CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hilong Holding Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Hilong Holding Limited
海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

CONTINUING CONNECTED TRANSACTIONS
(1) 2026 RENEWED TENANCY CCT AGREEMENTS;
(2) 2026 HILONG ENERGY CCT AGREEMENTS;
AND
CONNECTED TRANSACTION
(3) LONGSHI INVESTMENT AMENDMENT AGREEMENTS;
AND
(4) NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
滾 博 資 本 有 限 公 司

A letter from the Board is set out on pages 11 to 50 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 51 of this circular. A letter from Rainbow Capital (HK) Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 53 to 81 of this circular.

A notice convening the 2026 first extraordinary general meeting ("**EGM**") of Hilong Holding Limited (the "**Company**") to be held at Conference Room, 6th Floor, Hilong Group of Companies Ltd., No.1825 Luodong Road, Baoshan Industrial Zone, Shanghai, China on Friday, 9 January 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-5 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange at (www.hkexnews.hk) and the Company (www.hilonggroup.com). Whether or not you are able to attend the EGM, you are requested to read the notice of the EGM and to complete and sign the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish. In such event, the form of proxy shall be deemed to be revoked.

* *For identification purpose only*

22 December 2025

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APPENDIX I — GENERAL INFORMATION I-1

NOTICE OF EGM EGM-1

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings

"2023 Longshi Investment Tenancy Agreement No.1"	the 2023 Longshi Investment Tenancy Agreement No.1 as disclosed in the announcement of the Company dated 1 August 2023
"2023 Longshi Investment Tenancy Agreement No.2"	the 2023 Longshi Investment Tenancy Agreement No.2 as disclosed in the announcement of the Company dated 1 August 2023
"2023 Longshi Investment Tenancy Agreements"	collectively, the 2023 Longshi Investment Tenancy Agreement No.1 and the 2023 Longshi Investment Tenancy Agreement No.2
"2025 Coating Services, Hardbanding Services and Spraying and Packaging Services Agreement"	the 2025 Coating Services, Hardbanding Services and Spraying and Packaging Services Agreement, as disclosed in the announcement of the Company dated 9 December 2024
"2025 Longshi Investment Tenancy Agreement"	the 2025 Longshi Investment Tenancy Agreement as disclosed in the announcement of the Company dated 9 December 2024
"2025 Renewed Beijing Huashi Tenancy Agreements"	collectively, the 2025 Renewed Beijing Huashi Tenancy Agreement No. 1, the 2025 Renewed Beijing Huashi Tenancy Agreement No. 2, the 2025 Renewed Beijing Huashi Tenancy Agreement No. 3, the 2025 Renewed Beijing Huashi Tenancy Agreement No. 4 and the 2025 Beijing Huashi Car Park Lease Agreement, as disclosed in the announcement of the Company dated 9 December 2024
"2025 Renewed Pipeline Tenancy Agreements"	collectively, the 2025 Renewed Pipeline Tenancy Agreement No. 1, the 2025 Renewed Pipeline Tenancy Agreement No. 2, the 2025 Renewed Pipeline Tenancy Agreement No. 3 and the 2025 Pipeline Tenancy Agreement No. 4, as disclosed in the announcement of the Company dated 9 December 2024
"2025 Renewed Shine New Material Tenancy Agreement"	the 2025 Renewed Shine New Material Tenancy Agreement, as disclosed in the announcement of the Company dated 9 December 2024

"2025 Welding Wire Supply Agreement"	the 2025 Welding Wire Supply Agreement as disclosed in the announcement of the Company dated 9 December 2024
"2026 Beijing Huashi Car Park Lease Agreement"	the car park lease agreement dated 15 December 2025 entered into between Hilong Oil Service as lessee and Beijing Huashi Investment as lessor in respect of the leasing of 20 car park spaces located at B2/F Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC for a term of a one year starting from 1 January 2026 to 31 December 2026
"2026 Hilong Energy CCT Agreements"	the 2026 Hilong Energy Products and Services Procurement Agreement and the 2026 Welding Wire Supply Agreement
"2026 Hilong Energy Products and Services Procurement Agreement"	the renewed agreement dated 15 December 2025 entered into between Hilong Pipeline and Hilong Energy in relation to the provision of coating services, hardbanding services, spraying and packaging services and painting materials by Hilong Pipeline Group to Hilong Energy Group for a term of a one year starting from 1 January 2026 to 31 December 2026
"2026 Longdi Management Agreement No.1"	the management services agreement dated 15 December 2025 entered into between Longdi Management and Hilong Group of Companies Ltd. for the provision of management services by Longdi Management to Hilong Group of Companies Ltd. to the leased premises at 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
"2026 Longdi Management Agreement No.2"	the management services agreement dated 15 December 2025 entered into between Longdi Management and Hilong Petroleum Offshore Engineering for the provision of management services by Longdi Management to Hilong Petroleum Offshore Engineering to the leased premises at 5/F and 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
"2026 Longdi Management Agreements"	collectively, the 2026 Longdi Management Agreement No.1 and the 2026 Longdi Management Agreement No.2

"2026 Pipeline Tenancy Agreement No. 5"	the tenancy agreement dated 15 December 2025 entered into between Hilong Group of Companies Ltd. as lessor and Hilong Oil Shanghai as lessee in respect of the premises in room 202, 211, 213 and 415 of main building, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC for office use for a term of three years starting from 1 January 2026 to 31 December 2028
"2026 Renewed Beijing Huashi Tenancy Agreement No. 1"	the renewed tenancy agreement dated 15 December 2025 entered into between Hilong Oil Service as lessee and Beijing Huashi Investment as lessor in respect of the leasing of office premises located at 20/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC for a term of a one year starting from 1 January 2026 to 31 December 2026
"2026 Renewed Beijing Huashi Tenancy Agreement No. 2"	the renewed tenancy agreement dated 15 December 2025 entered into between Hilong Oil Service as lessee and Beijing Huashi Investment as lessor in respect of the leasing of office premises located at Room 502, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC for a term of a one year starting from 1 January 2026 to 31 December 2026
"2026 Renewed Beijing Huashi Tenancy Agreement No. 3"	the renewed tenancy agreement dated 15 December 2025 entered into between Hilong Oil Service as lessee and Beijing Huashi Investment as lessor in respect of the leasing of office premises located at Room 503-1, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC for a term of a one year starting from 1 January 2026 to 31 December 2026
"2026 Renewed Beijing Huashi Tenancy Agreement No. 4"	the renewed tenancy agreement dated 15 December 2025 entered into between Hilong Oil Service as lessee and Beijing Huashi Investment as lessor in respect of the leasing of office premises located at Room 501, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC for a term of a one year starting from 1 January 2026 to 31 December 2026

