



Hilong Holding Limited*

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1623

*For identification purpose only

2024 Environmental, Social and Governance Report

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About the Report

Hilong Holding Limited (the "Company") (Stock Code: 1623) hereby presents the Environmental, Social and Governance Report 2024 ("the Report") of the Company and its subsidiaries (collectively, the "Group", "Hilong" or "We"). The Report demonstrates the concepts and practices of the Group in Environmental, Social and Governance (ESG) areas to its stakeholders.

Reporting Scope

The Report primarily includes the Company and its subsidiaries. The reporting period is from January 1, 2024 to December 31, 2024 ("the Reporting Period"). The Key Performance Indicators ("KPIs") in environmental areas and social areas disclosed in the Report cover all businesses in China directly managed by the Group, including Shanghai Hilong Drill Pipe Co., Ltd. ("Shanghai Drill Pipe") and Hilong Petroleum Drill Pipe (Wuxi) Co., Ltd. ("Wuxi Hilong"). Hilong Pipeline Engineering Technology Service Co., Ltd., ("Hilong Pipeline") and its subsidiaries were officially disposed on November 28, 2023, and therefore are not included within the scope of this report.

Reporting Principles

The Report is prepared according to the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Report complies with reporting principles below:

- "Materiality": The Group identifies and determines material ESG issues through stakeholder engagement and materiality assessment which have been disclosed in the Report.
- "Quantitative": The standards, methods and sources of emission factors used in reporting emissions and energy consumption have been disclosed.
- "Balance": The Report provides an unbiased picture of the Group's environmental and social performance.
- "Consistency": The methodology and KPIs are consistent with previous years.

Reference

In this report, the Group's subsidiary Shanghai Hilong Drill Pipe Co., Ltd. is referred to as "Shanghai Drill Pipe" and Hilong Petroleum Drill Pipe (Wuxi) Co., Ltd. is referred to as "Wuxi Hilong".

Report Availability

The report is available in electronic version which can be viewed on the website of the Company (www.hilonggroup.com) and the HKEX news website (www.hkexnews.hk).

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About Hilong: Cultivation Leading to Expansion

Hilong Group of Companies (Hilong Holding Limited (01623.HK), has been listed on the HKEX since 2011. The Group, as a large listed entity, is a manufacturer of high-end oilfield equipment and a provider of comprehensive oilfield technical service. Established in 2002 and headquartered in Shanghai, the Group has established production bases and business branches in more than 40 countries and regions around the world as at the end of the Reporting Period.

Hilong integrates scientific research, production and service, and continues to provide high-quality, high-tech and differentiated products and integrated services. Since our establishment, Hilong has undertaken horizontal development in drilling, exploitation, and transportation of oil and natural gas, as well as vertical development via industrial chains. The Group has established three core businesses: oil equipment, oil service and offshore engineering. With our three major businesses operating in synergy, we continue to innovate and have had a unique industrial chain and industrial advantages, providing high-end products and comprehensive services for internationally famous energy and oil service enterprises.

Oil Equipment	Oil Service	Offshore Engineering
Drilling Tools	Integrated Technology Service & Turnkey Services	Engineering Technology Center
Others	Integrated Oilfield Development Service	Offshore Installation Center
	Environment Protection of Oilfield	Engineering Construction Center
	Automatic Drilling	Intelligent Control Technology Center
	Investment & Cooperation	Information Technology Services

After years of cultivation, the Group has established a complete sales and service network around the world. In China, the Group has established a long-term and strong strategic partnership with leading oil companies such as China National Petroleum Corporation ("CNPC"), China Petrochemical Corporation ("SINOPEC"), and China National Offshore Oil Corporation ("CNOOC"), etc. In terms of the international market, we provide high-end products and comprehensive services for internationally famous energy and oil service enterprises, such as Royal Dutch Shell, British Petroleum Corporation, Schlumberger, Weatherford, ConocoPhillips, Petro Ecuador, etc. As at the end of the Reporting Period, the Group's products and services have been sold to China, Southeast Asia, South Asia, Central Asia, the Middle East, Africa, North America, South America, and other countries and regions.

Based on the transformation strategy of "Becoming a World-leading Integrated Oil Equipment and Services Provider", the Group has developed a medium-to-long-term digital transformation plan orientated towards technological innovation, the new model of "Product + Service", efficient business management, lean manufacturing operations and data-driven decision-making. The purpose is to enhance Hilong's core business capability and improve its management efficiency, thus fueling long-term, high-quality development and forming a sustainable enterprise with full perception, full connectivity, full scene and full intelligence.



Domestic market map of Hilong



Global market map of Hilong

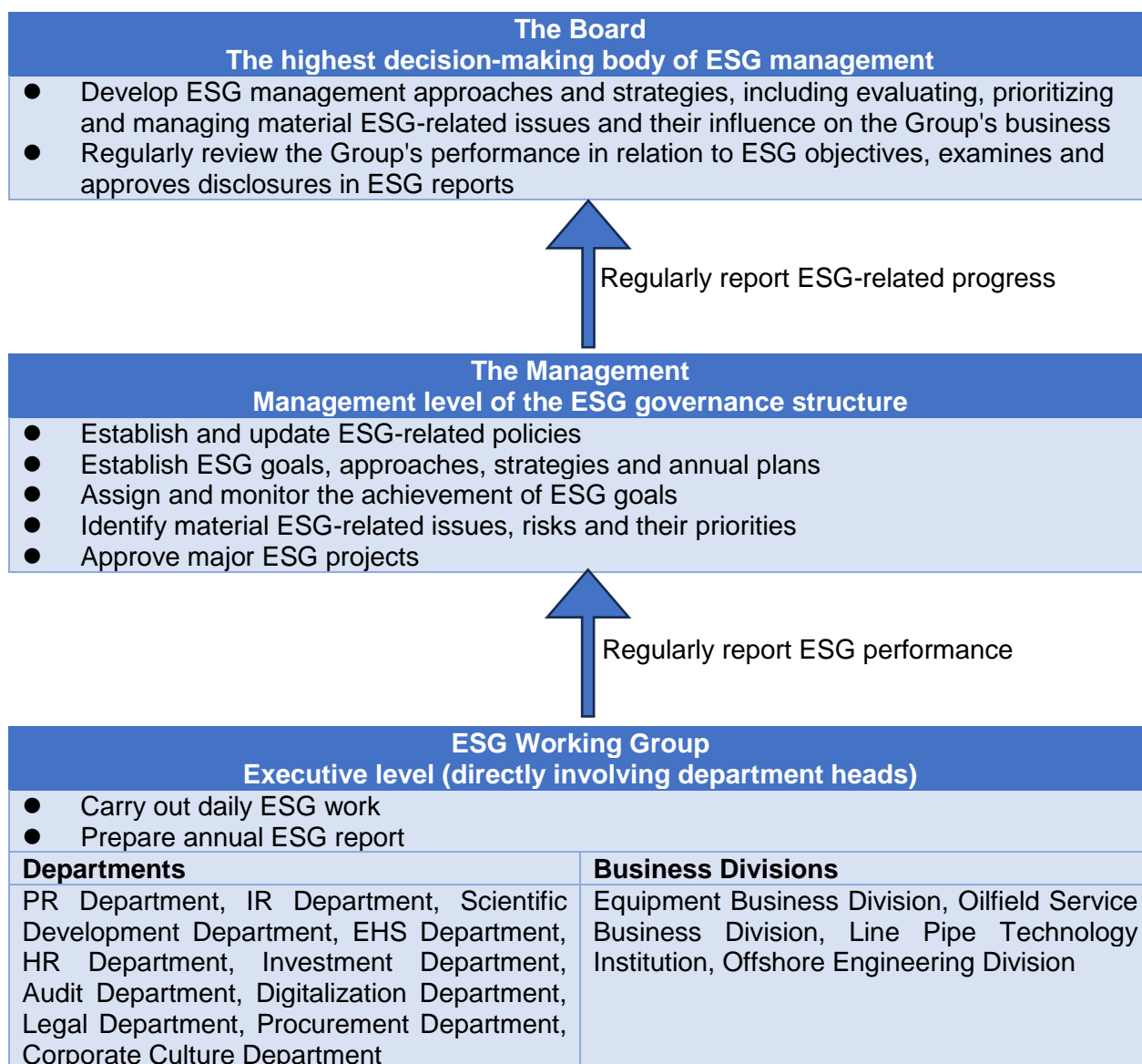
Adhering to the corporate culture of "Openness, Inclusiveness, Unity", and inheriting the Hilong spirit of "Passion, Dedication, Loyalty", Hilong will consider technological innovation and internationalization as the core development strategy, and strives to become an internationally competitive oilfield equipment and services provider, continuing to create maximized value for global customers.

1. ESG Governance

A robust ESG governance is the foundation for Hilong to achieve sustainable development. To this end, we have established a comprehensive and effective ESG management structure and are actively implementing ESG management from top to down. Beyond that, we attach great importance to communication with internal and external stakeholders, including government and regulators, shareholders, customers, employees, and business partners. Through regular communication, ESG materiality assessment, etc., we have gained an in-depth understanding of their requirements and expectations for Hilong's ESG governance, which allows us to incorporate ESG considerations into the scope of our assessment when developing pertinent goals, policies, and strategies.

1.1 ESG Management Structure

The Group has incorporated ESG governance into its governance and has established a three-tier ESG governance structure, which consists of the Board of Directors (the "Board"), the Management, and the ESG Working Group, to assist the Group to fully evaluate ESG risks and opportunities during the work of risk management, policy formulation, and strategic planning, ensuring that the ESG-related risks and opportunities are fully integrated into the Group's business strategy.











1.2 Statement of the Board

The Board of the Group takes overall responsibility for the Group's ESG management matters and reviews ESG-related matters at least once a year, including annual ESG performance, establishment of ESG goals and relevant progress, identification and prioritization of material ESG-related issues and risks, etc. The Board attaches great importance to ESG management and report preparation, requiring the ESG report to reflect the Group's key ESG areas and actively respond to the needs of various stakeholders. The Board regularly discusses the latest developments of ESG matters so as to continuously improve the sustainable development of the Group. Looking forward, the Group will continue to adhere to the concept of sustainable development and actively fulfil corporate social responsibility.

1.3 Stakeholders Engagement

Highly aware of the importance of communication with stakeholders, Hilong has established effective communication mechanisms to actively respond to their expectations and requirements. Closely working with various stakeholders, we strive to promote the sustainable development of the Group.

Stakeholders	Expectations and Requirements	Communication Mechanisms
 Government and Regulators	<ul style="list-style-type: none"> ● Compliance with laws and regulations ● Pay taxes according to law ● Support local development 	<ul style="list-style-type: none"> ● Daily management ● Meetings ● Monitoring and inspection ● Policy advice ● Case reporting
 Shareholders	<ul style="list-style-type: none"> ● Continued development and return to shareholders ● Information disclosure and investor relations ● Corporate governance and risk control 	<ul style="list-style-type: none"> ● General meetings ● Information disclosure ● Activities promoting investor relations
 Clients	<ul style="list-style-type: none"> ● High-quality products ● High-quality services before and after sales 	<ul style="list-style-type: none"> ● Signing of contract ● Business dealings
 Employees	<ul style="list-style-type: none"> ● Remuneration and benefits ● Good work environment and development platforms ● Equal opportunities for promotion and development 	<ul style="list-style-type: none"> ● Employee training ● Employee activities and employee care ● Performance Management ● Corporate internal publications ● Care for staff health
 Media	<ul style="list-style-type: none"> ● Performance of corporate social responsibility ● Having a good knowledge of corporate significant events, activities and initiatives 	<ul style="list-style-type: none"> ● Business interview ● Promotion of corporate culture ● Theme activities
 Partners	<ul style="list-style-type: none"> ● Keep promises ● Equal, open, and fair procurement ● Mutual benefit development 	<ul style="list-style-type: none"> ● Negotiation and communication ● Supplier assessment and evaluations ● Open bidding and tendering ● Communication and visitation

 Community and Society	<ul style="list-style-type: none"> Promote urban development Raise public awareness Promote development of harmonious community 	<ul style="list-style-type: none"> Industry-university-institute linkages Establishment of education base Community activities
 Environment	<ul style="list-style-type: none"> Promote environmental protection Protect eco-balance 	<ul style="list-style-type: none"> Emission under standard thresholds Energy saving and emission reduction

1.4 ESG Materiality Assessment

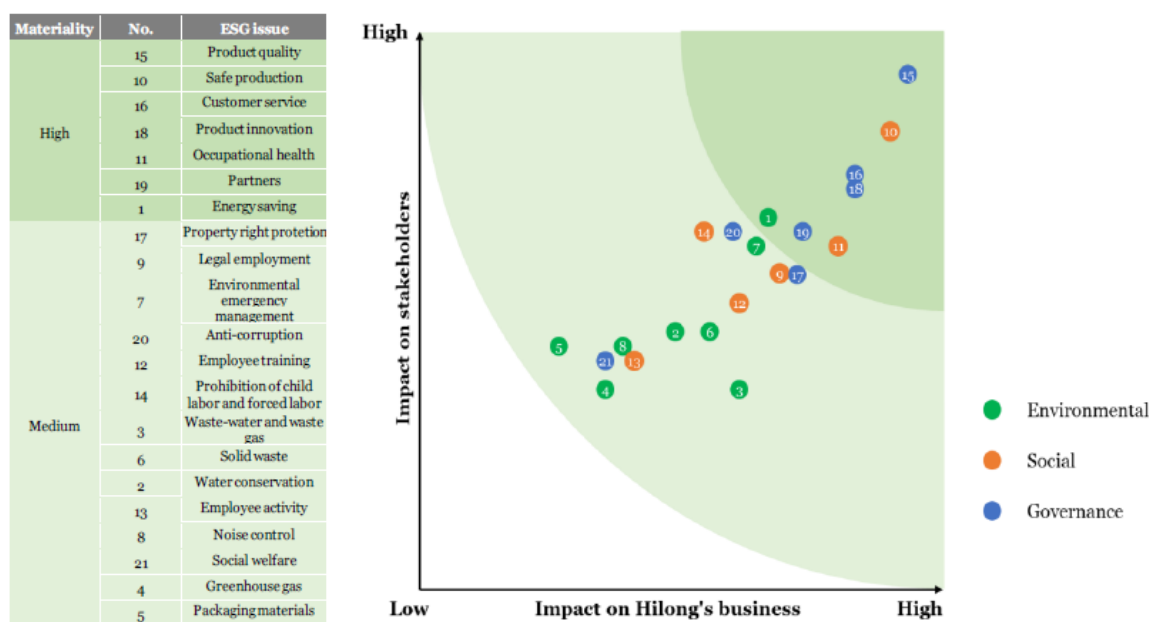
In order to understand the stakeholders' concerns about the Group's fulfilment of social responsibility and sustainable development, the Group regularly conducts materiality assessment based on ESG related standards, benchmarking against peers, expert analysis, and questionnaires collected from both internal and external stakeholders. In this way, we identified and evaluated our important material ESG topics. The specific process is as follows:

Step 1 - Identify ESG topics: Hilong identified ESG topics relevant to the Group in accordance with the requirements of the ESG Reporting Guide, and in line with peer benchmarking and expert analysis.

