services have reached or surpassed the level of its international competitors. The oilfield equipment manufacturing and services segment contributed the most to the Group's revenue and achieved business breakthroughs in markets such as the United States, Canada, the Middle East and Southeast Asia. Hilong explored major customers such as Precision Drilling and has become the major drilling tool supplier to high-end customers such as PD, SAVANA and Ensign. Hilong's sour service drilling tool with special buckles and the full promotion of HLNST special buckles achieved good sales performance in markets of the United States and Canada. The achievements made in the advance layout and planning of the North American market indicated that the comprehensive strengths of the Group's high-tech and high-end drilling tools has been recognized by international high-end customers. In the Middle East market, we have passed the drilling tool certification in respect of Saudi Aramco and KOC deep well drilling rigs, laying the foundation for entering the high-end market in the Middle East. In the Middle East, Hilong has also made market and business breakthroughs, and all the user orders with high-end customers such as KCA and EDC have been secured. During the reporting period, Hilong signed a series of contracts with major customers and high-end customers in China in respect of the supply of drilling tools and bottomhole assembly, and also performed well in the domestic market. Our partners highly recognized our products such as high-strength sour service, high-strength and high-torque drill pipe and HLNST drilling tools with special buckles, which enabled us to form in-depth sales and market cooperation in China. While exploring development in the high-end market and high-end customers, Hilong adhered to high-tech development such as technological innovation and digital and intelligent transformation, attached great importance to the building of a team of scientific research talents, and strengthened the exchange of scientific research achievements, such that the Company has built a scientific research team with rich experience in terms of product technical service and system management, demonstrating Hilong's strategic deployment of continuously developing new products and expanding new markets under the guidance of scientific and technological innovation. The related drilling tool enterprises under the Group were recognized as National Specialized and New Small Giant (國家專精特新小巨人). Shanghai Hilong Drill Pipe Co., Ltd. (上海海隆石油鑽具有限責任公司) was recognized as the eighth batch of "National Manufacturing Individual Champion Enterprise" (國家製造業單項冠軍企業) by the Ministry of Industry and Information Technology.

Oilfield Services

In 2024, the oilfield services segment recorded a total revenue of RMB1,579.9 million, representing a growth of 35.2% compared with 2023. Benefitting from the continuous increase of capital expenditure of upstream enterprises in the industry, it has brought better business opportunities to the oilfield services industry than the past, and was also very conducive to the development of Hilong's oilfield services. Hilong's oilfield services seized the business opportunity to continuously improved its product and service capabilities by all-round scientific and digital management and established its oilfield management department to vigorously develop oilfield management and market demand for increasing production. Hilong has completed customized oilfield digital management solutions in countries such as Brazil, Iraq and Libya, promoted oilfield digital management technology, and completed a number of applications of oilfield sludge treatment and pipeline gathering and transportation viscosity reduction technology. Hilong systematically integrated various businesses of drilling and workover services, technical services and trade services and signed long term cooperation agreements with a number of partners. It explored the synergy and mutual complement among different business segments, adhered to market orientation and technology-driven strategies, and created a "One Body and Two Wings" business development model. Hilong's oilfield services maintained a leading utilization rate for drilling and workover rigs in the industry, and idle drilling rigs on standby successfully secured new orders again. We also entered into, renewed, or extended a number of contracts for drilling rigs in operation, ensuring sufficient workload in general. While continuing to develop the conventional well drilling and workover markets, the Company also actively expanded turnkey drilling projects, so as to develop high-tech integrated turnkey business. Hilong's turnkey business capability has reached a new level. In 2024, the overall relocation speed of the drilling fleet remained steady, which indicated that the Company's operating efficiency and organising and managing ability have been greatly improved. Apart from the conventional well drilling and workover services, the Company also actively participated in the promotions of other technical service projects and constantly explored new business fields to increase revenue for the Group. The Company maintained stable development in fields of environmental protection technology and services such as drilling and workover mud (oil-based mud alternative solutions, high-performance water-based mud and so forth), rock fragments processing and well site recovery, coiled tubing business, production enhancement technology based on nanofluids flooding, refined managed pressure drilling ("**MPD**") technology, RSS directional and horizontal well drilling and other comprehensive technical services, and developed diversified technical services businesses including well completion and production enhancement, drilling speed and efficiency improvement, oilfield environmental protection, rotary steering technology as well as the establishment of maintenance base. The trade service business of this segment also had great improvement compared with 2023 and achieved new breakthroughs in the tubing and casing trading business. In 2024, the Oilfield Service Division adopted multiple approaches which focused on the transformation towards "light assets and technology-driven" operations, expanded new businesses in all directions, and enhanced integrated service capabilities through technological innovation.