"2026 Renewed Beijing Huashi Tenancy Agreements"	collectively, the 2026 Renewed Beijing Huashi Tenancy Agreement No. 1, the 2026 Renewed Beijing Huashi Tenancy Agreement No. 2, the 2026 Renewed Beijing Huashi Tenancy Agreement No. 3, the 2026 Renewed Beijing Huashi Tenancy Agreement No. 4 and the 2026 Beijing Huashi Car Park Lease Agreement
"2026 Renewed Pipeline Tenancy Agreement No. 1"	the renewed tenancy agreement dated 15 December 2025 entered into between Hilong Group of Companies Ltd. as lessor and Hilong Pipeline as lessee in respect of the premises in D plant, F plant, 2nd and 4th floor of main building and open areas, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC for office use and manufacturing plant for a term of three years starting from 1 January 2026 to 31 December 2028
"2026 Renewed Pipeline Tenancy Agreement No. 2"	the renewed tenancy agreement dated 15 December 2025 entered into between Hilong Group of Companies Ltd. as lessor and Shenglong Oil and Gas as lessee in respect of the premises in F plant, G plant, 2nd and 4th floor of main building and open areas, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC for office use and manufacturing plant for a term of three years starting from 1 January 2026 to 31 December 2028
"2026 Renewed Pipeline Tenancy Agreement No. 3"	the renewed tenancy agreement dated 15 December 2025 entered into between Technomash as lessor and Drilling Technology as lessee in respect of the premises in 47/1, Building 10A, 10B and 10C, Demyan Bedny Street, Nevyansk, Sverdlovsk Region, Russian Federation for office use and manufacturing plant for a term of a one year starting from 1 January 2026 to 31 December 2026
"2026 Renewed Pipeline Tenancy Agreement No. 4"	the tenancy agreement dated 15 December 2025 entered into between Pipeline Surgut as lessor and Longhai Petroleum as lessee in respect of the premises in Building 1, 6 Imeni Glukhov Street, Yugra, Surgut City, Khanty-Mansiysk Autonomous Okrug Region, Russian Federation for maintenance and manufacturing use for a term of a one year starting from 1 January 2026 to 31 December 2026

"2026 Renewed Shine New Materials Tenancy Agreement"	the renewed tenancy agreement dated 15 December 2025 entered into between Hilong Group of Companies Ltd. as lessor and Hilong Shine New Materials as lessee in respect of the factory premises located at No. 1825, Luodong Road, Baoshan District, Shanghai, the PRC for office use and manufacturing plant for a term of three years starting from 1 January 2026 to 31 December 2028
"2026 Renewed Tenancy CCT Agreements"	collectively, the 2026 Renewed Beijing Huashi Tenancy Agreements, the 2026 Renewed Shine New Materials Tenancy Agreement, the 2026 Renewed Pipeline Tenancy Agreements and the 2026 Longdi Management Agreements
"2026 Welding Wire Supply Agreement"	the renewed agreement dated 15 December 2025 entered into between Hilong Energy and Hilong Pipeline in relation to the provision of welding wires by Hilong Energy Group to Hilong Pipeline Group for a term of a one year starting from 1 January 2026 to 31 December 2026
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Beijing Huashi Investment"	Beijing Huashi Hailong Oil Investment Co., Ltd.* (北京華實海隆石油投資有限公司), a company established in the PRC, and an associate of Mr. Zhang
"BHH Petroleum Machine Equipment"	Beijing Huashi Hailong Petroleum Machinery Equipment Co., Ltd.* (北京華實海隆石油機械設備有限公司), an entity controlled by Mr. Zhang, a controlling shareholder and director of the Company
"Company"	Hilong Holding Limited (海隆控股有限公司*) (stock code: 1623), a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it in the Listing Rules
"Director(s)"	the director(s) of the Company

"Drilling Technology"	Drilling Technology Limited liability Company, a company established in the Russian Federation and an indirect wholly-owned subsidiary of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the respective transactions contemplated thereunder)
"Group"	the Company and its subsidiaries
"Hilong Energy"	Hilong Energy Limited* (海隆能源有限公司), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
"Hilong Energy Group"	Hilong Energy and its subsidiaries
"Hilong Group of Companies Ltd."	Hilong Group of Companies Ltd.* (海隆石油工業集團有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
"Hilong Oil Service"	Hilong Oil Service and Engineering Co., Ltd.* (海隆石油技術服務有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
"Hilong Oil Shanghai"	Hilong Petroleum Product Technology Services (Shanghai) Co., Ltd. (海隆石油產品技術服務(上海)有限公司), a company established in the PRC, and a wholly-owned subsidiary of Hilong Pipeline and an associate of Mr. Zhang
"Hilong Petroleum Offshore Engineering"	Hilong Petroleum Offshore Engineering Co., Ltd. (海隆石油海洋工程有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
"Hilong Pipeline"	Hilong Pipeline Engineering Technology Service Co., Ltd.* (海隆管道工程技術服務有限公司), a company established in the PRC, and a wholly-owned subsidiary of Hilong Shine New Materials and an associate of Mr. Zhang

"Hilong Pipeline Group"	Hilong Pipeline and its subsidiaries
"Hilong Shine New Materials"	Shanghai Hilong Shine New Materials Co., Ltd.* (上海海隆賽能新材料有限公司), a company incorporated in the PRC with limited liability and controlled by Mr. Zhang
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the board committee of the Company comprising all independent non-executive Directors, namely Mr. WANG Tao, Mr. WONG Man Chung Francis and Mr. SHI Zheyan, established to make recommendation to the Independent Shareholders in respect of (i) the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the respective transactions contemplated thereunder)
"Independent Financial Adviser"	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on (i) the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the respective transactions contemplated thereunder)