Step 2 - Determine the materiality: In the form of an online questionnaire, Hilong invited significant internal and external stakeholders to evaluate the materiality of those identified ESG topics. Based on the collected valid questionnaires, Hilong assessed the materiality of ESG topics from the perspectives of "impact on business" and "impact on stakeholders", and then created a materiality assessment matrix.

Step 3 - Verify the assessment results: The Management and the ESG Working Group reviewed and confirmed the assessment results.

During the Reporting Period, the Group carefully reviewed the ESG topics and corresponding materiality assessment results. As there are no significant changes in the Group's business and external environment, we decide to keep on using the assessment results from years before. The specific ESG materiality matrix is as follows:



ESG Materiality Matrix

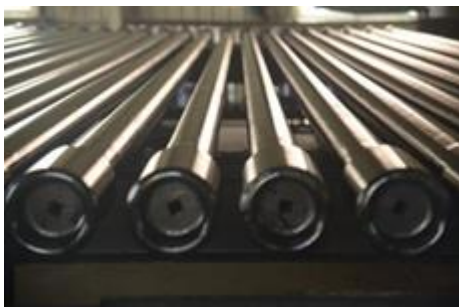
2. Responsible Operation

Hilong remains committed to being a responsible and conscientious industrial enterprise. Regarding high-performing research and development ("R&D") team and advanced equipment as one of the important guarantees for an organization's core competitiveness, we have established a number of professional R&D institutions with high-end experimental equipment and good R&D conditions to ensure that we have strong innovation ability and professional R&D level in various fields of oilfield technical services. In addition to delivering cutting-edge technology and quality services to customers, we also hope to use our influence to drive the sustainable development of the industry and even the society, spread the positive energy of Hilong, and make progress with all stakeholders.

2.1 Promoting Technological Innovation

Focusing on customer needs and leading technology and sticking to the development strategy of "Scientific and Technological Innovation", Hilong has formed unique industrial advantages with its innovative technologies. With relentless efforts put into technological innovation of major products to support their large-scale application, we have built a scientific management system for R&D projects and a sound incentive mechanism for technology innovation. In addition to making constant breakthroughs in key and core technologies of the industry, we also work hard to promote the development and implementation of new products and new technologies. During the Reporting Period, Shanghai Drill Pipe, a subsidiary of the Group, has been selected as part of the first batch of "Key Little Giants" in Shanghai for 2024. Additionally, Tianjin Offshore Engineering, another Group-affiliated company, has been recognized as a High-Tech Enterprise and has received certifications as a Tianjin Innovative Small and Medium-sized Enterprise, a Technology-based Small and Medium-sized Enterprise, a Tianjin Hatchling Enterprise and a Tianjin Gazelle Enterprise.

We have always followed the "SRDI" development roadmap. In 2024, Hilong made significant investments in the R&D of drilling tools featuring "high strength, high sulfur resistance and high torsional strength", in a bid to continuously improve the performance of drill pipe products and operational efficiency. In the field of high-grade sulfur-resistant product technology, we successfully developed the HL135MS sulfur-resistant drill pipe, which has obtained product certification from KOC and is fully capable of large-scale production. For novel special ties, Hilong completed the development of the HLFHGS high-pressure-resistant joint with proprietary thread technology. In the domain of high-strength drill pipes, we successfully developed the large-diameter thick-walled HLU165 ultra-high-strength drill pipe.



HL135MS Super High-Strength Sulphur-Resistant Drill Pipe



HLFHGS High-Pressure-Resistant Joint with Special Thread

During the Reporting Period, a number of the Group's products received external awards, honors and qualifications, which are expected to support the integration and quality development of intelligent oilfield technology services and offshore engineering technology services. Hilong's project, "Development and Application of High-Grade Sulfur-Resistant Drill Pipe for High-Sulfur

Ultra-Deep Complex Wells," has successfully been recognized in the "China Science and Technology Innovation" Pioneer Technologies List and has been awarded the Gold Prize for Outstanding Inventions at the 35th Shanghai Outstanding Invention Selection Competition.

Hilong's High-Grade Sulfur-Resistant Drill Pipe Project Selected for the "China Science and Technology Innovation" Pioneer Technologies List

In July 2024, the China Association for Science and Technology announced the selection results for the 2023 "China Science and Technology Innovation" series awards. Hilong's project, "Development and Application of High-Grade Sulfur-Resistant Drill Pipe for High-Sulfur Ultra-Deep Complex Wells," successfully made it onto the Pioneer Technologies List. This project addresses key challenges in the exploration and development of high-sulfur ultra-deep complex wells, where conventional sulfur-resistant drill pipes often lack sufficient load-bearing capacity and drilling efficiency. Through breakthroughs in several critical technologies, such as special material design for high-grade sulfur-resistant drill pipes, HLUDS/HLIST ultra-high torque special threaded joint design and manufacturing, and low-hardness corrosion-resistant heat treatment for welded areas. Hilong has pioneered the development of a new generation of HL120S/HL125S high-grade sulfur-resistant drill pipes with high strength, high torque resistance, and high sulfur resistance. These products have already been deployed at scale in high-sulfur ultra-long horizontal well projects in the Middle East and are expected to see widespread applications in Sichuan, Xinjiang, the South China Sea, as well as North America and other Middle Eastern regions. This breakthrough holds significant importance for the efficient and safe exploration and development of high-sulfur ultra-deep oil and gas resources.



Certificate for the China Science and Technology Innovation Pioneer Technologies List

Hilong's High-Grade Sulfur-Resistant Drill Pipe Project Wins Gold Prize at the Shanghai Outstanding Invention Selection Competition

In January 2024, Hilong's project, "Development and Application of High-Grade Sulfur-Resistant Drill Pipe for High-Sulfur Ultra-Deep Complex Wells," was awarded the Gold Prize at the 35th Shanghai Outstanding Invention Selection Competition. This project addresses critical technical challenges in existing drill pipe technology, including low torque resistance, poor sulfur resistance and insufficient load-bearing capacity. By pioneering advancements in special material design, heat treatment technology, manufacturing processes, thread structure design, and high-precision machining, Hilong successfully developed a series of high-grade sulfur-resistant drill pipes with exceptional sulfur resistance, high strength, superior toughness, and enhanced torque resistance. These innovative drill pipes have already been successfully deployed in large-scale oil fields, demonstrating stable performance and technical superiority. Both product capabilities and manufacturing processes have reached national leading and internationally advanced standards.



Gold Prize for Outstanding Invention

While constantly strengthening the Group's R&D capabilities, we are also actively engaged in exchanges and cooperation with scientific research institutions at home and abroad. Hilong has established postdoctoral research station, striving to build a strong scientific and technological innovation talent echelon. Furthermore, with our experience in product R&D and project services, we take an active part in industry exchange activities and the formulation and revision of industry standards, in an effort to contribute our strengths to overcome key technical difficulties and drive the steady development of the industry.

Shanghai Staff Participated in Various Industry Exchange Activities

In 2024, the Group actively participated in industry conferences and technical exchange events. These included the TEC 2024 International Conference on Petroleum Pipes and Equipment Materials organized by Xi'an Tubular Research Institute, the "Focus on Shanghai Intelligent Manufacturing, Win the Future of the Industry" thematic event and the 2024 Global "Future Industry Star" competition promotion conference hosted by the Shanghai Municipal Commission of Economy and Informatization, the 2nd China Deep and Ultra-Deep Oil & Gas Exploration and Development Key Technologies and Equipment Exchange Conference organized by the Chinese Petroleum Society in Urumqi, Xinjiang, the seminar on the revision of the industry standard "Guidelines for Failure Analysis of Petroleum Pipe and Equipment Materials" led by CNPC, and the Baosteel hot rolling production line and control center visit and technical exchange conference organized by the Shanghai Science and Technology Achievement Transformation Promotion Association.

Also, the Group has actively organized teams to participate in technical exchanges and collaborations with Sinopec, PetroChina, Southwest Petroleum University and China State Construction Harbor Engineering on new petroleum drill pipe technologies and offshore engineering advancements. By continuously engaging in major industry academic discussions and key external technical exchanges, the Group demonstrates its leadership position in the industry and its commitment to technological innovation.

2.2 Pursuing Excellent Quality

As an internationally competitive oilfield equipment and services provider, Hilong thoroughly implements the national innovation-driven development strategy and the concept of high-quality development and strives to build the core competitiveness of its brand. We strictly comply with the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中华人民共和国消费者权益保护法》), the Product Quality Law of the People's Republic of China (《中华人民共和国产品质量法》) and the Regulations on Quality Responsibility for Industrial Products (《工业产品质量责任条例》) and other relevant domestic and foreign laws and regulations, continuously refine our quality management system, strengthen quality-related training, focus on quality risk prevention and control, and work hard to improve the quality management ability, hoping to deliver high-quality and sustainable products and services to customers.

2.2.1 Governance System Enhancement

Hilong Quality Principle

- Honouring contracts, perfecting quality control;
- Relying on technology management, seeking quality improvement;
- Building Hilong's brand image, exceeding customers' expectation.

To continuously provide customers with more stable and reliable products, we have obtained a number of international certifications in drilling services, drilling tools and production tools, including NS-1 (Non-productive-time Solution Level 1) accreditation. Moreover, we have been authorized to use the American Petroleum Institute (API) Monogram for various rotary drill stem elements of different size: API Spec7-1 (Rotary Drill Stem Elements), API Spec 5CT (Casing and Tubing), API Spec 5DP (Drill Pipe), API Spec Q1 (Specification for Quality Management System) and API Spec Q2 (Quality Management for Service Supply Organizations). In addition, to verify and ensure the effective operation of the quality management system, the Group conducts internal and external audits of the quality management system every year to ensure its suitability, pertinence, effectiveness, and operability.



NS-1 certification of
Shanghai Drill Pipe



API Spec7-1 certification of
Shanghai Drill Pipe

Hilong continues to strengthen its quality organization at all levels, incorporating all product quality and service quality into its quality management responsibilities scope and ensuring product quality by means of staff training, equipment selection and management, materials, production processes, operational standards, production environment, incentive mechanisms, and the provision of supervision support.

Elements of Control	Measures to Ensure Product Quality
Equipment and Testing Control	<ul style="list-style-type: none"> ● Possesses advanced production and inspection equipment and establishes a complete preventive maintenance system. ● Possesses a laboratory accredited by the China National Accreditation Service for Conformity Assessment (CNAS), strictly implements the measurement management policy, and regularly carries out self-calibration and third-party manufacturer calibration and verification to guarantee the sensitivity and accuracy of inspection equipment.
Material Control	<ul style="list-style-type: none"> ● Ensures compliance with material quality requirements by conducting entry inspection, production process inspection, finished product inspection, physical and chemical performance testing, pre-shipment inspection, etc. on materials.
Production and Inspection Process Control	<ul style="list-style-type: none"> ● Makes sure that production personnel processes such as thickening, heating treatment, and non-destructive testing of drill pipe body are completed according to the relevant process control requirements of product production and inspection.
Production Environment Control	<ul style="list-style-type: none"> ● Effective management of production factors based on lean 5S principles.
Personnel Management and Incentive System Control	<ul style="list-style-type: none"> ● All operators shall obtain certificates before being employed to ensure personnel capability. ● Establishes an inspection team and strengthens employees' self-supervision through process or discipline inspection and implementation of incentive systems.

Through the introduction of automated inspection equipment, Hilong strives to improve the capacity and effectiveness of product quality inspection. During the Reporting Period, Shanghai Drill Pipe introduced the automated phased array ultrasonic flaw detector for the welding area of the drill pipe. With the aid of automated flaw detection technology, defects in welded seams (friction welding) can be detected more precisely, hence increasing the flaw detection rate. Apart from that, an intelligent Cloud visual inspection system was also introduced, which can use the surveillance camera to detect anomalies on the steel pipe surface and perform dimensional inspection, thereby lowering the risk of missing detection, increasing detection efficiency, and effectively saving labour costs.



Automated Inspection Equipment Introduced by Shanghai Drill Pipe

The Group has established a complete emergency response plan and procedures. Once the quality management and inspection personnel have identified any safety risk in products, all the products with safety risks will be recalled immediately in accordance with the Product Recall Policy (《产品召回程式》) and be properly disposed. During the Reporting Period, there was no product subject to recalls for safety and health reason in the Group.

2.2.2 Intensive Quality Training

Being fully aware that employees' quality awareness and technical ability are of great significance to assure product quality, Hilong has developed a series of targeted training courses, including professionalism, theoretical knowledge, and operational skills. Such training is designed to ensure relevant staff master the theoretical knowledge, understand the equipment operating procedures, and possess the ability to identify quality defects and inspect tooling facilities so that they can fulfill all standard operating requirements. After years of practice, the Group has cultivated a group of skilled workers and technicians with rich experience in drill pipe production and skilled in professional inspection.

During the Reporting Period, the Group formulated training plans according to the training needs of each department and carried out corresponding trainings for sales department, equipment department, production department, maintenance team, warehouse management, quality inspectors, etc. We have made sustained efforts to guarantee that quality awareness is deep-rooted in the heart of every employee and reflected in their daily work and behavior.

Quality Training Activity of Shanghai Drill Pipe

To strengthen the construction of enterprise quality culture and raise employee awareness of quality management, Shanghai Drill Pipe carried out a variety of quality training and education activities in 2023, intending to advocate full participation and ensure the smooth and orderly operation of the company's quality management system.

Quality awareness training: During the Reporting Period, Shanghai Drill Pipe organized on-site quality awareness training for its management staff once a week, with topics including fostering sense of responsibility, promoting the zero-defect concept, implementing total quality management (TQM), and exchanging ideas gained from reading quality management books.

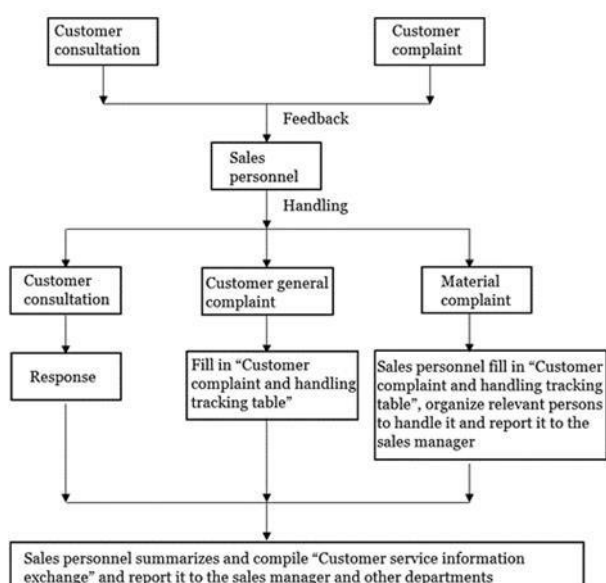
Special training on API Spec 7-1 and API Spec Q1: As for the updated API Spec 7-1 - Specification for Rotary Drill Stem Elements (2nd Edition) and API Spec Q1 - Quality Management System Requirements for Organizations Providing Products for the Petroleum and Natural Gas Industry (10th Edition), Shanghai Drill Pipe provided special training for its management staff in September 2023. They invited external instructors to interpret the latest-version document article by article, so as to help the staff better understand the specifications. Besides, an online exam was also organized after the training to help the participants consolidate their understanding of relevant knowledge.