Offshore Engineering Services

In 2024, the offshore engineering services segment recorded a total revenue of RMB963.8 million, representing a 105.9% increase from 2023. Hilong Offshore Engineering has been making great to develop into a specialized offshore engineering company with EPCIC integrated turnkey capacity, forming a business capability of the whole industry chain. The digital intelligent system connecting with the Group has gone live and the Intelligent Control Technology Center had a record high number of projects, which effectively supported the two business lines of market development and project execution, resulting in a significant increase in workload as compared to last year, which will have great development potential in the future. For instance, the land construction and commissioning of our EPC project in Congo have all been completed, and the Chevron project in Thailand has also been progressing smoothly. In addition, we also signed transportation and installation contracts with world-renowned offshore oil companies for the first time, expanded our business to the whole process of offshore engineering industry ecology and transformed into a technology company that can undertake multiple projects. At the same time, Hilong Offshore Engineering was having a number of projects in the process of project bidding, representing an increasing recognition and satisfaction towards Hilong Offshore Engineering from customers. Hilong attaches great importance to high-tech research and development, and has applied for the qualification as an annual technology-based enterprise. Focusing on in-depth research on key scientific research directions such as pipeline laying, jacket installation and dismantling, and block floating support, Hilong put an emphasis on strengthening the digital delivery and construction of management capability of offshore engineering, with research results having been achieved. 2024 was a year of great significance in the development of Hilong Offshore Engineering, with remarkable progress in infrastructure management, operational capability and business development, further improving the international and domestic project management capabilities and overseas project design and construction capabilities, accumulating experience of the information-based systematic management means and technology services, and laying a solid foundation for the development route of light assets and integrated turnkey capabilities.

Technology Research and Development

Hilong has been adhering to leading enterprise transformation with scientific and technological innovation and informatisation digitalisation, relying on technology to comprehensively improve the Company's operation and management. In terms of drilling tool products, the Company strengthened continual research on and promoted the application of high-strength sour service, and high-strength and high-torque drill pipe technology. We completed the development of large-scale thick-walled HLU165 super high-strength drill pipes, the development of high-pressure resistant special buckles for offshore risers and the acceptance of the project for the HL125S high-strength sour service drill pipe. We have carried out the development and construction of an information technology system at the drilling tool factory and completed a technology upgrade and renovation project. Projects such as the development of HLNST special screw heads have been completed, and orders have been obtained from the North American market. It has formed large-scale sales and has been unanimously recognized by high-end customers in the United States and Canada. Hilong has developed HL135MS/HL130S higher-strength sour service drill pipes on the basis of previous high-strength sour service drill pipe projects. We have signed a large order in US dollars in respect of core products such as HL125S high-strength sour service drill pipes. We have completed the software development of information management of drill pipes and drilling tools with radio frequency identification tags, and have currently received orders for drill pipes with radio frequency identification tags from customers in the Middle East. The research and development of intelligent drill pipes is in progress. The production processes, equipment and systems of drilling tools are constantly optimized and upgraded, which improves production efficiency and saves production costs. In tandem with the Group's digital transformation, production equipment is automated and intelligentized. Projects including 125S sour service drill pipe obtained the Hi-Tech Achievement Transformation Recognition. The high-strength and high-strength sour service drill pipe project recently won the Shanghai Invention and Innovation Gold Award and other honors. In the oilfield services sector, we continuously summarize experiences and lessons learned in drilling and well completion turnkey projects and continuously improve our technical service capabilities for drilling turnkey projects, including the drilling technical ability of extended-reach horizontal wells. We have strengthened the localized development and promotion of key drilling equipment components for precision managed pressure drilling (MPD), the finalization and promotion of MPD managed pressure drilling technology as well as the upgrading, promotion and application of rotary steering technology and nanofluids flooding production enhancement technology. In terms of offshore engineering, in order to enhance the offshore construction capabilities, we have carried out a number of research projects such as offshore engineering technology and offshore engineering digital technology. Several companies under the Hilong Group were newly granted the qualification of "Highly Specialized and Innovative" (專精特新) enterprise at the state level as well as the Shanghai municipal level, fully demonstrating Hilong's overall technological advantages and brand competitiveness. In the future, Hilong will continue to lead in technological innovation and establish joint technology centers with universities to comprehensively enhance its scientific research capabilities. It will also fully integrate digitalization and intelligence into scientific research, manufacturing, warehousing and logistics, financial accounting, operations and office work, etc., to help the Company's operations and development.