"Independent Shareholders"	the Shareholders, other than Mr. Zhang and his associates, who are entitled to vote at the EGM in respect of (i) the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the respective transactions contemplated thereunder)
"Independent Third Party(ies)"	party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
"Latest Practicable Date"	17 December 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Longdi Management"	Shanghai Longdi Property Management Co., Ltd. (上海隆諦物業管理有限公司), an associate of Mr. Zhang
"Longhai Petroleum"	Limited Liability Company "Service Center Precise Trajectory Petroleum Technology" (formerly known as Longhai Petroleum Technology Service Center Limited Liability Company), a company established in the Russian Federation and an indirect wholly-owned subsidiary of the Company
"Longshi Investment"	Shanghai Longshi Investment Management Company Limited* (上海隆視投資管理有限公司), an associate of Mr. Zhang
"Longshi Investment Amendment Agreement No.1"	the amendment agreement dated 15 December 2025 entered into between Hilong Group of Companies Ltd. as lessee and Longshi Investment as lessor in relation to the amendment of the 2023 Longshi Investment Tenancy Agreement No.1 as disclosed in the announcement of the Company dated 15 December 2025

"Longshi Investment Amendment Agreement No.2"	the amendment agreement dated 15 December 2025 entered into between Hilong Petroleum Offshore Engineering as lessee and Longshi Investment as lessor in relation to the amendment of the 2023 Longshi Investment Tenancy Agreement No.2 as disclosed in the announcement of the Company dated 15 December 2025
"Longshi Investment Amendment Agreements"	collectively, the Longshi Investment Amendment Agreement No.1 and the Longshi Investment Amendment Agreement No.2
"Mr. Zhang"	Mr. ZHANG Jun (張軍), the chairman of the Board, an executive Director and a controlling shareholder of the Company
"Pipeline Surgut"	Hilong Petroleum Pipeline Service (Surgut) Limited Liability Company, a company established in the Russian Federation, and a wholly-owned subsidiary of Hilong Pipeline and an associate of Mr. Zhang
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"RUB"	Russian Ruble, the lawful currency of the Russian Federation
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	the registered holder(s) of the Share(s)
"Shenglong Oil and Gas"	Shenglong Oil and Gas Pipeline Inspection Technology Co., Ltd. (盛隆石油管檢測技術有限公司), a company established in the PRC, and a wholly-owned subsidiary of Hilong Pipeline and an associate of Mr. Zhang
"sqm"	square meter

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Technomash"	Technomash Limited Liability Company
"%"	percent.

* *For identification purpose only*

** *For the purpose of this circular, unless otherwise indicated, the exchange rate of RMB1.00 to RUB11.4219 has been used, where applicable, for purpose of illustration only and such conversion should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.*

Hilong Holding Limited
海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

Executive Directors:
Mr. ZHANG Jun

Non-executive Directors:
Ms. ZHANG Shuman
Dr. YANG Qingli
Mr. CAO Hongbo
Dr. FAN Ren Da Anthony

Independent non-executive Directors:
Mr. WANG Tao
Mr. WONG Man Chung Francis
Mr. SHI Zheyan

Registered Office:
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:
Room 1910, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay

22 December 2025

To the Shareholders:

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
(1) 2026 RENEWED TENANCY CCT AGREEMENTS;
(2) 2026 HILONG ENERGY CCT AGREEMENTS;
AND
CONNECTED TRANSACTION
(3) LONGSHI INVESTMENT AMENDMENT AGREEMENTS;
AND
(4) NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

* *For identification purpose only*

1. INTRODUCTION

Reference are made to:

(i) the announcement of the Company dated 1 August 2023 in relation to the 2023 Longshi Investment Tenancy Agreements and respective transactions contemplated thereunder;

(ii) the announcement of the Company dated 9 December 2024 in relation to the 2025 Renewed Tenancy CCT Agreements and the 2025 Hilong Energy CCT Agreements, the respective transactions contemplated thereunder and the proposed annual caps related thereto and the clarification announcement dated 18 December 2024 in relation to the revision of the proposed annual cap of the 2025 Coating Services, Hardbanding Services and Spraying and Packaging Services Agreement for the financial year ending 31 December 2025; and

(iii) the announcement of the Company dated 15 December 2025 in relation to (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the respective transactions contemplated thereunder).

The purpose of this circular is to provide you with, among other things, (i) further details of the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and the Longshi Investment Amendment Agreements (including the respective transactions contemplated thereunder); (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules.

2. CONTINUING CONNECTED TRANSACTIONS

I. 2026 RENEWED TENANCY CCT AGREEMENTS

(A) 2026 RENEWED BEIJING HUASHI TENANCY AGREEMENTS

Background: Given that the 2025 Renewed Beijing Huashi Tenancy Agreements will expire on 31 December 2025, the parties entered into the 2026 Renewed Beijing Huashi Tenancy Agreements for a term of a one year starting from 1 January 2026 to 31 December 2026. The principal terms of the 2026 Renewed Beijing Huashi Tenancy Agreements are set out below:

Date: 15 December 2025

Term: 1 January 2026 to 31 December 2026

	2026 Renewed Beijing Huashi Tenancy Agreement No. 1	**2026 Renewed Beijing Huashi Tenancy Agreement No. 2**	**2026 Renewed Beijing Huashi Tenancy Agreement No. 3**	**2026 Renewed Beijing Huashi Tenancy Agreement No. 4**	**2026 Beijing Huashi Car Park Lease Agreement**
Lessor:	Beijing Huashi Investment	Beijing Huashi Investment	Beijing Huashi Investment	Beijing Huashi Investment	Beijing Huashi Investment
Lessee:	Hilong Oil Service	Hilong Oil Service	Hilong Oil Service	Hilong Oil Service	Hilong Oil Service
Leased premises:	20/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	Room 502, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	Room 503-1, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	Room 501, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	20 car park spaces on B2/F Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC
Leased area:	1,850.32 sqm	476.99 sqm	126.12 sqm	276.74 sqm	100.00 sqm

Monthly rental:	RMB644,412.49 per month excluding utility and management fees	RMB160,608.50 per month excluding utility and management fees	RMB30,650.84 per month excluding utility and management fees*(Note)*	RMB93,434.34 per month excluding utility and management fees	RMB30,000.00 per month
Rental deposits:	RMB1,288,824.98	RMB321,217	RMB61,301.68	RMB186,868.68	Nil
Usage:	Office	Office	Office	Office	Car park

Payment: The rental of 2026 Renewed Beijing Huashi Tenancy Agreements are payable by Hilong Oil Service in every six months period. Hilong Oil Service is required to pay the first six months of rental with the rental deposits on the date of the 2026 Renewed Beijing Huashi Tenancy Agreements. Thereafter, Hilong Oil Service is required to pay the second six months of rental 15 days prior to the start of the second six months period.