Position-based training and knowledge contest: To encourage quality-related knowledge learning and sharing and to emphasize the importance of product quality, Shanghai Drill Pipe organized a position-based training and knowledge contest for shopfloor workers in September 2023. Under the theme of quality control, the activity explained in detail the standard operating procedures (SOP) for each position as well as the production, inspection and control technologies and processes, aiming to promote a quality culture throughout the production lines.

2.2.3 Optimal Customer Service

Hilong is committed to providing high-quality services for its customers and keeps improving the content and quality of customer services throughout the pre-sales, sales, and post-sales processes. We have established a customer service information system and kept improving the system by strengthening the service awareness of our customer service staff and organizing service skills training. Through Customer Service Management System (《客户服务管理制度》), the Group has clearly defined the handling methods and service standards for customer complaints. Each subsidiary has also formulated its own handling procedures and management methods of customer complaints, specifying the responsibilities and specific operating procedures of each department. Shanghai Drill Pipe, for example, requires its marketing staff to issue a Customer Complaint Handling Form (《客户投诉处理单》) one hour after receiving a customer complaint, for which Technical Quality Department needs to give a reply within 3 working days. In case of major complaint, a temporary remedy must be in place within 8 working hours, and a complete solution should be provided to the customer within 2 working days. Those who fail to handle any complaint within the required time shall be subject to corresponding fines or other penalties. In addition, we have developed the Customer Satisfaction Control Procedures (《客户满意度控制程序》) and conducted regular customer satisfaction surveys and occasional call-back to collect and respond to customer opinions, continuously improving quality of customer services.

During the Reporting Period, the Group received no complaints regarding its products and services.



Procedure of Customer Complaint Management

Regarding customer information as the secret of the Group, we strictly abide by relevant laws and regulations in the places where we operate, including but not limited to:

- the Personal Information Protection Law of the People's Republic of China (《中华人民共和国个人信息保护法》); and
- the Data Security Law of the People's Republic of China (《中华人民共和国数据安全法》).

Under the Group's confidentiality system and work procedures, we require that the storage, sending, and receiving of customer information, as well as the transmission and carrying out of it, to be carried out by designated personnel, and no personnel are allowed to copy or extract it unless otherwise authorized. Meanwhile, we arrange more training sessions to strengthen the confidentiality awareness of employees, so as to enhance Hilong's ability to control information security risks.

As for advertising, Hilong is in strict compliance with relevant laws and regulations of the places where the Group operates, such as the Advertisement Law of the People's Republic of China (《中华人民共和国广告法》). We have formulated the Trademark Management Regulations(《商标管理办法》), regulating the advertising contents and conducts involving external publicity such as various types of promotional materials (brochures, newspapers and magazines, etc.), online advertisements and other forms of advertisements (SMS, WeChat, radio, television, outdoor billboards, lifts, etc.). Meanwhile, to maintain the consistency and stability of our Group's image, we have formulated the Management Regulations on the Use of Corporate Image VI (《企业形象VI 使用管理规定》) and Corporate Image Visual Identity System (VI) – Basic Specification (《企业形象视觉识别系统(VI)–基础规范》), etc., and are continuously regulating and promoting the corporate Visual Image System (VIS). During the Reporting Period, the Group's Legal Department also sent quarterly legal newsletters to the Group, all business divisions and subsidiaries to further enhance the understanding and awareness of responsible marketing.

2.3 Protecting Intellectual Property Rights

Hilong is committed to respecting and protecting intellectual property rights (IPRs) and strictly abides by relevant laws and regulations and regulations, including but not limited to:

- the Trademark Law of the People's Republic of China (《中华人民共和国商标法》);
- the Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中华人民共和国商标法实施细则》);
- the Patent Law of the People's Republic of China (《中华人民共和国专利法》);
- the Civil Code of the People's Republic of China (《中华人民共和国民法典》); and
- the Enterprise Intellectual Property Management (《企业知识产权管理规范》).

For in-house achievements in scientific research, we take timely measures to protect the patents. Overall, we have formed a comparatively complete IPR protection system.

During the Reporting Period, Hilong formulated and implemented the Regulations on Intellectual Property Management of Hilong Group (《海隆石油工业集团知识产权管理办法》), which contains detailed provisions on the definition and classification of technical secrets, permissions of personnel with access to secrets, and the standards on the reservation and confidentiality of technical documents and materials. All business units adhere to this policy as a guiding framework for technical secret protection and strictly comply with the requirements for safeguarding confidential information in research and development.

During the execution of R&D plans, before initiating any research projects, the Group's affiliated R&D units reinforce awareness among research teams regarding technical secret protection. This includes confidentiality of technical documents, external communication and publicity of technical information and patent application processes. All R&D personnel are required to sign confidentiality agreements and specific regulations for laboratory technical data protection have been established. The Group's Pipe Research Institute strictly follows the Group's requirements for technical secret protection. During the Reporting Period, detailed discussions and archival protection were conducted for key R&D projects that were completed and reviewed, covering technical secret inventories, specific confidential content and confidentiality requirements. This ensured a comprehensive and standardized approach to project team technical secret protection.

In case of any infringement of Hilong's intellectual property rights, the Legal Department will take timely action to protect the Group's IPRs by means such as applying for objections and filing lawsuits. The Regulations on Trademark Management of Hilong Group (Trial) (《海隆石油工业集团知识产权管理办法》(试行)), which further clarified the segregation of duties relating to the Group's trademark management, and the processes of trademark registration, use and maintenance, further contributing to the optimization of the Group's IPR protection system. In addition, we actively engage in internal and external IPR training, seeing it as an essential means to enhance the Group's competitiveness.

Hilong Employees participated in Intellectual Property Training

In May 2024, the Group invited Weizheng Intellectual Property Company to provide guidance on patent applications. Both parties engaged in detailed discussions regarding the process, requirements and technical documentation for international patent applications, ultimately successfully completing an international invention patent application for petroleum drill technology.

Starting in June 2024, the Group designated Chaofan Intellectual Property Service Company as a key strategic partner for intellectual property management, supporting the Group's drill pipe sector through a series of IP training programs covering patent mining, patent strategy development, patent search and drafting and intellectual property law.

In October 2024, Hilong Offshore Engineering organized its Intelligent Control Center, Engineering Technology Center, Construction Center, and Project Management Department to conduct multi-level patent technology exploration training focused on patent application strategies. This initiative enhanced the conversion rate of technological innovations into patents, reinforcing the Group's commitment to advancing intellectual property protection and technical innovation.

As of 31 December, 2024, the Group has held 161 (2023: 161) registered trademarks, 240 (2023: 462) national authorized patents and 58 (2023: 54) copyright registration certificates for software programs.

2.4 Strengthening Supply Chain

A stable and sustainable supply chain is the essential foundation of Hilong to create value for customers. The Group has formulated the Supplier Management Implementation Rules (《供应商管理实施细则》), the Measures for Contract Management of Material Procurement of Hilong Group (《海隆集团物资采购合同管理办法》), the Measures for Quality Management of Material Procurement of Hilong Group (《海隆集团物资采购质量管理办法》), the Measures for Price Management of Material Procurement of Hilong Group (《海隆集团物资采购价格管理办法》) and the Measures for Materials Storage Management of Hilong Group (《海隆集团物资仓储管理办法》), and other rules, so as to build a robust and rigorous supply chain management system covering demand planning, bidding and tendering management, procurement process management, supplier management, quality management, warehousing management, etc.

We have set up a dedicated department responsible for managing the access and change of suppliers, reviewing and submitting supplier information for approval, conducting daily assessment and supervision, and creating supplier profiles. According to the management principle of "Differentiated Management, Dynamic Evaluation and Survival of the Fittest", we classify suppliers into four different categories, and apply different admission criteria and ways of management:

Types of Suppliers	Definition	Selection and Review System
Strategic suppliers	Suppliers that is necessary for Hilong's strategic development, directly affects Hilong's business and is irreplaceable.	The selection progress includes four steps of information filling, on-site inspection, review and approval. Suppliers are required to provide business licenses, copies of production licenses, quality management, environmental management, and occupational health and safety management system certificates and other materials for review.
Key suppliers	Suppliers providing a relatively large share of procurement	
Cooperative suppliers	Suppliers apart from strategic and key suppliers that cooperate with Hilong or its subsidiaries	The Group adopts a record filing system to collect and inquire the credit of such suppliers through public platforms to learn about their operating status and conducts on-site inspections when necessary.
Non-cooperative suppliers	Suppliers that Hilong decides not to cooperate with	-

For strategic and key suppliers, who have regular business dealings with the Group, Hilong conducts annual quantitative assessments covering production quality, contract performance, after-sales service, quotation, etc. For cooperative suppliers, Hilong adopts an exception-based assessment system. Suppliers with serious violations of laws and regulations, benefits through improper means such as bribery, and serious dishonesty announced on the official websites of state organs and authorities are disqualified by the Group. We also make a sustained effort to manage and monitor the quality of materials. We require visual inspection and internal quality control of materials before they enter the warehouse, and continuously monitor and provide feedback on their quality during the stage of usage.

Material Procurement Management Training

In November 2024, Hilong organized a procurement management system training, conducted both online and offline simultaneously. A total of 31 participants, including procurement department personnel and department heads from the Group's various business units and subsidiaries, attended the session. The training focused on the newly revised regulations, including the Procurement Management Procedures (《采购管理办法》), the Supplier Management Implementation Rules (《供应商管理实施细则》) and the Tender Comparison Implementation Rules (《招标比价实施细则》). Each requirement in these policies was explained in detail and discussions on practical implementation aspects were held. This training aims to further strengthen Hilong Group's supply chain management, enhance the professionalism of procurement personnel and improve compliance with procurement system regulations.



Procurement Management Training

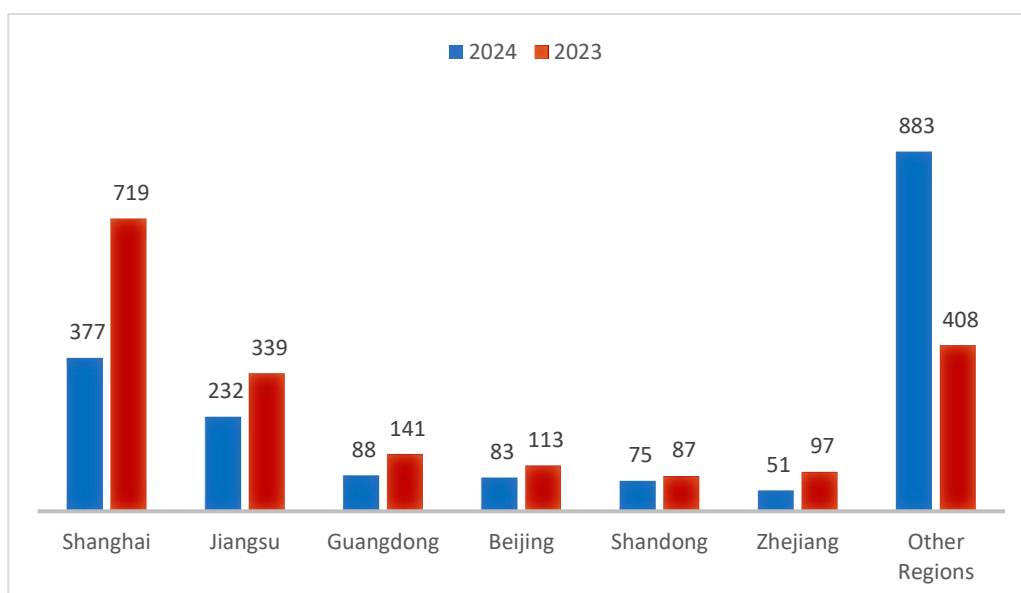
Digital Transformation and ERP System Training

In 2024, Hilong Group launched its digital transformation initiative and began the development of its ERP system. During the second half of 2024, Hilong conducted five rounds of training focused on the procurement and inventory management modules. More than 60 participants, including employees from the Group and various business units involved in procurement and inventory management, attended the training sessions. The core training topics covered digital transformation mindset, how procurement and inventory management are integrated into the ERP system, operational processes for procurement and inventory modules. Through these training programs, the Group aims to develop employees' digital thinking and skills, optimize procurement business processes and further enhance the efficiency of procurement and supply chain management.