OUTLOOK

Looking forward to 2025, despite the unfavorable factors of trade protectionism and tariff war, the overall economic recovery will drive the growth of oil consumption, the pattern of tight crude oil supply may continue, and the international oil price may fluctuate slightly in the middle range. Benefiting from the breakthrough of upstream exploration and development and the expansion of downstream refining and chemical capacity, we are expected to obtain more orders from owners of oil companies in overseas countries. We are optimistic about the medium and long-term business development in the Middle East, Southeast Asia and South America, which will bring us great opportunities in the market and the promising future prospects of our projects can be expected.

In 2025, Hilong will continue to give play to its brand advantages. In addition to stabilizing the United States and Canada markets, we will develop new high-end customers in the Middle East, Southeast Asia, South America and other countries and regions to obtain high-end orders, and strive to make greater breakthroughs in new markets and new businesses, and strive to continuously enhance the international market share and brand service image.

In respect of the domestic market, China has entered the seventh year in implementing the seven-year action plan for the oil and gas industry which spans from 2019 to 2025. As mentioned in the Plan for Accelerated Development of Domestic Exploration and Production for 2019–2025, further investments in risk exploration will be made, amounting to RMB5 billion each year from 2019 to 2025, and the amount of exploration work and proven reserves shall double by 2025. Based on the above, we believe that the domestic and overseas oil and gas industry is following an upward market trend as a whole.

In terms of the international drill pipe market, the Company will continue to promote high value-added products of drilling tools which meet the differentiated needs of high-end customers, combine market development with product development more deeply, introduce more interdisciplinary talents and professional talents, and intensify efforts to promote the automation, digitalization, intelligent transformation and new technology research and development of drill pipe production line equipment; we will deeply develop the high-end demand in the Middle East, the United States and Canada, and further enhance the market reputation of Hilong drilling tools. The research, development and promotion of products such as large-scale thick-walled HLU165 super high-strength drill pipes, high pressure-resistant special buckle for offshore riser, HLNST special buckles, HL130S and HL135MS high strength sour service drill pipes, drill pipes with eco-friendly screws, hardbanding drill pipes, special alloy drill pipes, drill pipes with radio frequency identification tags and intelligent drill pipes as well as automatic transformation of production line, information construction of production management system, heat treatment technology of drill pipes, and thickening and identification inspection technology will be intensified. In the domestic drill pipe market, Hilong will actively follow up the existing business opportunities and vigorously develop differentiated markets to provide customers with high-end drill pipe products that meet their differentiated needs.

Regarding the oil services business, Hilong will adhere to scientific and technological innovation, light assets and digital management transformation, break through the bottleneck of traditional business development, and demonstrate strong technical and management capabilities. We will actively explore foreign markets, and strive to enter into new businesses and new contracts in new and old markets such as Nigeria, Ecuador, Brazil and Kuwait. On the basis of drilling and workover business, we will actively develop various types of services including drilling turnkey, oilfield environmental protection, nanofluids production enhancement, drilling tool repair, trade services, etc., and provide more diversified and characteristic services on the basis of traditional drilling and workover services. We will make every effort to improve our technical ability and scientific research level, and build the core competitiveness of Hilong Oil Service. We will stabilize the existing drilling and workover rig equipment business, maintain a high level of utilization rate of its drilling rigs, and continue to adjust its business layout. We will continue to establish a turnkey drilling technical team to improve the technical level of turnkey drilling, shorten the drilling and well completion cycle, so as to achieve a high profit level. We will give full play to its existing business platform, continue to carry out business such as trade and oilfield environmental protection to create new profits. We will make use of the Company's market development and management capabilities, strive to identify social resources, reduce business risks, and amplify the platform effect and economy scale. On the basis of consolidating the existing business, the Company will actively expand the directional well and horizontal well technical service capability of the RSS rotary steering system. At the same time, the Company will vigorously carry out domestic MPD technical services and develop overseas MPD service markets. Taking nanotechnology used in production enhancement as a breakthrough point, we will actively explore the sales of drilling and workover rig equipment and spare parts, and tubing and casing trading business, so as to enhance the linkage and synergy among various businesses and maximize profits.