Historical transaction amounts:	For the financial year ended 31 December 2024 *RMB*	For the ten months ended 31 October 2025 *RMB*
	11,149,274	9,591,062

Annual cap:	Existing annual cap for the financial year ending 31 December 2025 *RMB'000*	Proposed annual cap for the 2026 Renewed Beijing Huashi Tenancy Agreements *RMB'000*
	11,509	11,509

Note:

The average unit rental price of the 2026 Renewed Beijing Huashi Tenancy Agreement No. 3 (i.e. approximately RMB243.03 per sqm per month) is lower than other tenancies under the 2026 Renewed Beijing Huashi Tenancy Agreements primarily because the premises comprise a shared office and Hilong Oil Service occupies only a portion of the premises and shares common areas, such as the entrance and pantry, with other occupants.

Basis of consideration

In arriving at the monthly rental, the Directors have considered (i) the historical rental amounts payable by Hilong Oil Service under the 2025 Renewed Beijing Huashi Tenancy Agreements for the year ending 31 December 2025 with the average unit rental price of approximately RMB338.89 per sqm per month, which is the same as the 2026 Renewed Beijing Huashi Tenancy Agreements; (ii) superior location of the premises and car park to be leased under the 2026 Renewed Beijing Huashi Tenancy Agreements in Sanlitun (三里屯), which is a popular destination for shopping and dining in Beijing with high rental demand; (iii) the condition of the premises and car park to be leased including the interior design and decorations; (iv) rental levels of similar properties and car parks in the vicinity of the leased premises (taking into account factors such as leased areas and floor levels); (v) discount and credit term on property management fee; (vi) naming right of the building, being the right of use granted by the lessor for free; and (vii) the prevailing market rents with respect to the premises and car park to be leased, which is obtainable as public information from the online rental platforms.

(B) 2026 RENEWED SHINE NEW MATERIALS TENANCY AGREEMENT

Background:	Given that the 2025 Renewed Shine New Material Tenancy Agreement will expire on 31 December 2025, the parties entered into the 2026 Renewed Shine New Materials Tenancy Agreement for a term of three years starting from 1 January 2026 to 31 December 2028. The principal terms of the 2026 Renewed Shine New Materials Tenancy Agreement are set out below:
Date:	15 December 2025
Term:	1 January 2026 to 31 December 2028
Lessor:	Hilong Group of Companies Ltd.
Lessee:	Hilong Shine New Materials
Leased premises:	Office use and factory premises located at No. 1825, Luodong Road, Baoshan District, Shanghai, PRC
Leased area:	23,307.94 sqm
Monthly rental:	RMB476,118.42 per month. Accordingly, the total rental to be received by Hilong Group of Companies Ltd under the agreement is RMB17,140,263.27.

Utility fees: The utility fees are estimated at RMB166,666.67 per month, which consists of water and electricity fees. Accordingly, the total estimated utility fees to be received by Hilong Group of Companies Ltd under the agreement is RMB6,000,000.12.

Usage: Office and Manufacturing plant

Payment: The rental of 2026 Renewed Shine New Materials Tenancy Agreement is payable by Hilong Shine New Materials annually. Hilong Shine New Materials is required to pay the first year of rental in the amount of RMB5,713,421.09 within 15 days from the date of the 2026 Renewed Shine New Materials Tenancy Agreement. For each subsequent year, Hilong Shine New Materials shall pay the rental in the amount of RMB5,713,421.09 no later than 15 days prior to the commencement of that year.

Renewal of leases: Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including the Listing Rules) and negotiation of the parties, Hilong Shine New Materials has the priority option to renew the 2026 Renewed Shine New Materials Tenancy Agreement by giving 60 days' prior written notice to Hilong Group of Companies Ltd. before the expiration of the 2026 Renewed Shine New Materials Tenancy Agreement. New tenancy agreements or renewal agreements may be entered into by the parties.

Historical transaction amounts:

For the financial year ended 31 December 2024 *RMB*	For the ten months ended 31 October 2025[(1)] *RMB*
6,720,547	5,808,336

Annual cap:

Existing annual cap for the financial year ending 31 December 2025[(1)] *RMB'000*	Proposed annual cap for the 2026 Renewed Shine New Materials Tenancy Agreement *RMB'000*		
	For year ending December 31, 2026	For year ending December 31, 2027	For year ending December 31, 2028
7,144	7,714	7,714	7,714

Note:

(1) The historical transaction amounts for the ten months ended 31 October 2025 and the existing annual cap for the financial year ending 31 December 2025 is based on the lease area of 22,260.58 sqm.