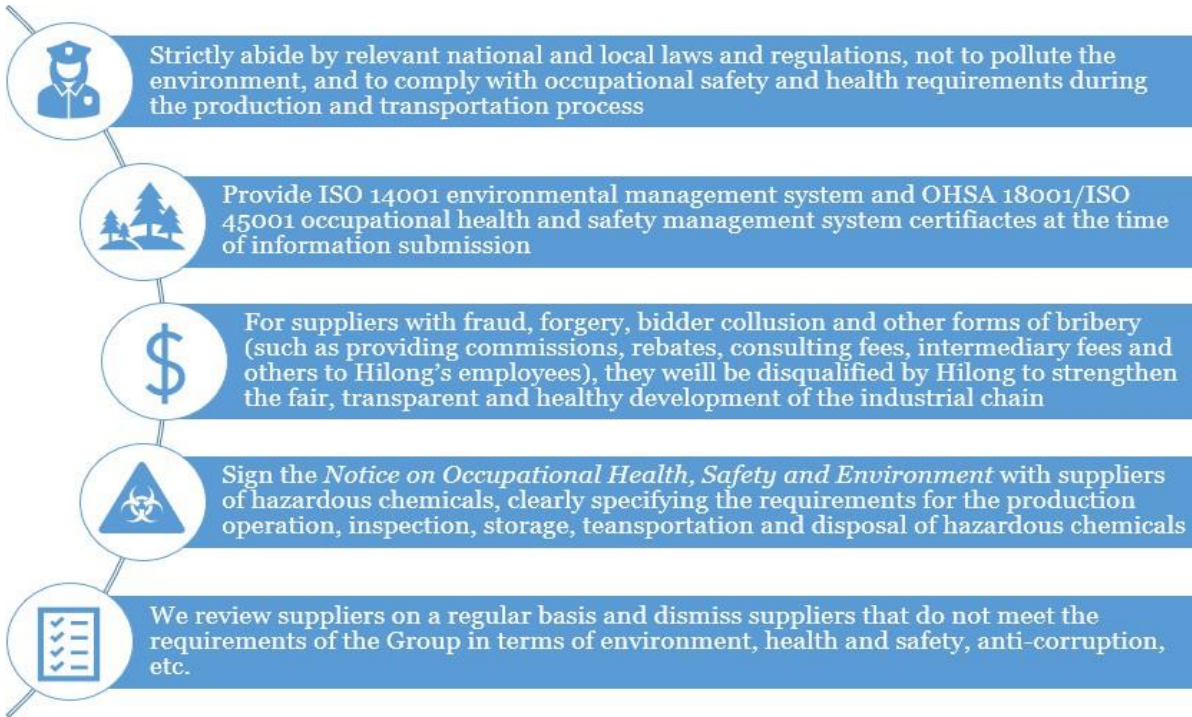
During the Reporting Period, Hilong completed the assessment of all suppliers that had business dealings with the Group, and no supplier was dismissed due to product quality problems. As of 31 December, 2024, Hilong had 1,789 (2023: 1,904) suppliers and the number of suppliers by geographical region is showed as below:

B5.1 Number of Suppliers	2024	2023
Shanghai	377	719
Jiangsu	232	339
Guangdong	88	141
Beijing	83	113
Shandong	75	87
Zhejiang	51	97
Other Regions	883	408

Note: The 2024 data does not include suppliers previously associated with Hilong Pipeline and its subsidiaries, which have been sold, and therefore, the number of suppliers in Shanghai and Jiangsu has significantly decreased. Meanwhile, during the Reporting Period, we actively expanded into foreign markets, increasing the number of overseas suppliers, leading to a substantial growth in supplier numbers in other regions.



In order to promote the establishment of a sustainable and responsible supply chain, Hilong actively conveys our ESG idea to the suppliers. For example, we encourage suppliers to recycle packaging materials, and promote them to produce environmental friendly products by selecting water-based paint, solvent-free epoxy paint and other environmental friendly products. For now, the packaging barrels of solvent materials recycling have been achieved. For the procurement of raw materials with large transportation volumes, we require suppliers to arrange vehicles that comply with China's Stage VI Emission Standards for pickup at steel mills. This measure helps reduce vehicle emissions, minimize environmental pollution and protect the ecological environment. We have incorporated environmental and social risk factors into our supplier management process.



2.5 Adhering to Business Ethics

Integrity is something the Group never stops pursuing in our operations. We see integrity as the foundation of our business. In addition, we are committed to promoting the sustainable development of the industry in an ethical and sustainable manner. Hilong strictly complies with relevant local laws and regulations, including but not limited to:

- the Criminal Law of the People's Republic of China (《中华人民共和国刑法》);
- the Company Law of the People's Republic of China (《中华人民共和国公司法》);
- the Tender and Bidding Law of the People's Republic of China (《中华人民共和国招标投标法》);
- the Anti-unfair Competition Law of the People's Republic of China (《中华人民共和国反不正当竞争法》);
- the Anti-money Laundering Law of the People's Republic of China (《中华人民共和国反洗钱法》);
- Interim Provisions on the Prohibition of Commercial Bribery (《关于禁止商业贿赂行为的暂行规定》); and
- the Audit Law of the People's Republic of China (《中华人民共和国审计法》).

In all business dealings, Hilong is opposed to any form of bribery, corruption, extortion, and corrupt practices and clearly communicates this to all employees as well as suppliers and partners.

Hilong upholds the fundamental principles of "Prevention Precedes Punishment" and "Protect Whistle-blowers" in observing business ethics. We have formulated strict management system, such as Management System for Audit Department (《审计部管理制度》), Regulations for the Implementation of the Audit Work (《审计工作实施细则》), Management System for Fraud and Irregularities (《舞弊及违规行为管理制度》), Integrity and Self-Discipline Standard (《廉政自律规范》) and the Anti-corruption and Reporting System (《反舞弊和举报制度》), etc. The Board of the Group is responsible for urging the establishment of the internal control system. The Audit and Supervision Department of the Group is a permanent establishment for anti-fraud work and is responsible for internal audit. The management of each subsidiary is responsible for publicizing anti-fraud policies and reporting procedures through staff manuals, rules and regulations, or internal network and other channels. We engage all employees in the prevention, management, and control of fraud, corruption, and other illegal activities.

We actively communicate our philosophy of integrity in cooperation and business to our customers, suppliers, outsourcers and other stakeholders. Meanwhile, we highlight the declaration and reporting of conflicts of interest and prohibits employees from soliciting any benefits from those who have business dealings with the Group, including business partners, customers, suppliers, contractors, competitors, or those who have business relations with Hilong. During the cooperation with suppliers, Hilong strictly implements the Tendering Management Policy(《招标管理制度》) and purchases materials and services through an open and fair bidding process. When signing contract with partners, Hilong also sign the Integrity Agreement(《廉洁协议》) with them or present them with the Integrity Notice(《廉洁告知书》), clarifying that no corruption should be allowed in the cooperation process.

The Group has established a sound reporting mechanism to increase the efficiency of its internal supervision on anti-corruption and integrity. Hilong has established various reporting channels, which are disclosed at easily visible spots in offices and factories, as well as sound handling procedures. After receiving complaints, the Audit and Supervision Department conducts an investigation and will report to the Management or the Board in case of confirmation, while deciding punishments in accordance with relevant regulations of the Group. If the misconduct is against the law, the Audit and Supervision Department will refer the matter to the legal authorities for prosecution. Meanwhile, Hilong has established a whistle-blower protection mechanism,

through which the information of both whistle-blowers and the matter itself should be kept confidential. If the whistle-blower encounters any form of discrimination or retaliation, the Audit and Supervision Department will intervene in a timely manner by demoting those who conduct retaliation, terminating the employment contract, etc. In case of violation of laws or regulations, the case will be referred to a judicial office for further processing.

Telephone for reporting: 021-66862705

E-mail for reporting: shenji@hiloggroup.com

Mail address: Audit and Supervision Department of Hilong, No. 1825, Luodong Road, Baoshan District, Shanghai

While conducting prevention and supervision, the Group strengthens daily anti-corruption education and regularly organizes publicity and training on anti-fraud policies and reporting procedures, bringing the risks of corruption and conflicts of interest to the attention of management. We also strive to optimize measures to identify and mitigate related risks. During the Reporting Period, we issued the multilingual Anti-fraud Notice (《反舞弊告知书》) to all employees, so as to further raise their anti-fraud awareness. We delivered anti-fraud lectures to the Board and employees.

Anti-Fraud Training

In February and April 2024, Hilong held anti-fraud awareness sessions. Focusing on the Anti-fraud and Reporting System (《反舞弊和举报制度》), the training was designed to help employees gain a deeper understanding of corporate anti-fraud principles. By incorporating common fraud cases, the training sought to further raise employees' awareness of abiding by the Code of Conduct and ethical standards, laying the foundation for building a clean, self-disciplined, and law-abiding working environment.

During the Reporting Period, the Group and its employees have had no violations involving corruption, bribery, extortion, fraud or anti-money laundering. Also, there were no concluded legal cases regarding corrupt practices during the Reporting Period.

2.6 Sincerely Giving Back to the Society

While pursuing self-development and industry progress, we strive to promote the sustainable development of society. We are active in all kinds of charity programs, with a focus on rural revitalization and community service. We also continuously encourage employees to carry forward the spirit of selfless dedication, responsible behavior, repay the society with practical actions and improve people's wellbeing. We have formulated the Measures for the Administration of Charity and Public Welfare Activities (《慈善与公益活动管理办法》), which stipulates the source and use of funds, the form of activities, the summary and assessment of activities, etc.

Theme Activity of "Learning from Lei Feng's Good Example, Passing on the Spirit of Dedication in the New Era"

In March 2024, in order to carry forward the spirit of voluntary service of "dedication, fraternity, mutual assistance and progress" and the spirit of Lei Feng in the new era, the Group stuck to its good tradition of learning from Lei Feng, and launched the theme party day activity of "Learning from Lei Feng's good example, passing on the spirit of dedication in the new era", which was based on the starting point of "Doing practical things for the public". During the Reporting Period, a total of 15 (2023: 27) participants took part in this activity.



"Learning from Lei Feng" Volunteer Activities

The Group actively called upon its staff to participate in community volunteer services and to contribute to the society through volunteer activities such as blood donation and paying respect to the elderly. During the Reporting Period, a total of 28 (2023: 40) people participated in blood donation activities and 10 (2023: 42) people devoted 200 hours (2023: more than 1,000 hours) to volunteer services, contributing their efforts and spreading positive energy. In addition, Hilong also established a close and friendly relationship with the community. During the Reporting Period, we donated RMB5,200 (2023: RMB8,000) to care for and comfort the elderly in the community, actively fulfilling the Group's corporate social responsibility.



Voluntary Blood Donation Event

3. Care for Employees

Adhering to the management philosophy and employment criterion of "fairness, justice and openness", Hilong strives to create a healthy and safe work environment that is friendly and cooperative, as well as diverse and inclusive. Hilong strictly complies with relevant domestic and foreign laws and regulations, including but not limited to:

- the Labour Law of the People's Republic of China (《中华人民共和国劳动法》);
- the Labour Contract Law of the People's Republic of China (《中华人民共和国劳动合同法》);
- the Law of the People's Republic of China on the Protection of Disabled Persons (《中华人民共和国残疾人保障法》);
- the Law of the People's Republic of China on the Protection of Women's Rights and Interests (《中华人民共和国妇女权益保障法》); and
- the Special Provisions on the Labor Protection of Female Employees (《女职工劳动保护特别规定》).

Meanwhile, the Group has established a rigorous training system and smooth career development paths, in order to achieve mutual growth with employees, and thrive together with them towards shared success.

3.1 Diversity, Equality and Inclusiveness

We actively maintain our diversified operations and firmly believe that diversified operations can keep the enterprise dynamic. We provide equal employment opportunities for talents regardless of their gender, nationality, race, age, family background, ethnic traditions, and religion. Based on all these, we also require all expatriate employees to fully respect the religious beliefs and living customs of local employees overseas, and arrange specialized training for employees dispatched to overseas subsidiaries and projects, so as to help them understand the laws, regulations, religious beliefs, and living customs of the corresponding countries and regions. We also work to ensure that employees of different countries, races, religious beliefs, and living customs are treated equally with respect and protection at Hilong.

Hilong strictly prohibits child labour and all forms of forced labour. In accordance with the appendix of the Employment Management Policy (《员工聘用管理制度》), the Employment Standards for New Employees (《新员工录用标准》), the newly hired shall be above the age of 18, and their identity information is subject to strict scrutiny to prevent the unintended employment of child labour. In case of any unintended employment of child labour identified, we will immediately terminate the employment contract and send them back to their parents or other legal guardians in accordance with the Prohibition of Using Child Labour (《禁止使用童工规定》) and the Law of the People's Republic of China on the Protection of Minors (《中华人民共和国未成年人保护法》). Hilong strictly controls overtime in compliance with the legal working hours to guarantee the rest hour and physical and mental health of employees. In case of unavoidable overtime on holidays, employees are given compensatory time off or paid overtime wages in accordance with the law.

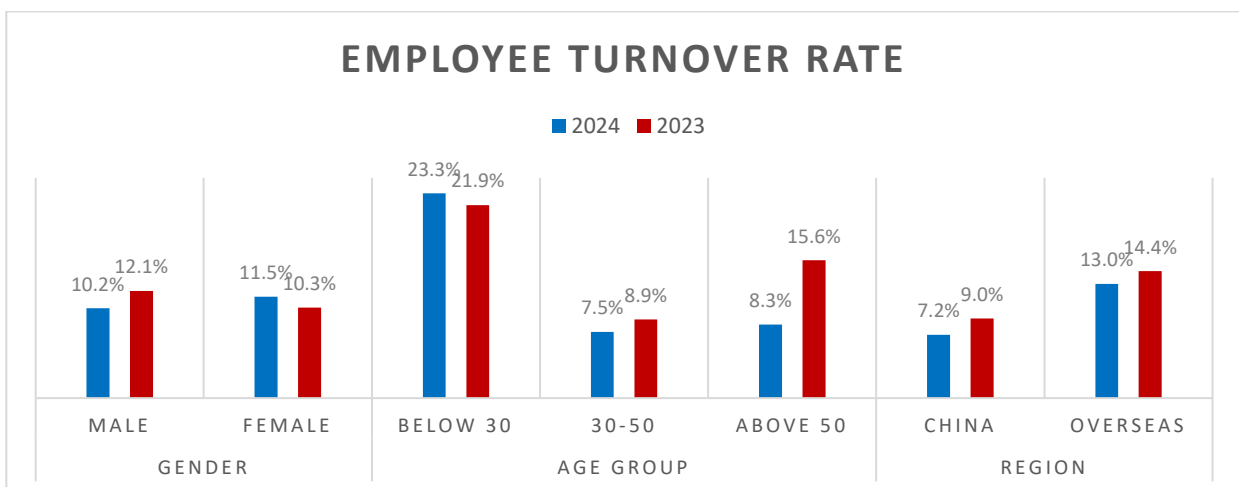
Besides, adhering to the principle of equality and non-discrimination, we respect the rights and interests of all employees and constantly improve the Group's internal employment management system. The Group formulated the Employment Management Policy and the Labour Contract Management System (《劳动合同管理制度》) to regulate the recruitment process. Hilong explores and attracts outstanding talents through on-campus recruitment, social recruitment, recruiting websites, head-hunters, talent market, and so on. We continue to optimize the talent echelon, absorb employees with different backgrounds, and strive to improve the Group's capabilities in fields such as R&D and management. As of 31 December, 2024, Hilong had 2,479 employees. More details are shown by gender, employment type, age group, region and education group as below:

B1. Workforce		2024	2023	Unit
Total Workforce		2,479	3,486	People
Gender	Male	2,233	3,023	People
	Female	246	463	People
Employment Type	Full Time	2,479	3,486	People
	Part Time	0	0	People
Age Group	Below 30	373	549	People
	30-50	1,919	2,608	People
	Above 50	187	329	People
Region	China	1,162	1,673	People
	Overseas	1,317	1,813	People
Education Group	Bachelor	443	977	People
	Master	176	231	People
	Doctor	5	9	People
	Others	1,855	2,269	People

In addition, the Group fully respects the career choices of its employees. As for resignation, Hilong strictly complies with the Employee Termination Management Policy (《员工离职管理制度》), and protects the legitimate rights and interests of employees. The dismissal process only starts when the employee meets relevant requirements for dismissal, plus the dismissal is confirmed by the head of his or her department. Hilong has also formulated the Rules for Retirement Ceremony of Employees (《员工退休欢送仪式的规定》) and organizes retirement parties and sends blessings to retired employees.