In offshore engineering services, we will speed up the layout and construction in Southeast Asia and West Africa, and focus on strengthening the formation of digital delivery and management capability of offshore engineering by leveraging our offshore engineering experience. We will make efforts in contracting and implementing projects such as engineering commissioning, digital and intelligence in the international market. We will focus on in-depth research on key directions such as pipeline laying, jacket installation and dismantling, block floating, and a digital management system for commissioning and completion. On the basis of stable installation and submerged pipeline laying business, we will actively transform scientific and technological achievements and establish the Company's long-term technical reserve by increasing the introduction of talents. We will provide light asset-input and high-yield products and services. We will adhere to the route of innovative R&D and international development, and constantly improve our turnkey project integrated service ability. We will excavate technical hotspots, track the latest technological frontiers, and improve the comprehensive technical capabilities of the Company's offshore engineering. We will strengthen market development and construction, expand key projects in key areas of the market and improve profitability. We will adhere to the guidance of talents and technology, strengthen the technical service ability and risk management and control ability of our core businesses, and continuously improve the service quality and service ability of Hilong Offshore Engineering in domestic and foreign markets.

OTHER SIGNIFICANT EVENTS

(1) Suspension of Trading on the Stock Exchange

Trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on Tuesday, 2 April 2024 and will remain suspended pending the fulfillment of the Resumption Guidance as specified by the Stock Exchange.

(2) Resignation of Auditor

The Company's former auditor, PricewaterhouseCoopers, has tendered its resignation as the auditor of the Company with effect from 30 May 2024. For details of the resignation of PricewaterhouseCoopers, please refer to the announcement of the Company dated 31 May 2024.

(3) Resumption Guidance

On 12 June 2024, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the "**Resumption Guidance**"):

(a) conduct an appropriate independent investigation into the matters relating the sale and procurement of pipe materials involving four Russian subsidiaries of the Group and Metal Technology Co., Ltd. ("**MTC**") from 1 October 2022 to 31 December 2023, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;

(b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

(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;

(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;

(e) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and

(f) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

For details of the Resumption Guidance, please refer to the announcement of the Company dated 18 June 2024.

(4) Progress of Fulfillment of the Resumption Guidance

For quarterly update on status of resumption and the Company's resumption plan in fulfilling the Resumption Guidance, please refer to the announcements of the Company dated 28 June 2024, 27 September 2024 and 30 December 2024 in accordance with Rules 13.09 and 13.24A of the Listing Rules.

(5) Appointment of New Auditor

The Company appointed Crowe (HK) CPA Limited ("**Crowe**") as the new auditor of the Company with effect from 8 July 2024 and to hold office until the conclusion of the next annual general meeting of the Company. The re-appointment of Crowe as the auditor of the Company was duly passed by the shareholders of the Company at the 2024 annual general meeting of the Company held on 23 December 2024.

(6) Update on the 2024 Notes and progress of offshore debt restructuring

As set out in "Management Discussion and Analysis – Financial Review – Indebtedness" of this announcement, the outstanding principal amount of USD314,546,000 on the 2024 Notes together with the accrued and unpaid interest thereon were not settled on the 2024 Notes Maturity Date, which constituted an event of default under the 2024 Notes. 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 certain holders of the 2024 Notes (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. For details, please refer to the Company's announcement dated 18 November 2024.

(7) Investigation and Independent Control Review

In line with the requirements set out in the Resumption Guidance, the Investigation Committee has engaged Ernst & Young (China) Advisory Limited to conduct an independent investigation into the matters relating to the Transactions and related business dealings of MTC (the "**Investigation**"). For key findings of the Investigation, the opinions of Investigation Committee and the Board, and the recommendations and their completion status, please refer to the announcement dated 16 October 2024. A supplementary investigation review of the Transactions has been conducted and the Company will publish an announcement based on such review in due course.

Further, as previously announced by the Company, it has engaged Acclime Consulting (Hong Kong) Limited (the "**Internal Control Consultant**") to conduct an independent review of the internal control procedures of the Company and all the subsidiaries identified in the Investigation (the "**Internal Control Review**"). Considerable progress has been made. The Company will publish an announcement in relation to the key findings of the Internal Control Review, rectification recommendations and the implementation of remedial actions in due course.