Basis of consideration

The terms of the 2026 Renewed Shine New Materials Tenancy Agreement is determined on an arm's length basis and normal commercial terms taking into account: (i) the historical rental amounts payable by Hilong Shine New Materials under the 2025 Renewed Shine New Material Tenancy Agreement for the year ending 31 December 2025 with the average unit rental price of approximately RMB19.26 per sqm per month, increasing to approximately RMB20.43 per sqm per month by 6.07% under the 2026 Renewed Shine New Materials Tenancy Agreement. The increase in rental amounts is due to the increase in leased area of approximately 1,047 sqm for office use and increase in average unit rental price, which is attributable to the increasing proportion of office space within the total leased area, combined with the fact that office spaces command higher unit price among all property types; (ii) the maintenance costs of the premises to be leased, such as the costs of roof reinforcement and cost of waterproofing, which will be borne by the lessor; (iii) the location of the premises to be leased, which is relatively remote and is inconvenient in traffic; (iv) low customized requirements, being no stringent requirements for air cleanliness and green coverage rate; (v) the floor area, structure and type of the premises to be leased; (vi) construction cost of the premises to be leased; and (vii) the prevailing market rents with respect to the premises to be leased, which is obtainable as public information from the surrounding rental market and after consulting the advices of several reputable local real estate agents. The utility fees receivable by the Group under the 2026 Renewed Shine New Materials Tenancy Agreement have been determined based on (i) the latest charging rates of the relevant utilities as prescribed by the State Grid Shanghai Municipal Electric Power Company* (國網上海市電力公司) for electricity fees and Shanghai Chengtou Water Group Co., Ltd.* (上海城投水務(集團)有限公司) for water fees; (ii) the estimated consumption level of Hilong Shine New Materials of approximately 157,143 kWh per month for electricity and 259 cubic meter per month for water; and (iii) the historical consumption of Hilong Shine New Materials of approximately RMB151,413 per month for electricity with an average monthly consumption of 132,563 kWh and RMB1,584 per month for water with an average monthly usage of 247 cubic meter.

(C) 2026 RENEWED PIPELINE TENANCY AGREEMENTS

Background: Given that the 2025 Renewed Pipeline Tenancy Agreements will expire on 31 December, 2025, the parties entered into the (i) the 2026 Renewed Pipeline Tenancy Agreement No.1, the 2026 Renewed Pipeline Tenancy Agreement No.2 and the 2026 Pipeline Tenancy Agreement No.5 for a term of three years starting from 1 January 2026 to 31 December 2028; and (ii) the 2026 Renewed Pipeline Tenancy Agreement No.3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 for a term of one year starting from 1 January 2026 to 31 December 2026. The principal terms of the 2026 Renewed Pipeline Tenancy Agreements are set out below:

Date: 15 December 2025

Term:

(i) 1 January 2026 to 31 December 2028 for the 2026 Renewed Pipeline Tenancy Agreement No.1, the 2026 Renewed Pipeline Tenancy Agreement No.2 and the 2026 Pipeline Tenancy Agreement No.5

(ii) 1 January 2026 to 31 December 2026 for the 2026 Renewed Pipeline Tenancy Agreement No.3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4

	2026 Renewed Pipeline Tenancy Agreement No. 1	**2026 Renewed Pipeline Tenancy Agreement No. 2**	**2026 Renewed Pipeline Tenancy Agreement No. 3**	**2026 Renewed Pipeline Tenancy Agreement No. 4**	**2026 Pipeline Tenancy Agreement No. 5**
Lessor:	Hilong Group of Companies Ltd.	Hilong Group of Companies Ltd.	Technomash	Pipeline Surgut	Hilong Group of Companies Ltd.
Lessee:	Hilong Pipeline	Shenglong Oil and Gas	Drilling Technology	Longhai Petroleum	Hilong Oil Shanghai
Leased premises:	Premises in D plant, F plant, 2nd and 4th floor of main building and open areas, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC	Premises in F plant, G plant, 2nd and 4th floor of main building and open areas, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC	Premises in 47/1, Building 10A, 10B and 10C, Demyan Bedny Street, Nevyansk, Sverdlovsk Region, Russian Federation	Premises in Building 1, 6 Imeni Glukhov Street, Yugra, Surgut City, Khanty-Mansiysk Autonomous Okrug Region, Russian Federation	Premises in room 202, 211, 213 and 415 of main building, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC

Leased area:	28,397.07 sqm	3,312.42 sqm	18,022.50 sqm	1,311.80 sqm	272.76 sqm
Monthly rental:	RMB397,911.81 per month	RMB51,739.85 per month	RUB10,997,731 per month (equivalent to approximately RMB962,863.53) (inclusive of water and electricity fees)(**)	RUB1,044,918.00 per month (equivalent to approximately RMB91,483.73) (inclusive of water and electricity fees)(**)	RMB11,615.03 per month (inclusive of water and electricity fees)
Utility fees:	The utility fees are estimated at RMB666,666.67 per month, which consists of water and electricity fees. Accordingly, the total estimated utility fees to be received by Hilong Group of Companies Ltd. under the agreement is RMB24,000,000.12.	The utility fees are estimated at RMB20,833.34 per month, which consists of water and electricity fees. Accordingly, the total estimated utility fees to be received by Hilong Group of Companies Ltd. under the agreement is RMB750,000.24.*(Note)*	There are no utility fees under the 2026 Renewed Pipeline Tenancy Agreement No. 3, the 2026 Renewed Pipeline Tenancy Agreement No. 4 and the 2026 Pipeline Tenancy Agreement No. 5 as the respective monthly rental have included water and electricity fees.		
Usage:	Office use and manufacturing plant	Office use and manufacturing plant	Office use and manufacturing plant	Maintenance and manufacturing	Office use

Note: Under the 2026 Renewed Pipeline Tenancy Agreement No. 2, the water fees payable by Shenglong Oil and Gas are negligible, as the manufacturing activities conducted at the leased premises involve minimal water usage.

Payment:	The rental fee is payable annually. The rental fee of first year in the amount of RMB4,774,941.7 is payable within 15 days from the date of the agreement. For each subsequent year, the rental fee in the amount of RMB4,774,941.7 is payable no later than 15 days prior to the commencement of that year.	The rental fee is payable annually. The rental fee of first year in the amount of RMB620,878.18 is payable within 15 days from the date of the agreement. For each subsequent year, the rental fee in the amount of RMB620,878.18 is payable no later than 15 days prior to the commencement of that year.	The monthly rental is payable on a monthly basis by the end of the preceding month. The total rental under the agreement is RUB131,972,772.00 (equivalent to approximately RMB11,554,362.41)(**).	At the end of calendar month, but not later than the fifth day of the month following the reporting month, the lessor sends the lessee the invoice for payment. The amount of rental fees on the invoice is payable by the lessee to the lessor within 90 days upon receiving the invoice. The total rental under the agreement is RUB12,539,016.00 (equivalent to approximately RMB1,097,804.74)(**)	The rental fee is payable annually. The rental fee of first year in the amount of RMB139,380.36 is payable within 15 days from the date of the agreement. For each subsequent year, the rental fee in the amount of RMB139,380.36 is payable no later than 15 days prior to the commencement of that year.