During the Reporting Period, the employee turnover rate of the Group by gender, age group, and region is shown below:

B1.2 Employee Turnover Rate		2024	2023	Unit
Total Turnover Rate		10.3	11.9	Percentage
Gender	Male	10.2	12.1	Percentage
	Female	11.5	10.3	Percentage
Age Group	Below 30	23.3	21.9	Percentage
	30-50	7.5	8.9	Percentage
	Above 50	8.3	15.6	Percentage
Region	China	7.2	9.0	Percentage
	Overseas	13.0	14.4	Percentage



3.2 Facilitating Talent Development

Hilong supports every employee to develop and grow. Recognizing the different needs and characteristics of different employees, we offer a range of training programs and transparent promotion channels, to help them achieve personal development and self-improvement.

3.2.1 Comprehensive Training Systems

Hilong has formulated the Staff Training Management Policy (《员工培训管理制度》) and formed a hierarchical training system to improve the ability and quality of employees, optimize their career paths, and promote the joint progress of employees and the Group. Training is arranged for employees at all levels across the Group from three levels: the Group, business division, and subsidiary company. Hilong organizes various training such as management training, professional technician training, sales training, overseas talent training, and operational and technical training each year so as to continuously improve employees' professional skills.

During the Reporting Period, we continued to carry out talent assessments for key positions to develop backup personnel and obtained an in-depth understanding of the talent reserves for management, R&D and technology, market/marketing, and other business lines. Based on that, we formulated the Management Measures for Training Reserve Talents for Key Posts of the Group (《集团重点岗位后备人才培养管理办法》) and the Implementation Plan for Training Reserve Talents (and Internal MBA Programs) for Vice General Managers and above of Branches and Subsidiaries (and Overseas Project Departments) of Hilong Group of Companies (《海隆石油工业集团分子公司(海外项目部)副总经理及以上岗位后备人才培训(暨企业内部MBA班)实施方案》) and the revised 2024 Management Measures for Key Position Talent and Reserve Talent Rotation of the Group (《集团重点岗位人才及其后备人才轮岗管理办法》). By driving the training and quality improvement of reserve talents for all the key positions at different levels within the Group, consolidate our talent base, and accelerate our sustainable development in the long run through measures including "mentorship program", "job rotation", "sending leaders to front-line positions", and "theoretical learning". By the end of the Reporting Period, a total of 119 employees participated in the "mentorship programs", 74 employees took part in "job rotations" and 87 employees joined the "theoretical learning" (i.e. "internal MBA program") in 2024.

In 2024, we used the online learning platform "Hilong Cloud Classroom", so as to accelerate our progress in IT-based training. This platform makes it convenient for employees in different regions to receive training together, and contributes to the accumulation of knowledge and experience within the Group. It also allows employees to learn anywhere, anytime, making training more flexible and fun. In 2024, a total of 83 online test papers were deployed and 108 online exams were organized with a cumulative 1,118 participants taking the online exams.

The "Mentorship Program"

During the Reporting Period, Hilong continues to implement a "mentorship program" to help employees develop their careers and improve their skills at a faster pace. We held a mentor worship ceremony to establish the mentor-apprentice relationship between new employees and their mentors and strengthen their sense of mission and identity as inheritors of the corporate culture.

In addition, the performance of the "mentorship program" was assessed and linked to the mentor's allowance. In this way, mentors were better motivated to teach their apprentices and provide them with a more immersive training experience. As a result, both the mentors and the apprentices became more engaged and had a stronger sense of achievement in the training.



Mentorship Training

The "Internal MBA Program"

During the Reporting Period, Hilong continues to organise the MBA program within the Group. Through a combination of online and offline training, the program consists of thematic learning modules: basic theories and case studies in business management, new products/technologies of all entities within the Group, market opportunities and challenges of the industry in overseas regions, technology and knowledge frontiers and development trends in the industry, and established management experiences of external benchmark enterprises. It helped the reserve talents in key positions of our branches and subsidiaries (and overseas project departments) to improve their comprehensive skills and consolidated the talent base for the Group's sustainable development.

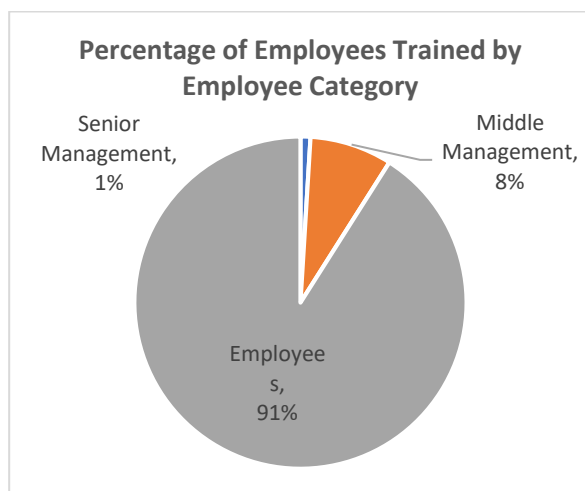
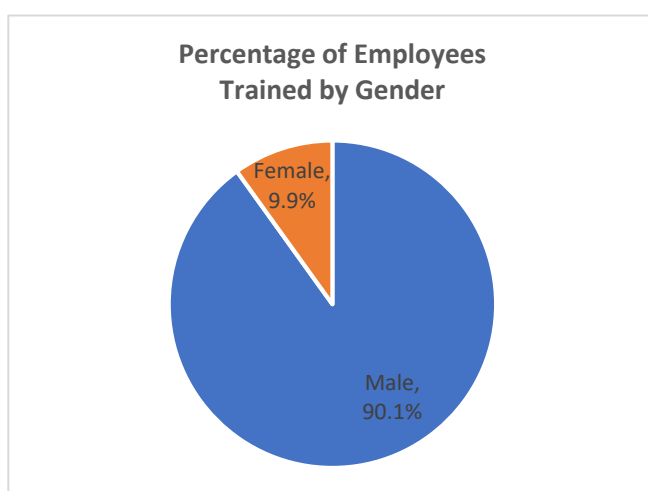
In 2024, the program was successfully implemented with a total of 87 participants. The curriculum covered a diverse range of subjects, including International Finance, International Trade, Human Resource Management, and Internal Control Management Knowledge.



On-site Training for the Internal MBA Program

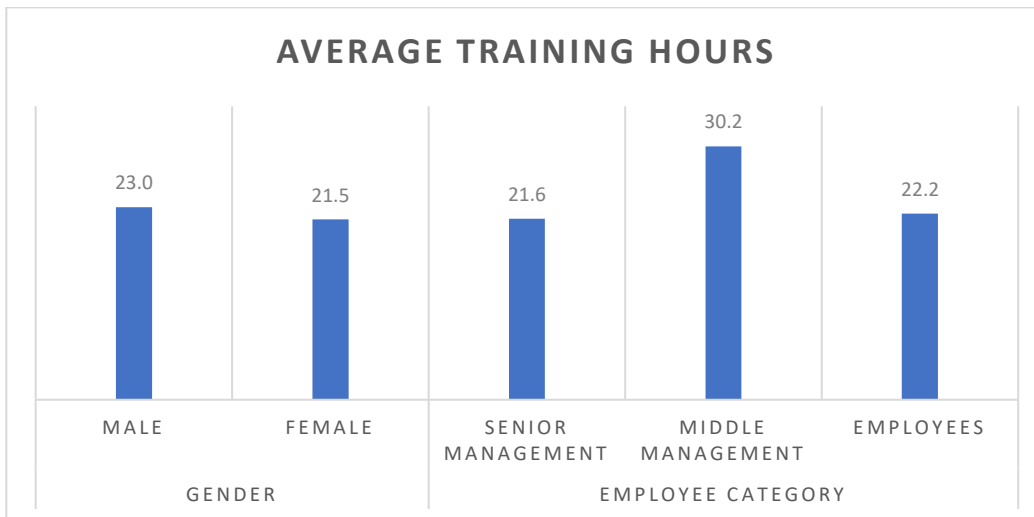
During the Reporting Period, the Group's trained employees were classified by gender and employee category as follows:

B3.1 Trained Employees		2024	2023	Unit
Employees Trained		100	100	Percentage
Total Training		56,604	74,744	Hours
Gender	Male	90.1	86.7	Percentage
	Female	9.9	13.3	Percentage
Employee Category	Senior Management	1.0	0.9	Percentage
	Middle Management	8.0	12.4	Percentage
	Employees	91.0	86.7	Percentage



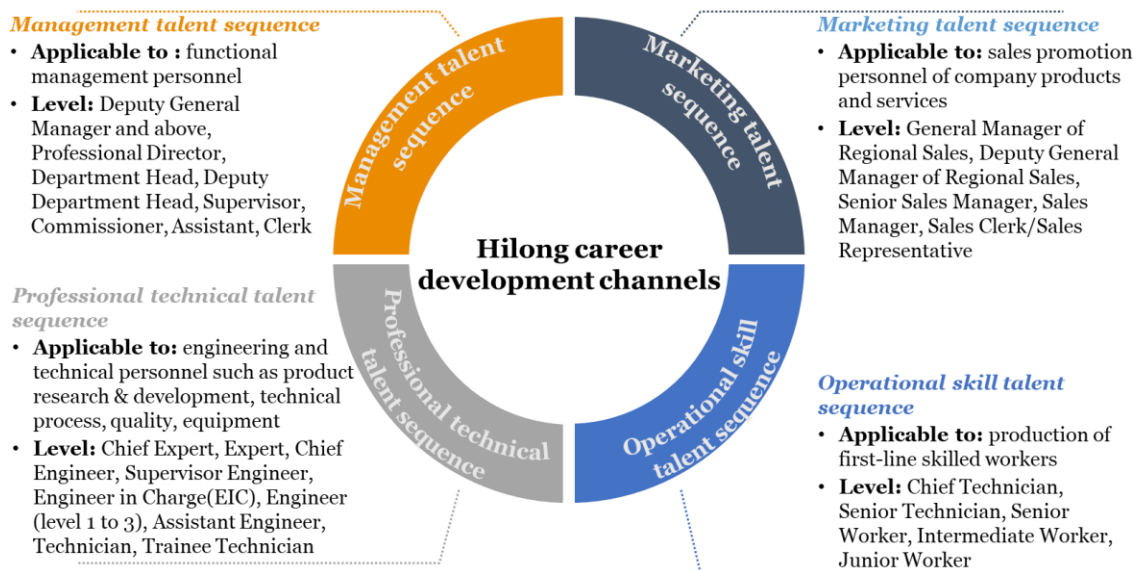
During the Reporting Period, the average training hours completed per employee, categorized by gender and employee type, are as follows:

B3.2 Average Training Hours		2024	2023	Unit
Average Training Hours per Employee		22.8	21.4	Hours
Gender	Male	23.0	21.6	Hours
	Female	21.5	20.5	Hours
Employee Category	Senior Management	21.6	20.0	Hours
	Middle Management	30.2	28.5	Hours
	Employees	22.2	20.5	Hours



3.2.2 Transparent Promotion Channels

In terms of employee promotion, we have set clear career development channels, helping and motivating employees to continuously realize their professional and personal values. We divide our employees into two talent categories and four talent sequences and provide appropriate career development and promotion channels for all of them.



At the same time, based on the Performance Appraisal and Management Policy (《绩效考核管理制度》), Hilong implements annual employee performance appraisal and reviews employees' development potential. The appraisal results are taken as the basis of grade and salary adjustments. For employees of different positions and grades, the Group has formulated policies such as the Implementation Measures on Level and Compensation Appraisal and Adjustment for Employees below Departmental Heads of the Group (《集团部门长以下员工工职级及薪酬核定调整实施办法》), the Management Measures for Accreditation and Appointment of Professional and Technical Personnel (《专业技术人员任职资格评审及聘任管理办法》) and the Management Measures for Skill Rating of Frontline Production Operators and Appointment of Technicians (《一线生产操作人员技能等级评定及技师聘任管理办法》), continuously standardizing the management of employee grade adjustments and giving employees fair remuneration and clear career development channels.

3.3 Optimizing Compensation and Benefits

3.3.1 Transparent Compensation System

Hilong strictly abides by the laws and policies regarding employment, remuneration, social insurance, etc. of the countries or regions where it operates, including but not limited to:

- Social Insurance Law of the People's Republic of China (《中华人民共和国社会保险法》);
- Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社会保险费征缴暂行条例》);
- Trial Measures for Maternity Insurance for Enterprise Employees (《企业职工生育保险试行办法》);
- Regulations on Unemployment Insurance (《失业保险条例》);
- Regulations on Work-related Injury Insurance (《工伤保险条例》);
- Regulations on the Administration of Housing Provident Funds (《住房公积金管理条例》); and
- Provisions on Minimum Wage (《最低工资规定》).

Our Group has established competitive compensations system to ensure that the average salary of all employees are at the upper and middle levels in the market, and the salary of key core positions are at the leading level in the market. The Group has formulated the Management Measures for Management Personnel Compensation of the Group (《集团管理序列人员薪酬管理办法》), Implementation Measures on Level and Compensation Appraisal and Adjustment for Employees below Departmental Heads of the Group (《集团部门长以下员工职级及薪酬核定调整实施办法》) and other management policies to improve and perfect the compensation distribution system. In accordance with the Group's principle "Equal Pay for Equal Work, Fairness and Reasonableness, Incentive and Ease of Operation", a dual-channel compensation system for management and professional technical positions is implemented.

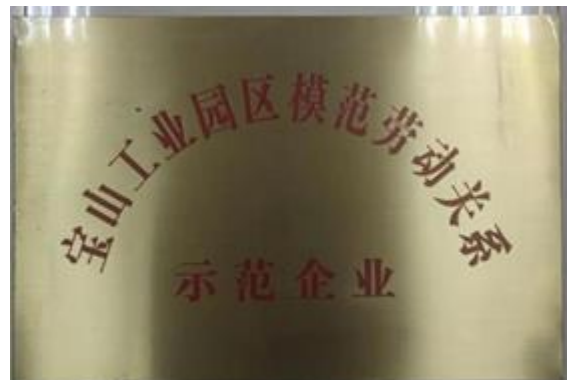
In order to motivate employees and give rewards and punishment according to the actual situation, Hilong has formulated the Annual Evaluation Fulfilment Measures on Group, Business Division (Specialized Company) and Subsidiary Management (《集团、事业部(专业公司)及分/子公司管理层年度考核兑现办法》), strengthened the link between the management's compensation, profit and completion ratio and established a compensation management system focusing on "Position, Ability and Performance".

3.3.2 Comprehensive Welfare Guarantee

The Group regards employees as critical assets and keeps working to improve employees' welfare support system. We strictly abide by the law, and pay social insurance premiums for employees. Moreover, our employees enjoy various benefits packages, including birthday bonuses, festival bonuses, annual physical checks, free shuttle buses, communication allowance, free work meals, etc.