Save for the matters disclosed above, there were no other important events affecting the Company nor any of its subsidiaries since the end of the Reporting Period and up to the date of this annual results announcement.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules during the Reporting Period, save for deviation from code provision C.2.1 of the CG Code. Pursuant to code provision C.2.1 of the CG Code, the responsibility between the chairman and chief executive officer should be segregated and should not be performed by the same individual. However, Mr. ZHANG Jun ("**Mr. Zhang**") currently performs these two roles. Mr. GAO Zhihai has been appointed as the co-chief executive officer of the Company with effect from 23 December 2024 to assist Mr. Zhang in the overall business operations and strategy formulation of the Company. The Board believes that Mr. Zhang, being the chairman of the Board, is familiar with the Company's business operation and has excellent knowledge and experience of the Company's business which will be conducive to improve the efficiency of the Company's overall strategic planning. Further, the Board is of the view that the balanced composition of the executive, the non-executive and the independent non-executive Directors on the Board and the various committees of the Board in overseeing different aspects of the Company's affairs would provide adequate safeguards to ensure a balance of power and authority. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Model Code for Securities Transactions by Directors

The Company has established written guidelines for Directors, senior management and employees regarding securities transactions (the "**Securities Transactions Guideline**") on terms no less exacting than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

On 20 March 2024, the Company was informed by Mr. Zhang, executive Director of the Company, that he had acquired interests of an aggregate of 1,800,000 shares of the Company (the "**Shares**") for an aggregate consideration of HK$163,918 (excluding the relevant transaction fees) at an average price of HK$0.091 per Share on 20 March 2024 (the "**transaction**"), although Mr. Zhang, as a Director, was prohibited from dealing with the securities of the Company during the blackout period (being the period from 28 January 2024 up to the date of publication of the announcement of annual results for the year ended 31 December 2023 on 18 October 2024).

Mr. Zhang voluntarily and immediately notified the Company of the transaction after he realized the transaction was conducted during the blackout period. He apologised for the inadvertent oversight of instructing the broker to place orders for the Transaction and acknowledged that he had breached Rules A.3 and B.8 of the Model Code. Mr. Zhang confirmed that: (i) he did not possess any inside information of the Company that is required but not yet disclosed at the time of the transaction; and (ii) he undertook to donate any gain (if any) from the acquisition and future sale (outside of the blackout period) of the relevant Shares under the transaction to charitable organization.

In order to avoid similar incident in the future, the Company will continue to implement the following actions: (i) remind all Directors the importance of complying with Appendix C3 to the Listing Rules in their dealings of the Shares and in particular the importance of giving written notice prior to conducting any intended dealings; (ii) remind all Directors to instruct their respective brokers to refrain from processing and carrying out any instructions for dealings in Shares by Directors during any prohibition period under Appendix C3 to the Listing Rules; and (iii) provide briefings to develop and refresh the Directors' knowledge and enhance their awareness of good corporate governance practices, including a refresher course as to the directors' duties, corporate governance and the Model Code.

Save as disclosed above, having made specific inquiries to all Directors, all of them have confirmed that they have complied with the required standards set out in the Model Code throughout the Reporting Period.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company, consisting of Mr. WONG Man Chung Francis, Mr. WANG Tao and Ms. ZHANG Shuman, has reviewed the annual results for the year ended 31 December 2024 before the results were submitted to the Board for approval.

The auditor of the Company, Crowe (HK) CPA Limited, has agreed that the figures in respect of the Group's annual results for the year ended 31 December 2024 contained in this announcement are consistent with the amounts set out in the Group's audited consolidated financial statements for the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company.

As of 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

DIVIDENDS

The Board resolved not to recommend any dividend for the year ended 31 December 2024.

ANNUAL GENERAL MEETING AND PERIOD OF CLOSURE OF REGISTER OF MEMBERS

For determining the qualification as shareholders of the Company to attend and vote at the annual general meeting ("**AGM**") to be held on Friday, 20 June 2025, the register of members of the Company will be closed from Tuesday, 17 June 2025 to Friday, 20 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 16 June 2025.

PUBLICATION OF ANNUAL RESULTS

This annual results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hilonggroup.com).

The annual report for the year ended 31 December 2024 containing all the information required by the Listing Rules will be published on the same websites (and will be despatched to shareholders of the Company, where applicable) in due course.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to our shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

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 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 Zheyan.