Renewal of leases: Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including the Listing Rules), the lessee of the 2026 Renewed Pipeline Tenancy Agreement No. 1, the 2026 Renewed Pipeline Tenancy Agreement No. 2 and the 2026 Pipeline Tenancy Agreement No. 5 has the priority option to renew the leases by giving 60 days' prior written notice to the lessor before the expiration of the lease. New tenancy agreements or renewal agreements may be entered into by the parties. There are no renewal options under the 2026 Renewed Pipeline Agreement No. 3 and the 2026 Renewed Pipeline Agreement No. 4 respectively.

Historical transaction amounts:	For the financial year ended 31 December 2024 *RMB*	For the ten months ended 31 October 2025(2) *RMB*
	20,893,801	18,161,324

Annual cap:

Existing annual cap for the financial year ending 31 December 2025[(2)]	Proposed annual cap for the 2026 Renewed Pipeline Tenancy Agreements for the year ending 31 December 2026
RMB'000	*RMB'000*
23,136	26,438

Proposed annual cap for the 2026 Renewed Pipeline Tenancy Agreement No.1, the 2026 Renewed Pipeline Tenancy Agreement No.2 and the 2026 Pipeline Tenancy Agreement No.5

For year ending 31 December 2027	For year ending 31 December 2028
RMB'000	*RMB'000*
13,786	13,786

Note:

(2) The historical transaction amounts for the ten months ended 31 October 2025 and the existing annual cap for the financial year ending 31 December 2025 do not include the premises under the 2026 Pipeline Tenancy Agreement No.5.

Basis of consideration

The terms of the 2026 Renewed Pipeline Tenancy Agreement No.1, the 2026 Renewed Pipeline Tenancy Agreement No.2, the 2026 Renewed Pipeline Tenancy Agreement No.3 and the 2026 Renewed Pipeline Tenancy Agreement No.4 are determined on an arm's length basis and normal commercial terms taking into account: (i) the historical rental amounts payable by Hilong Pipeline and Shenglong Oil and Gas to Hilong Group of Companies Ltd. and Drilling Technology to Technomash and Longhai Petroleum to Pipeline Surgut under the 2025 Renewed Pipeline Tenancy Agreement No. 1, the 2025 Renewed Pipeline Tenancy Agreement No. 2, the 2025 Renewed Pipeline Tenancy Agreement No. 3 and the 2025 Pipeline Tenancy Agreement No. 4 with the average unit rental price of approximately RMB19.15, RMB15.85, RMB38.57 and RMB54.83 per sqm per month, respectively. The proposed average unit rental price of the 2026 Renewed Pipeline Tenancy Agreement No. 1 decreases to approximately RMB14.01 per sqm per month by 26.84% because of increase in leased area of approximately 12,684 sqm and attributable to the increasing proportion of open areas within the total leased area, combined with the fact that open areas command lower unit price among all property types. The proposed average unit rental price of the 2026 Renewed Pipeline Tenancy Agreement No. 2 decreases to approximately RMB15.62 by 1.5% because of the increasing proportion of open areas within the total leased area, combined with the fact that open areas command lower unit price among all property types. The proposed average unit rental price of the 2026 Renewed Pipeline Tenancy Agreements No.3 and No.4 increase to approximately RMB53.43

by 38.53% and RMB69.74 by 27.19% respectively, because of fluctuation in exchange rate of RMB to RUB and because of the proposed rise in the Russian VAT rate from 20% to 22%, which is scheduled to take effect in 2026 based on public information available to the Company; (ii) the maintenance costs of the premises to be leased, such as the costs of roof reinforcement and cost of waterproofing, which will be borne by the lessor; (iii) the location of the premises to be leased; (iv) the floor area, structure and type of the premises to be leased; (v) construction cost of the premises to be leased; and (vi) the prevailing market rents with respect to the premises to be leased, which is obtainable as public information from the surrounding rental market and after consulting the advices of several reputable local real estate agents. The utility fees payable by Hilong Pipeline and Shenglong Oil and Gas under the 2026 Renewed Pipeline Tenancy Agreement No. 1 and the 2026 Renewed Pipeline Tenancy Agreement No. 2 have been determined based on (i) the latest charging rates of the relevant utilities prescribed by the State Grid Shanghai Municipal Electric Power Company* (國網上海市電力公司) for electricity fees and Shanghai Chengtou Water Group Co., Ltd.* (上海城投水務(集團)有限公司) for water fees; (ii) estimated consumption level of approximately 659,275 kWh per month for electricity and 2,075 cubic meter per month for water for Hilong Pipeline and approximately 3,834 kWh per month for electricity for Shenglong Oil and Gas, respectively; and (iii) historical consumption of approximately RMB347,679 per month for electricity with an average monthly consumption of 370,741 kWh and RMB6,838 per month for water with an average monthly usage of 1,064 cubic meters for Hilong Pipeline, and approximately RMB18,797 per month for electricity with an average monthly consumption of 2,606 kWh for Shenglong Oil and Gas for the financial year ending 31 December 2025, respectively[(Note)].

The terms of the 2026 Pipeline Tenancy Agreement No. 5 are determined on arm's length basis and normal commercial terms taken into account: (i) the prevailing market rents with respect to the premises to be leased, which is obtainable as public information from the surrounding rental market; (ii) rental levels of similar properties in the vicinity of the leased premises (taking into account factors such as leased areas and floor levels); (iii) the conditions of the leased premises; and (iv) the availability of properties with similar sizes and in similar locations.

Note:

For the financial year ended 31 December 2024, Hilong Pipeline recorded approximately RMB648,742 in electricity fees per month for an average monthly consumption of 621,293 kWh and RMB13,188 in water fees per month for an average monthly usage of 2,052 cubic meter. The lower historical utility consumption for the financial year ending 31 December 2025 is primarily attributable to a strategic shift towards producing smaller-diameter pipelines, which require approximately 40% less power consumption than large-diameter pipelines. Electricity consumption will expect to return the levels in 2024 for the financial year ending 31 December 2026 with the production of more large-diameter pipelines.