In order to provide a comfortable and secure living and working environment for the new graduates, Hilong has specially prepared a well-furnished and well-equipped apartment building for them, which in turn is a strong guarantee for Hilong to attract talents. Ongoing efforts are made to help employees deal with pressing and difficult issues. Hilong has formulated and continuously implemented the Management Measures for the Haizhou•Fund of Comprehensive Arrangement for Serious Disease (《「海洲•大病统筹基金」管理办法》), which helps employees with serious diseases, as well as their families, to cope with life stress.

The Group, with harmonious and stable labour relations and well-protected employees' rights and interests, was awarded the honorary plaque of "Standard Enterprise with Harmonious Labour Relations in Shanghai" by the Shanghai Human Resources and Social Security Bureau and Shanghai Federation of Trade Unions in conjunction with relevant associations, as well as that of "Demonstration Enterprise for Exemplary Labour Relations of Baoshan Industrial Park" by the Management Committee of Baoshan Industrial Park.



"Standard Enterprise with Harmonious Labour Relations in Shanghai" and "Demonstration Enterprise for Exemplary Labour Relations of Baoshan Industrial Park" Honorary Plaque

3.3.3 Wonderful Staff Activities

For over twenty years, Hilong embraces a corporate culture of "Openness, Unity, Perseverance and Loyalty", which has continuously guided its growth and development. These values have been deeply integrated into Hilong's business operations and management. Cultural activities serve as one of the most important ways to embody and showcase Hilong's values and spirit. During the Reporting Period, we successfully organized the "March 8th Goddess Festival" event, the 2nd Hilong Employee Skills Competition, and the 2024 "Hilong Cup" First New Employee Basketball Tournament, along with other large-scale corporate cultural events. These activities provided a platform for employees to demonstrate their skills, communicate with each other and engage in learning opportunities. Meanwhile, we encourage our business divisions and subsidiaries to carry out team-building activities, to enrich the spiritual and cultural life of employees and lay the foundation for closer cooperation among team members.

March 8th Goddess Festival Event

On March 8th, Hilong Group celebrated the Goddess Festival by gifting a rose to every female employee at the Shanghai Headquarters Luodong Road Plant, extending heartfelt holiday wishes and company appreciation. The event received widespread praise from Hilong's female employees, many of whom shared their experiences on personal social media, corporate WeChat and community forums through various discussions.



March 8th Goddess Festival Event

Hilong Group's 2nd Employee Skills Competition

In July 2024, a total of 57 frontline skilled employees from six companies in Shanghai and one company outside Shanghai participated in an on-site skills competition. The theme of the 2nd Hilong Employee Skills Competition was "Embark on a New Journey, Excel with Expertise." This year, the competition retained the forklift operation and electrical maintenance projects but introduced more innovative formats and higher technical difficulty requirements. Additionally, to promote new technologies and skills, and align with Hilong's digital transformation strategy, a CNC lathe competition was added. By integrating new productivity trends and digital transformation, the 2nd Employee Skills Competition introduced new themes and skill categories, significantly enhancing the competition's depth and engagement. The event saw active participation from frontline employees, further fostering Hilong's culture of "competing, learning, surpassing" and encouraging skill development for all.



Hilong Group's 2nd Employee Skills Competition

"Hilong Cup" First New Employee Basketball Tournament

Inspired by the Paris Olympics fever, Hilong organized the first "Hilong Cup" New Employee Basketball Tournament to further enrich employees' leisure and cultural life. The event aimed to help newly recruited employees experience Hilong's corporate culture firsthand while showcasing the youthful energy, competitive spirit, and determination of Hilong employees. Following the "small investment, big event" philosophy, the tournament attracted 32 new and senior employees from eight companies. It highlighted Hilong's values of unity, perseverance, openness, and passion, bringing a team-oriented and fighting spirit back into the workplace, motivating colleagues and contributing to company-wide success.



"Hilong Cup" First New Employee Basketball Tournament

As an international company with industries and employees spread across the globe, Hilong relies on Enterprise WeChat as a key platform for connecting and communicating with employees worldwide. Through Enterprise WeChat, Hilong's employees from different locations can stay updated on the latest company developments and actively participate in topic discussions. In 2024, Hilong's employees independently shared over 200 discussion topics in the Enterprise WeChat Voice Community, ranging from New Year greetings and post-holiday work resumption to the March 8th Goddess Festival and June Safety Month activities. Other popular topics included "Who is the most lovable Hilong's employee?" and monthly corporate cultural events across different companies. The Voice Community has maintained a high level of online interaction and engagement. Through these discussions, it is evident that Hilong's local branches prioritize employee well-being, fostering a caring and supportive environment by organizing diverse corporate cultural activities and implementing incentives and employee care measures.

3.4 Safeguarding Safety and Health

At Hilong, protecting employees’ occupational health and life safety is one of our most important responsibilities. We strictly comply with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中华人民共和国职业病防治法》) and the Fire Protection Law of the People's Republic of China (《中华人民共和国消防法》). A number of the Group's subsidiaries have obtained relevant certification of the ISO 45001 occupational health and safety system. We set up an Occupational Health, Safety and Environmental Protection Committee ("HSE Committee"), which has the HSE Management Office as one of its subsidiaries, to manage the Group's health, safety and environmental protection issues. Also, we summarize the safety achievements of each division in the previous month and our HSE work priorities for the following month at our regular meetings on a monthly basis. The Group regularly conducts holistic and comprehensive safety inspections on its subsidiaries to identify and analyze potential safety risks in their technological processes, production operations, equipment and facilities, working environment, fire safety, use of hazardous chemicals, occupational health and safety management, personnel behavior, and management system, etc., with targeted rectification suggestions proposed to eliminate potential safety hazards in production processes in a timely manner.

During the Reporting Period, to further improve the overall HSE management at all levels of the Group, Hilong has revised and updated the Compilation of HSE Management Systems of Hilong Group (《海隆集团 HSE 管理制度汇编》), primarily adding and modifying the Major Accident Hazard Management System (《重大事故隐患管理制度》), to further prevent and control occupational diseases and work-related accidents, and implement environmental protection. The Compilation serves as a practical basis for the Group to establish a unified and standardized safety management system and lays a solid foundation for Hilong to implement its HSE policies and realize its HSE goals.

HSE Policies:
● People Oriented, All Staff Participation, Scientific Management, and Sustainable Development
HSE Goals:
● Pursuing No Accident, No Injury and No Pollution to Create First class HSE Performance

The Group promptly tracked the reasons, strengthened the supervision of safety hazards and implemented improvements. Besides, the Group also improved the relevant management systems, and further strengthened employee safety awareness training and safety operation assessments. During the Reporting Period, the number of lost working days of the Group was 90 (2023: 38) days and the injury rate of million working hours was 0.47 (2023: 0.44). The Company has appropriately adjusted the workload of the injured employee to help her recover work capacity more quickly. Immediate safety inspections have been conducted in the workplace to identify and eliminate potential safety hazards. In the past three years, the Group never had any work accident that involved employee fatality.

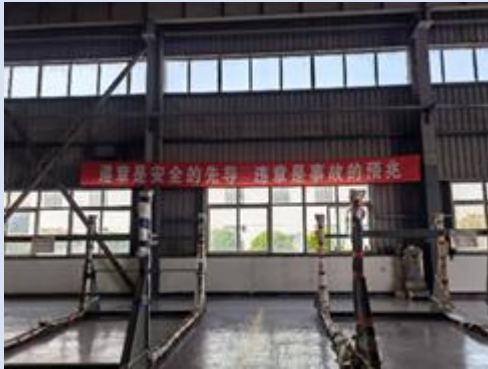
3.4.1 Prioritizing Production Safety

Production safety is the foundation and prerequisite of business operations. Hilong is committed to the production safety policy of "Putting Safety and Prevention First, and Governing in a Comprehensive Manner" and takes robust measures to protect the lives and properties of all parties. We strictly adhere to the Work Safety Law of the People's Republic of China (《中华人民共和国安全生产法》) and we have built up a robust safety production management framework comprising a range of safety systems and have enhanced the standardization of production safety for better management of production safety and fewer safety accidents.

We have established a system for inspecting production safety hazards, striving to make it everyone's responsibility, including principal personnel in charge and general staff, to inspect, manage, prevent and control hazards. Based on local laws and regulations as well as the needs and features of production safety, we adopt such different approaches to inspect hidden hazards as comprehensive, specialized, seasonal, holiday and daily inspections. For the hazards inspected, we carry out special treatments and reassess the treatment results to fully eliminate risks. During the Reporting Period, business divisions and subsidiaries of the Group organized a total of 57 comprehensive inspections and more than 150 routine inspections throughout the year, identifying 458 general safety hazards. Each company responded proactively, ensuring timely rectifications, achieving a 100% correction completion rate, thereby promptly eliminating a number of safety hazards and accidents.

Safety Production Anti-Violation Action

Through the comprehensive implementation of the Safety Production Anti-Violation Action, employees have developed a deeper awareness of the dangers of violations, leading to better enforcement of safety regulations and more targeted safety education and training. This initiative has significantly enhanced employees' safety awareness and skill levels. In 2024, Hilong Group established a Leadership Team for the Safety Production Anti-Violation Action. As part of this campaign, 169 violations were identified, and corrective actions were promptly taken through on-site intervention, reports to responsible departments for rectification and group-wide assessments. By standardizing violation prevention, systematizing accident prevention and regulating safety protection, Hilong has effectively reinforced workplace safety.



On-Site Anti-Violation Action

To involve all employees in safety risk prevention and control while strengthening their awareness of responsibility for safety, Hilong introduced the Safety Training Observation Program ("STOP Card") in 2022. During the Reporting Period, the "STOP Card" was promoted across the Group, and the related program was continuously optimized.

Sustained Promotion of the "STOP Card" in Hilong

The "STOP Card", originally proposed by a US-based company, DuPont, can identify unsafe behaviors of employees and unsafe state of objects with the participation of all employees, so as to prevent accidents through real-time risk identification. However, in practice, the "STOP Card" often suffers from a low level of employee engagement, which greatly undermines its actual effectiveness.

In response to the above issue, Hilong worked on the four aspects of "convenience, effectiveness, motivation and timeliness" during the Reporting Period and tried every possible way to mobilize employees to use the tool:

- **Convenience:** An exclusive Mini Program for the "STOP Card" has been set up, so that employees can fill in information at any time and departments can check and then rectify the problems in a timely manner.
- **Effectiveness:** Problems like irregularity and inaccuracy can easily reduce the effectiveness of the "STOP Card". To this end, Hilong has organized training to help employees acquire the right way of filling out information, so as to make the information collection more accurate and efficient.
- **Motivation:** After screening the valid "STOP Card", Hilong gives material incentives to those who fill out it to encourage employees to identify and report problems.
- **Timeliness:** For the "STOP Card" submitted by employees, Hilong requires managers to provide timely feedback on the results of the hazard inspection and related rectification, thus ensuring that the employees are aware of the follow-up of their reported problems.

Through regular safety training, drills and internal awareness campaigns, Hilong has continually emphasized the importance of the "STOP Card" to ensure employees fully understand and effectively use this safety tool. Utilizing a mobile app-based tracking system, sub-accounts were created for frontline departments, allowing employees to record and upload issues in real-time. Department heads can access reports via the backend system, facilitating prompt internal resolutions and ensuring the continuous improvement of production safety management.

In 2024, the ongoing promotion of the "STOP Card" significantly boosted employees' safety awareness. Employees have become more attentive to workplace hazards, proactively reporting and correcting unsafe behaviors, effectively reducing the likelihood of accidents.

Hilong conducts safety training on an annual basis for management, department managers and operators to enhance their safety awareness. During the Reporting Period, Hilong carried out a company-wide Fire Safety Education and Training Program, which comprehensively improved the safety skills and enriched the safety knowledge of relevant personnel.

Company-wide Fire Safety Education and Training Program

In November 2024, Hilong launched a comprehensive fire safety education and training program to effectively implement the fire prevention principles of "Safety First, Prevention-Oriented and a Combination of Prevention and Firefighting." The initiative aimed to enhance fire safety awareness among employees working in high-rise buildings, strengthen fire prevention, emergency response, self-rescue and evacuation skills to improve the Company's four key fire safety capabilities. The training was conducted simultaneously online and offline. Employees attended centralized online training sessions in meeting rooms across subsidiary companies, followed by a unified examination upon completion to reinforce critical knowledge and skills.



On-Site Fire Safety Education and Training

In addition, the Group continuously strengthens the production safety and occupational health control of contractors, suppliers and other parties. We also incorporate them into internal management and further standardize the system and process of pre-qualification, selection, training of operators, supervision and inspection of operation, provision of products and services, and performance evaluation. We have established a list of qualified contractors and regularly maintain it to take effective control measures on identified safety risks of services.

In the event that a safety incident does occur, Hilong will strictly follow the Incident and Accident Control Procedures (《事件事故控制程序》) to handle the situation appropriately and ensure a quick response through hierarchical reporting, establishing an accident investigation team, releasing an investigation report, making an imputation based on the investigation results. We will also learn from it timely by preparing an accident analysis report and making announcement to learn lessons, so as to avoid the recurrence of similar incidents.

3.4.2 Protecting Occupational Health

Hilong attaches huge importance to employees' occupational health and is committed to creating a safe and favorable working environment for them. Hilong has established an occupational health management institution, developed an occupational health management system and formulated an occupational disease prevention plan and implementation strategy. We have developed and strictly follow the Occupational Health Management Policy (《职业健康管理制度》) and other management procedures to standardize the management of our employees' occupational health. According to the Administrative Regulations on Periodic Testing of Occupational Disease Hazards by Employers (《用人单位职业病危害因素定期检测管理规范》), Hilong yearly conducts a comprehensive inspection on work sites where the occupational disease hazards exist. If the concentration or intensity of occupational disease hazard factors exceeds the limit of occupational exposure, we will develop plans and take immediate corrective actions.

For employees working in positions with high potential of occupational disease hazards, Hilong informs them of the hazards before they start work, and arranges health examinations before, during, and after their work. All examination results will be promptly recorded in the occupational health file and communicated to the employees to ensure that they fully understand their occupational health status. During the work process, Hilong regularly distributes labour protective

equipment and ensures employees wear protective gear as required, effectively reducing the impact of the work environment on employee health. During the Reporting Period, we optimized the "Standardization of Occupational Health Files" by integrating and organizing occupational health management files, occupational hazard monitoring and evaluation files and so on, thereby enhancing the accuracy and completeness of these files.