(D) 2026 LONGDI MANAGEMENT AGREEMENTS

Background: In view of the entering of the Longshi Investment Amendment Agreements, Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering as lessees entered into the 2026 Longdi Management Agreements for a term of a one year starting from 1 January 2026 to 31 December 2026, pursuant to which Longdi Management shall provide management services to Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering for the leased premises under the Longshi Investment Amendment Agreement No.1 and the Longshi Investment Amendment Agreement No.2 respectively.

The principal terms of the 2026 Longdi Management Agreements are set out below:

Date: 15 December 2025

Term: 1 January 2026 to 31 December 2026

	2026 Longdi Management Agreement No.1	**2026 Longdi Management Agreement No.2**
Parties:	i. Longdi Management ii. Hilong Group of Companies Ltd.	i. Longdi Management ii. Hilong Petroleum Offshore Engineering
Subject:	Longdi Management shall provide management services to Hilong Group of Companies Ltd. on the leased premises at 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC	Longdi Management shall provide management services to Hilong Petroleum Offshore Engineering on the leased premises at 5/F and 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Monthly management fees:	RMB10,464.00 per month	RMB80,439.68 per month

Payment: Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering shall pay Longdi Management on a quarterly basis. Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering are required to pay the management fees for the first quarter on the date of the 2026 Longdi Management Agreement No.1 and the 2026 Longdi Management Agreement No.2. Thereafter, Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering are required to pay the management fees at the start of each subsequent quarter.

Pricing Policy: Prices of RMB32 per sqm per month are determined after arm's length negotiations between the parties with references to prevailing market prices for management services of similar properties in the vicinity of the leased premises,which is obtainable as public information from online platforms.

Annual cap: Proposed annual cap for the 2026 Longdi Management Agreements

RMB'000
1,643

Basis of consideration

The terms of the Longdi Management Agreements are determined on an arm's length basis and normal commercial terms taking into account: (i) the scale of management services required for the leased areas under the Longshi Investment Amendment Agreements, which are obtainable as public information after consulting the advice of several reputable local real estate agents; (ii) the scope of management services to be provided; and (iii) conditions of the leased premises.

Accounting Treatment with respect to the 2026 Renewed Beijing Huashi Tenancy Agreements, the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4

According to applicable accounting standards, generally, the Group as the lessee shall recognize a lease as a right-of-use asset in the consolidated statement of financial position of the Group according to HKFRS 16. Since the term of each of the 2026 Renewed Beijing Huashi Tenancy Agreements, the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 is no more than 12 months, the Group may elect not to recognize assets and liabilities for the leases contemplated under the 2026 Renewed Beijing Huashi Tenancy Agreements, the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 in its consolidated statement of financial position according to HKFRS 16. Accordingly, the rental payable by the Group pursuant to the 2026 Renewed Beijing Huashi Tenancy Agreements, the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline

Tenancy Agreement No. 4 will be recognized as expenses in the Group's profit and loss accounts in the period in which they are incurred, and the payment of such rental will be regarded as continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

ANNUAL CAPS

The existing aggregate annual caps (rounded up to the nearest thousand RMB) for the financial year ending 31 December 2025 are renewed under the 2026 Renewed Tenancy CCT Agreements as below:

Existing annual cap for the financial year ending 31 December 2025 *RMB'000*	Proposed annual cap for the financial year ending 31 December 2026 *RMB'000*	Proposed annual cap for the financial year ending 31 December 2027 *RMB'000*	Proposed annual cap for the financial year ending 31 December 2028 *RMB'000*
42,789	47,304	21,500	21,500

In arriving at the proposed annual caps of RMB47,304,000 for the period from 1 January 2026 to 31 December 2026, which comprises (i) the aggregate amount of the rental payable by the Group to Beijing Huashi Investment under the 2026 Renewed Beijing Huashi Tenancy Agreements; (ii) the amount of the rental and utility fees payable by Hilong Shine New Materials to the Group under the 2026 Renewed Shine New Materials Tenancy Agreement for the year ending 31 December 2026; (iii) the aggregate amount of rental and utility fees payable by Hilong Pipeline, Shenglong Oil and Gas and Hilong Oil Shanghai to the Group and the rental payable by the Group to Technomash and Pipeline Surgut under the 2026 Renewed Pipeline Tenancy Agreements for the year ending 31 December 2026; and (iv) the management fees payable by the Group to Longdi Management under the 2026 Longdi Management Agreements, the Directors have taken into account the historical transaction amounts and aggregate estimated amounts payable or to be received by the Group under the such agreements.

In arriving at the proposed annual caps of RMB21,500,000 for the period from 1 January 2027 to 31 December 2027 and from 1 January 2028 to 31 December 2028, respectively, which comprises (i) the amount of the rental and utility fees payable by Hilong Shine New Materials to the Group under the 2026 Renewed Shine New Materials Tenancy Agreement for the years ending 31 December 2027 and 31 December 2028; and (ii) the aggregate amount of rental and utility fees payable by Hilong Pipeline, Shenglong Oil and Gas and Hilong Oil Shanghai to the Group under the 2026 Renewed Pipeline Tenancy Agreement No.1, the 2026 Renewed Pipeline Tenancy Agreement No.2 and the 2026 Pipeline Tenancy Agreement No.5 for the years ending 31 December 2027 and 31 December 2028, the Directors have taken into account the historical transaction amounts and aggregate estimated amounts payable or to be received by the Group under the such agreements.