We kept optimizing our prevention and control measures for occupational hazards in production. In the friction welding automation transformation project, we replaced the traditional polishing rust removal process with a safer and more environmental friendly laser rust removal, which not only completely eliminates the occupational health hazards of the traditional process but also alleviates the problem of environmental pollution in the plant. To address the occupational health hazards of dust, Hilong installed online dust detection devices, spark detectors, explosion-proof valves, automatic fire extinguishing sprinklers, and other safety devices at the relevant locations of the dry dust removal system following the Safety Regulations on Dust Explosion Prevention for Industrial and Trade Enterprises (《工贸企业粉尘防爆安全规定》) and the Safety Regulations for Dust Explosion Prevention and Protection (《粉尘防爆安全规程》) to thoroughly prevent safety accidents. In addition, Hilong pays attention to health education and training for all employees by regularly conducting occupational health training to popularise knowledge on the prevention and treatment of occupational diseases and labour protection, as well as information about healthy lifestyles, disease prevention, and mental health.

3.4.3 Strengthening Emergency Response

Hilong has established a sound emergency response mechanism in compliance with the National Emergency Response Plan for Environmental Incidents (《国家突发环境事件应急预案》). It has formulated enterprise-level specialized emergency response plans based on the HSE Management System of Hilong Group (《海隆集团 HSE 管理制度》), and other internal regulations for major emergencies such as leakage, fire, and explosion in the production and storage of hazardous chemicals and special hazard mediums. Guided by the mechanism, the Group conducts emergency response drills annually to constantly enhance the emergency awareness and hands-on capabilities of staff and extract corresponding corrective measures from the drill results to continuously improve emergency management capabilities.

To reduce potential accidents in the workplace and production process, such as the short circuit of power cables and equipment, which may easily result in casualties, the Group has compiled the Exercise Plan for On-site Electric Shock Response (《触电事故现场处置演习方案》). During the Reporting Period, the Group conducted on-site exercises for such scenarios for a timely and effective emergency response to electric shock incidents. Moreover, during the Reporting Period, Hilong organized the 2024 Fire Drill to strengthen employees' emergency response capabilities in case of fire and other emergencies.

Fire Drill

In November 2024, the Group headquarters building conducted a fire drill to strengthen fire safety awareness and emergency evacuation practice. The event included fire safety knowledge training, practical drills, and hands-on fire extinguisher operation, enabling employees to familiarize themselves with firefighting equipment and master emergency evacuation procedures in the event of a fire. By simulating real-life fire scenarios, employees were equipped with the skills necessary for self-rescue and mutual aid, ensuring a quick and effective response in an actual emergency. This initiative significantly enhanced employees' fire safety awareness and evacuation capabilities.



Fire Drill On-Site Activities

4. Green Operation for Better Ecosystem

Hilong is committed to environmental protection and energy conservation. We keep pursuing clean production and implementing the philosophy of sustainable development for the goal of zero environmental pollution. In our daily operations, the consumption of natural resources remains relatively low and we have not caused any significant environmental impact.

The Group strictly complies with the laws and regulations of the countries or regions in which it operates, including but not limited to:

- the Environmental Protection Law of the People's Republic of China (《中华人民共和国环境保护法》);
- the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中华人民共和国大气污染防治法》);
- the Law of the People's Republic of China on Prevention and Control of Water Pollution(《中华人民共和国水污染防治法》);
- the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中华人民共和国固体废物污染环境防治法》);
- the Law of the People's Republic of China on Prevention and Control of Noise Pollution (《中华人民共和国噪声污染防治法》);
- the Environmental Impact Assessment Law of the People's Republic of China (《中华人民共和国环境影响评价法》);
- the Regulations on Environmental Protection Management of Construction Projects (《建设项目环境保护管理条例》); and
- the Catalogue of Classified Management for Environmental Impact Assessment of Construction Projects (《建设项目环境影响评价分类管理名录》).

During the Reporting Period, there were no major non-compliance incidents related to environmental laws and regulations that could significantly impact the Group.

Meanwhile, under the guidance of the "People-oriented, Health Priority, Safety First, and Leading in Environmental Protection" policy, Hilong continuously improves its environmental management system, reduces emissions, waste generation and resource consumption, enhances environmental sustainability, minimizes its impact on the environment and natural resources, and insists on the efficient use of energy resources in accordance with the ISO 14001/GB/T 24001 Environmental Management System Requirements and Usage Guidelines (《ISO 14001/GB/T 24001 环境管理体系要求及使用指南》) and the Hilong Holdings' Environmental Protection and Energy Conservation Management System (《海隆控股环保节能管理制度》). A number of the Group's subsidiaries have already obtained the ISO 14001 environmental management system certification, and its core enterprise, Shanghai Drill Pipe, has even been listed as a Shanghai Green Manufacturing System Demonstration Unit.

Hilong will continue its efforts for the proactive protection of natural resources and environmental governance. For this purpose, Hilong will integrate green solutions into the Group's existing business through the exploration of clean energy projects and the innovation of green, energy-saving materials. By doing so, Hilong will shoulder its corporate responsibilities in realizing the national goal of "carbon peaking and carbon neutrality", as well as tackling climate change on a global scale.

4.1 Green Product Research and Development

Upholding the green development concept of "Innovation, Green Development, Openness, and Sharing", the Group has developed its own research and development capabilities. During the Reporting Period, some of our products made technical breakthroughs, advancing the implementation of green and low-carbon application solutions. These innovations have received external recognition and are expected to help the industry achieve production that is more environmentally friendly, more efficient and more secure.

Shanghai Drill Pipe Wins Green Low-Carbon Practice Pioneer Honor

Hilong has implemented green and low-carbon application solutions, effectively utilizing the heat from the exhaust gas of gas-fired heating furnaces to reduce energy consumption and lower carbon emissions. This initiative has enabled Shanghai Drill Pipe to adopt a more environmentally friendly and efficient production model. In recognition of these achievements, Shanghai Drill Pipe was awarded the "Green Low-Carbon Practice Pioneer" honor by the Baoshan District People's Government.



"Green Low-Carbon Practice Pioneer" Award

4.2 Efficient Utilization of Resources

To deliver on Hilong's transformation strategy of "developing into a world's leading manufacturer and service provider of oilfield equipment", we work on shifting to a more efficient and leaner model of production and operation. Also, we strictly comply with policies, goals and commitments on health, safety and environment protection during production and operations, and fulfill the requirements of sustainable development on energy conservation and clean production.

4.2.1 Energy Resource Utilization

The energy used by Hilong mainly includes natural gas used in the production, petrol and diesel consumed by forklifts, electricity used in production, office and life in the factory, as well as natural gas, diesel, petrol and electricity used in the drilling process of oilfield service and marine engineering services.

Hilong strictly abides by the relevant laws and regulations of countries or regions where it operates, for example, the Energy Conservation Law of the People's Republic of China (《中华人民共和国节约能源法》). We have developed our own Environmental Protection and Energy Conservation Management Policy (《环保节能管理制度》) to standardize the management of energy conservation within the Group. Each division has set up an energy office and formulated its own energy-saving targets and related implementation plans to improve energy efficiency and reduce total energy consumption by vigorously promoting green office and green production. During the Reporting Period, we carried out an energy-saving renovation of the headquarters office building in Shanghai by upgrading the entire lighting system to LED energy-saving lamps. At the same

time, we actively advanced the rooftop photovoltaic power generation project at Shanghai's industrial park. Construction commenced in July 2024 and was completed in December 2024, including reinforcement of the factory buildings and installation of photovoltaic systems. The project has a total installed capacity of 9.28 MW and is expected to achieve an annual power generation of approximately 9 to 10 million kWh in 2025.



Panoramic View After Photovoltaic Installation

During the Reporting Period, the direct/indirect energy consumption in total and intensity are shown below:

A2.1 Energy	2024	2023	2022	Unit
Natural gas	207	606	480	10,000 m ³
Diesel	11	86	92	Tonnes
Gasoline	6	20	38	Tonnes
Liquefied gas	5	5	6	Tonnes
Total direct energy consumption	22,607	66,888	53,579	MWh
Electricity	23,003	44,506	36,602	MWh
Total indirect energy consumption	23,003	44,506	36,602	MWh
Total energy consumption	45,610	111,394	90,181	MWh
Energy consumption intensity	9.8	26.2	24.1	MWh/million RMB revenue

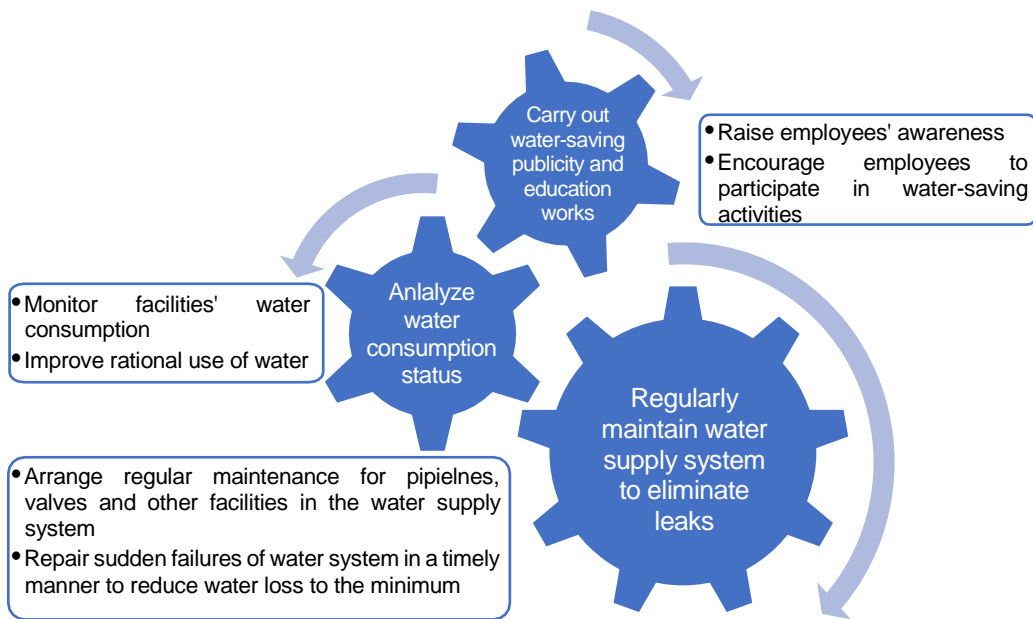
Note 1: Total energy consumption is calculated based on the consumption of natural gas, diesel, gasoline and liquefied gas and the amount of electricity purchased. Conversion factors come from Appendix 1: default values of fossil fuel and Appendix 2: default density of fuel oil of the Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Mechanical Equipment Manufacturing Enterprises (《机械设备制造企业温室气体排放核算方法与报告指南》) issued by the NDRC.

Note 2: The 2024 data does not include Hilong Pipeline and its subsidiaries, which have been sold, resulting in a significant reduction in energy consumption.

4.2.2 Water Resource Utilization

Hilong uses municipal water and applicable local water sources, and did not encounter any difficulty in sourcing water during the Reporting Period. We strictly abide by relevant laws and regulations of countries or regions where we operate, including but not limited to the Water Law of the People's Republic of China (《中华人民共和国水法》). By formulating and perfecting the Environmental Protection and Energy Conservation Management Policy (《环保节能管理制度》) and Management Rules on Water Utilisation (《用水管理制度》), the Group strives to ensure that its water usage and water conservation work are carried out in an effective and orderly manner.

Our water conservation initiatives include, but are not limited to:



In 2024, we upgraded the water-saving sanitary ware at the headquarters office building in Shanghai by replacing all sanitary wares in washing rooms with water-saving ones, which is expected to save up to 900 tonnes of water per year.

During the Reporting Period, the Group's water consumption in total and intensity are shown below:

A2.2 Water	2024	2023	2022	Unit
Water consumption	68,721	105,096	106,060	Tonnes
Water consumption intensity	14.7	24.7	28.4	Tonne/ million RMB revenue

Note: The 2024 data does not include Hilong Pipeline and its subsidiaries, which have been sold, resulting in a decrease in water consumption.

4.2.3 Packaging Material Utilization

The packaging materials used by Hilong primarily include packing frames, iron packing belts, pipe protection ropes, wooden cases, paper cases, etc. For packaging materials that meet the conditions for recycling and reuse, we proactively carry out recycling operations to reduce unnecessary consumption of resources.

During the Reporting Period, the total amount and intensity of packaging materials used in the Group's finished products are shown below:

A2.5 Packaging Materials	2024	2023	2022	Unit
Packaging materials consumption	102.6	273.8	275.6	Tonnes
Packaging materials intensity	22.0	64.4	73.8	kg/million RMB revenue

Note: The 2024 data does not include Hilong Pipeline and its subsidiaries, which have been sold, resulting in a decrease in packaging material usage.

4.3 Implementation of Emission Management

Hilong is committed to sustainable management throughout its operation and upholds emission management with environmental standards above national and local standards. “No Pollution” has long been set as one of our HSE goals. The Group regularly invites and cooperates with local environmental supervision department to test its emissions, thus ensuring the compliance. To raise awareness of emission management within the Group, Hilong has set up specific environmental protection indicators and incorporated them into the assessment system for each business division and its leading members. Meanwhile, the Production Safety and Environmental Protection Department of the Group conducts a unified yearly inspection of all production units in Shanghai, monthly inspections of the Baoshan Industrial Zone, and unscheduled on-site inspections on emission management. It also requires the Safety and Environment Offices of subsidiaries to conduct independent environmental inspections to ensure up-to-standard discharge.

4.3.1 Waste Gas and Wastewater

Hilong's waste gas emissions mainly include volatile organic compounds (“VOCs”) generated from the coating production, nitrogen oxides (“NO_x”) and sulfur dioxide (“SO₂”) from natural gas combustion in boilers for pipe heating, particulate matters from powder coating, and waste gases from diesel consumption in diesel engines for well drilling. We strictly comply with the relevant laws and regulations and have set up corresponding purification treatment equipment in process links that can generate exhaust gas, collect and process the generated exhaust gas, and only discharge them into the atmosphere after making sure they reach the emission standard.

Wastewater generated from Hilong includes domestic wastewater, production wastewater from general production processes and oilfield services. Hilong discharges domestic wastewater directly into the municipal sewage network. General production wastewater is recycled without external discharge, and wastewater generated by oilfield services is treated in accordance with the laws and regulations of the jurisdictions where they are located to ensure that discharges are in compliance with regulations. Hilong and its subsidiaries all have the Permit to Discharge Urban Sewage into the Drainage Networks (《城镇污水排入排水管网许可证》), ensuring that the number and location of drains, water discharge, variety and concentration of major pollutants discharged,

etc. comply with the Regulations on the Administration of Pollutant Discharge Permits (《排污许可管理条例》) and the Urban Drainage and Sewage Treatment Regulations (《城镇排水与污水处理条例》) and other relevant regulations.

During the Reporting Period, the types of wastewater and waste gas related emissions generated by the Group and the emission data are shown below:

A1.1 Emissions	2024	2023	2022	Unit
VOCs	0	0.5	0.5	Tonnes
NO _x	1.2	4.1	5.1	Tonnes
SO ₂	0.17	0.87	0.28	Tonnes
Particulate Matter	0.1	4.8	6.5	Tonnes
Wastewater	59,395.3	85,867.0	92,284.2	Tonnes

Note: The 2024 data does not include Hilong Pipeline and its subsidiaries, which have been sold, resulting in a significant decline in emission data, including VOCs, NO_x, SO₂, particulate matter, and wastewater, compared to previous years.

4.3.2 Greenhouse Gases

Hilong's greenhouse gas emissions primarily include fuel used in heat treatment processes, gasoline and diesel burning of vehicles and indirect emissions from purchased electricity. Since greenhouse gas emissions mainly come from energy consumption, Hilong actively encourages green office and green production, carries out energy-saving renovation projects and adopts energy-saving measures to reduce energy consumption, thus reducing greenhouse gas emissions.

During the Reporting Period, the Group's greenhouse gas emissions in total and intensity are shown below:

A1.2 Greenhouse Gases	2024	2023	2022	Unit
Scope 1: Direct emissions	4,532	13,449	10,801	tCO ₂ e
Scope 2: Indirect energy emissions	13,596	27,019	22,705	tCO ₂ e
Total emissions	18,128	40,467	33,506	tCO ₂ e
Emission intensity	3.9	9.5	9.0	tCO ₂ e/million RMB revenue

Note 1: Greenhouse gas emissions are presented in CO₂ equivalent. Greenhouse gas emissions from electricity purchased are calculated based on the electricity emission factors by the Announcement on the Release of the 2022 Electricity Carbon Dioxide Emission Factors (《关于发布 2022 年电力二氧化碳排放因子的公告》), while other accounting methods and conversion factors come from the Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Mechanical Equipment Manufacturing Enterprises (《机械设备制造企业温室气体排放核算方法与报告指南》) issued by the National Development and Reform Commission.

Note 2: The 2024 data does not include Hilong Pipeline and its subsidiaries, which have been sold, resulting in a significant reduction in greenhouse gas emissions.

4.3.3 General Solid Waste

The general solid waste generated by Hilong mainly includes domestic waste and general industrial waste from the production process. The Group reinforces the management of general solid waste in accordance with laws and regulations of where it operates, such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中华人民共和国固体废物污染环境防治法》), while being guided by the idea of "Full Coverage Based on Different Levels and Categories with Traceable Destination". We have

formulated and refined the General Industrial Solid Waste Management Policy (《一般工业固废管理制度》) to optimize the classification system and clarify the main responsibilities of relevant units, thus forming a closed loop general solid waste management system that could cover the whole process of generation, storage, collection, utilization and disposal.

General Solid Waste Category	Regulations/ Policies to Follow	Disposal Measures
Domestic Waste	<ul style="list-style-type: none"> ● Administrative Measures for Living Garbage of Shanghai (《上海市生活垃圾管理条例》) ● Management Measures for Environmental Sanitation within Hilong Industrial Park (《海隆工业园区环境卫生管理办法》) 	<ul style="list-style-type: none"> ● Set up a domestic waste classification system to promote the classification of domestic waste ● Entrust the municipal environmental sanitation department to collect and dispose of the waste ● Actively implement the garbage classification and "Empty Plate Initiative" activities through various publicity methods, encouraging employees to reduce domestic garbage from the very beginning
General Industrial Waste	<ul style="list-style-type: none"> ● Waste Disposal Measures (《(海隆集团) 废旧物资处理办法》) 	<ul style="list-style-type: none"> ● Sell recyclable solid wastes, such as scrap steel pipes, to qualified enterprises for recycle and reuse ● Store other unrecyclable non-hazardous industrial wastes in a specific place and entrusts qualified professional organizations to deal with them

During the Reporting Period, the total amount of non-hazardous wastes produced and their respective intensity are shown below:

A1.4 Non-hazardous Waste	2024	2023	2022	Unit
Total non-hazardous wastes produced	381.2	1,010.1	925.9	Tonnes
Non-hazardous wastes intensity	0.082	0.238	0.248	Tonnes/million RMB revenue

Note: The 2024 data does not include Hilong Pipeline and its subsidiaries, which have been sold, resulting in a decline in non-hazardous waste generation.

4.3.4 Hazardous Waste

Hazardous waste generated by Hilong mainly includes oily wastewater, waste mineral oil, paint packaging, and paint waste, etc. The Group has assigned storage sites to store hazardous wastes and employed qualified professional bodies for unified treatment. We substitute the packaging drums for solvents and resins in the liquid coating production line in the Class A workshop into tankers, and use closed pipes for material transportation during batch feeding. Such measures could significantly reduce employees’ frequency of touching materials and thus the volatilization of organic compounds, while helping to reduce the hazardous waste generated during production.

Hilong strictly adheres to the Technical Policy on the Prevention and Control of Hazardous Waste Pollution (《危险废物污染防治技术政策》), the newly revised Standard for Pollution Control on Hazardous Waste Storage (《危险废物贮存污染控制标准》) (GB 18597-2023) and the Technical Specification for Setting Identification Signs of Hazardous Waste (《危险废物识别标志设置技术规范》) (HJ 1276-2022), which clearly stipulate the positioning and construction, pollution prevention and control, and operation and management of storage facilities for hazardous waste, as well as the categories, content requirements and production methods of identification signs of hazardous waste. We updated Hilong’s Hazardous Waste Management Policy (《危险废物管理制度》) and Hazardous Operations Management System (《危险作业管理制度》). We continuously implement the management work of hazardous waste, while implementing pollution prevention and environmental management for hazardous waste storage sites, and updating relevant identification signs.

During the Reporting Period, the total amount and intensity of hazardous wastes generated by the Group are shown below:

A1.3 Hazardous Waste	2024	2023	2022	Unit
Total hazardous wastes produced	48.9	125.1	75.9	Tonnes
Hazardous wastes intensity	0.010	0.029	0.020	Tonnes/million RMB revenue

Note: The 2024 data does not include Hilong Pipeline and its subsidiaries, which have been sold, resulting in a decline in hazardous waste generation.

4.4 Climate Change Response

Climate change has become a global challenge, the impact of which on businesses is under increasing scrutiny. Extreme weather events, such as typhoons and floods, might occur at higher frequency, and pose impacts towards the Group's normal operation. The Group has gained a deeper understanding of the risks and opportunities brought by climate change and has incorporated climate-related factors into its risk management system to identify potential climate risks that may impact its operations and development. The identified climate risks and corresponding mitigation measures are as follows:

Risk Type	Risk Description	Mitigation Measures
Physical Risks		
Extreme Weather (e.g., typhoons, heavy rainfall)	<ul style="list-style-type: none"> • Extreme weather threatens the safety and health of employees working offshore and in coastal areas, leading to reduced productivity. • Oilfield facilities may suffer damage, impacting production and transportation. • Supply chain disruptions could affect manufacturing operations. • Office buildings and equipment may be damaged, resulting in asset losses. 	<ul style="list-style-type: none"> • Enhance safety guidelines for typhoon, flood and tidal surge preparedness and conduct annual drills for emergency response. • Implement an emergency response system and contingency plans to ensure rapid recovery of production after extreme weather events. • Establish backup supply chain solutions to secure alternative sources in case of disruptions. • Deploy protective measures around vulnerable equipment and facilities, with regular maintenance and inspections to minimize damage.
Extreme Heat and Drought	<ul style="list-style-type: none"> • Rising temperatures affect equipment efficiency, increase cooling costs, and accelerate equipment aging. • Employees may be unable to work outdoors for extended periods during hot seasons, impacting operational efficiency 	<ul style="list-style-type: none"> • Utilize high-temperature-resistant materials and technologies to improve durability and operational efficiency of equipment. • Provide shaded rest areas, distribute appropriate protective gear, and ensure sufficient drinking water supply.
Rising Sea Levels	<ul style="list-style-type: none"> • Frequent flooding may occur due to rising sea levels • Ocean acidification accelerates equipment corrosion, shortening lifespan and increasing maintenance and replacement costs. 	<ul style="list-style-type: none"> • Improve equipment design to enhance adaptability to marine environments, reducing maintenance costs. • Strengthen supply chain management to ensure multiple sources for critical materials.

Transition Risks		
Policy and Legal Risks	<ul style="list-style-type: none"> • Stricter environmental and safety regulations introduced by the government increase compliance efforts for businesses, leading to higher compliance costs. 	<ul style="list-style-type: none"> • Closely monitor changes in environmental laws and policies. • Strictly comply with relevant regulations and actively participate in standard-setting processes. • Enhance the company's low-carbon development and safety and environmental risk management standards.
Technological Risks	<ul style="list-style-type: none"> • Failure to identify and implement low-carbon technologies in a timely manner may result in lagging behind industry peers, affecting the efficiency of the low-carbon transition. 	<ul style="list-style-type: none"> • Actively expand diversified green businesses. • Develop low-carbon and energy-saving technologies to enhance the company's own R&D capabilities.
Market Risks	<ul style="list-style-type: none"> • Rising raw material and energy costs and increasing awareness of climate change reduce the demand for fossil fuels. • Consumers may prefer low-carbon products and services, further impacting fossil fuel demand. 	<ul style="list-style-type: none"> • Expand market development efforts and increase the proportion of external markets. • Diversify business operations to reduce reliance on fossil fuel industries.
Reputation Risks	<ul style="list-style-type: none"> • The market increasingly favors low-carbon concepts, leading to negative perceptions of industries, products, and companies associated with traditional energy. • The pace of the company's low-carbon transition may not meet investor expectations. 	<ul style="list-style-type: none"> • Steadily promote the company's green and low-carbon transformation to enhance sustainable development and actively address climate change. • Engage with stakeholders, identify key issues and develop corresponding measures. • Improve ESG disclosure standards and transparency to address stakeholders' concerns.

The Group takes the initiative to tackle these challenges by taking climate-related risks into account in contract review and engineering operations. By taking a series of measures, such as preventing risks during contract review, resolving them during engineering operations, and providing relief upon completion of the operations, we strive to minimize the potential losses that may be caused by climate-related risks.

The subsidiaries of the Group have already formulated specific emergency plans based on local climate conditions, including the "Emergency Response Plan Compilation" (《应急预案汇编》) and the Disposal Scheme for Flood Prevention, Typhoon Prevention and Rainstorm (《防汛防台暴雨处置方案》) etc. and set up relevant leading groups for emergency handling, so as to ensure quick respond, effective control and proper treatment, when encountering extreme weather events. By integrating relevant training into daily work, Hilong also strives to strengthen its employees' knowledge reserve and capability related to extreme weather prevention and emergency handling.

Typhoon and Flood Emergency Response Drill

In June 2024, Hilong organized the Quality Safety and Environmental Protection Department, Production Department and emergency teams to conduct a special emergency plan drill for flood and typhoon prevention. The on-site safety personnel reported the conditions of weather and standing water to the general director in real time. The emergency team blocked the roller shutter doors with sandbags to prevent water from spreading into the warehouse, while reinforcing the roller shutter doors with steel pipes to withstand the typhoon, and lifting or transferring materials in the warehouse. Personnel from all parties accomplished the emergency work with clear divisions of responsibilities in a reasonable and efficient manner.

The Group took targeted measures to address the problems identified during the drill, so as to ensure it could respond quickly and appropriately to extreme weather conditions like typhoons and rainstorms, and minimize potential losses.

Appendix I: ESG Reporting Guidance Index

Aspect	Requirements	Chapter
A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	4.3 Implementation of Emission Management
A1.1	The types of emissions and respective emissions data.	4.3 Implementation of Emission Management
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3.2 Greenhouse Gases
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3.4 Hazardous Waste
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3.3 General Solid Waste
A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.3 Implementation of Emission Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.3.3 General Solid Waste 4.3.4 Hazardous Waste
A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.2 Efficient Utilization of Resources
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.2.1 Energy Resource Utilization
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2.2 Water Resource Utilization
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.2.1 Energy Resource Utilization
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.2.2 Water Resource Utilization
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.3.2 Packaging Material Utilization
A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	4. Green Operation for Better Ecosystem
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4. Green Operation for Better Ecosystem
A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.4 Climate Change Response
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.4 Climate Change Response

B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3. Care for Employees
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Diversity, Equality and Inclusiveness
B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Diversity, Equality and Inclusiveness
B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3.4 Safeguarding Safety and Health
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.4 Safeguarding Safety and Health
B2.2	Lost days due to work injury.	3.4 Safeguarding Safety and Health
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.4 Safeguarding Safety and Health
B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2.1 Comprehensive Training Systems
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2.1 Comprehensive Training Systems
B3.2	The average training hours completed per employee by gender and employee category.	3.2.1 Comprehensive Training Systems
B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3.1 Diversity, Equality and Inclusiveness
B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.1 Diversity, Equality and Inclusiveness
B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Diversity, Equality and Inclusiveness
B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	2.4 Strengthening Supply Chain
B5.1	Number of suppliers by geographical region.	2.4 Strengthening Supply Chain
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.4 Strengthening Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.4 Strengthening Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.4 Strengthening Supply Chain

B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	2.2 Pursuing Excellent Quality
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.2.1 Governance System Enhancement
B6.2	Number of products and service related complaints received and how they are dealt with.	2.2.3 Optimal Customer Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.3 Protecting Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	2.2.1 Governance System Enhancement
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.2.3 Optimal Customer Service
B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	2.5 Adhering to Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.5 Adhering to Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.5 Adhering to Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	2.5 Adhering to Business Ethics
B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	2.6 Sincerely Giving Back to the Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	2.6 Sincerely Giving Back to the Society
B8.2	Resources contributed (e.g. money or time) to the focus area.	2.6 Sincerely Giving Back to the Society

Appendix II: Reader's Feedback Form

Thank you for reading 2024 Environmental, Social and Governance (ESG) Report of Hilong Holding Limited. In order to provide more valuable information to the Group's stakeholders and improve its ability and level of fulfilling social responsibilities, we would welcome any feedback or suggestions you might have about this report.

You can send this form to any of the following:
Fax: +86-21-33851886
Postal address: No.1825, Luodong Road, Baoshan Industrial Zone, Shanghai, PRC

1. How would you rate your opinion of the Hilong Holding 2024 ESG Report?

☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

2. How would you rate your opinion of the economic, social and environmental responsibilities of Hilong Holding?

Economic responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Social responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Environmental responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low

3. Please rate the effectiveness of this Report in reflecting the economic, social and environmental impact Hilong Holding has brought about through its social responsibility practices?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Terrible

4. How would you rate your opinion of the clarity, accuracy and completeness of the information, data and indicators this Report has disclosed?

Clarity	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Accuracy	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Completeness	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low

5. Do you find this Report in easy-to-read contents and formatting?

☐ Yes ☐ Neutral ☐ No

6. Feel free to share any comments or suggestions you may have on Hilong Holding and this report:

Thank you very much for your gracious gesture and valuable time!