The terms of each of the 2026 Renewed Tenancy CCT Agreements are negotiated by the parties on arm's length basis, taking into account prevailing market rates but in any event at leasing terms, rental rates and management fees no less favourable than those offered to the Group by Independent Third Parties for the same or similar types of leased premises, car park and management services. Based on the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the continuing connected transactions contemplated under each of 2026 Renewed Tenancy CCT Agreements and the aggregate annual caps contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

REASONS FOR AND BENEFITS FOR ENTERING INTO THE 2026 RENEWED TENANCY AGREEMENTS

The Group has been leasing premises from Beijing Huashi Investment for use as offices and has practical needs to continue to lease such office premises. The leases of the office premises under the 2025 Renewed Beijing Huashi Tenancy Agreements will expire on 31 December 2025. The Company believes that it is time and cost efficient for the Group to continue to lease the premises under the 2026 Renewed Beijing Huashi Tenancy Agreements rather than seeking for alternative locations, which would incur unnecessary moving costs and cause potential disruption to the daily operations of the Group. The arrangement of upfront payment of rent of six months with additional deposits aligns with normal market practice for similar properties and car parks in the vicinity of the leased premises. The Board also considers that the upfront payment of rent of six months is economically sensible and will not have material impact on the cash flow of the Group.

The lease of the factory premises under the 2025 Renewed Shine New Material Tenancy Agreement will expire on 31 December 2025. Hilong Shine New Materials has been long-term lessees of the Group and the Company believes that through the leasing of the factory premises to Hilong Shine New Materials for a term of three years, the Group is able to continue to achieve use of their resources in a more efficient manner. The rental income received by Hilong Group of Companies Ltd. under the 2026 Renewed Shine New Materials Tenancy Agreement also provides a steady source of revenue to the Group. The arrangement of annual payment of rental and utility fees from Hilong Shine New Materials can mitigate potential risks associated with late or non-payment with annual payment for each financial year and provide the Group with stable and consistent cash flow without allocating additional resources to search for new lessees.

The 2025 Renewed Pipeline Tenancy Agreements will expire on 31 December 2025. The Company believes that through the leasing of the premises to Hilong Pipeline, Shenglong Oil and Gas and Hilong Oil Shanghai for a term of three years, the Group is able to achieve use of their resources in a more efficient manner. The rental income received by Hilong Group of Companies Ltd. under the 2026 Renewed Pipeline Tenancy Agreement No. 1, the 2026 Renewed Pipeline Tenancy Agreement No. 2 and the 2026 Pipeline Tenancy Agreement No. 5 also provide a steady source of revenue to the Group. The arrangement of annual payment of rental and utility fees from Hilong Pipeline, Shenglong Oil and Gas and Hilong Oil Shanghai can mitigate potential risks associated with late or non-payment with annual payment for each financial year and provide the Group with stable and consistent cash flow without allocating additional resources to search for new lessees. The Group has been leasing premises from Technomash since 2020. The Company believes that it is beneficial for the Group to continue to lease the relevant premises from Technomash for a term of one year to maintain the stability of the Group's daily operations rather than seeking alternative locations and lessors. Longhai Petroleum has been leasing premises from Pipeline Surgut since 2025. Given the close proximities of Longhai Petroleum's operations to Pipeline Surgut and its desirable location, the Company believes it is beneficial to lease such premises for a term of one year from Pipeline Surgut instead of seeking alternative locations and lessor. The term of one year under the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 provide the Company with greater flexibility in negotiations as lessee. There are no renewal options under the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 as the Company considers the risk of non-renewal by respective lessors to be low. In the event that renewal is not agreed among the Company and the lessors after the expiry of the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 for a term of one year, the Group will be able to secure alternative premises in close proximity to the existing location without any material impact on the Group's operations.

The Group has been leasing premises from Longshi Investment for use as offices and has practical needs to continue the leasing of such office premises under the 2023 Longshi Investment Agreements (as amended by Longshi Investment Amendment Agreements). The property management fee of Longdi Management is lower than that of other surrounding property management companies in the vicinity of the leased premises. The terms of each of the 2026 Longdi Management Agreements are negotiated by the parties on an arm's length basis, taking into account prevailing management fees, but in any event at management fees no less favourable than those offered to the Group by Independent Third Parties for the management services to same or similar types of leased premises.

II. 2026 HILONG ENERGY CCT AGREEMENTS

(E) 2026 HILONG ENERGY PRODUCTS AND SERVICES PROCUREMENT AGREEMENT

Background: Given that the 2025 Coating Services, Hardbanding Services and Spraying and Packaging Services Agreement will expire on 31 December 2025, the parties entered into the 2026 Hilong Energy Products and Services Procurement Agreement for a term of a one year starting from 1 January 2026 to 31 December 2026. The principal terms of the 2026 Hilong Energy Products and Services Procurement Agreement are set out below:

Date: 15 December 2025

Parties:
i. Hilong Energy; and

ii. Hilong Pipeline

Subject Matter: Hilong Pipeline Group shall provide Hilong Energy Group with coating services, hardbanding services, spraying and packaging services and painting materials as and when requested by Hilong Energy Group during the term of the agreement.

Term: The 2026 Hilong Energy Products and Services Procurement Agreement will commence on 1 January 2026 and end on 31 December 2026, subject to renewal upon mutual agreement of both parties and compliance with the Listing Rules.

Payment: Hilong Energy Group shall pay Hilong Pipeline Group within 120 days from the date of delivery of services or products.

Pricing Policy: Prices are determined after arm's length negotiations between the parties with references to prevailing market prices within the industry and considering regional price differences, with reference to:

i. Coating services pricing policy

a. PRC Market: the reference prices formulated by China National Petroleum Corporation (CNPC) and China Petroleum & Chemical Corporation (Sinopec Corp.) for similar types, specifications, techniques, and standards on an annual basis. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the above reference prices.

b. Overseas Market: (i) the prevailing market prices based on comparing quotations obtained from other Independent Third Parties for similar types, specifications, techniques, and standards of services; and (ii) costs to be incurred by Hilong Pipeline Group for coating services with a reasonable profit margin in the range of 30% to 55%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be based on the specifications, techniques and standards of drill-pipes. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the prevailing market prices.

ii. Hardbanding services pricing policy

a. The prevailing market prices are based on comparing quotations obtained from other Independent Third Party suppliers in the market for similar types, specifications, techniques, and standards of services; and

b. costs to be incurred by Hilong Pipeline Group for hardbanding services with a reasonable profit margin in the range of 10% to 55%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be determined with reference to the specifications, techniques and standards of drill-pipes. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the prevailing market prices.

iii. Spraying and packaging services pricing policy

a. The prevailing market prices based on comparing quotations obtained from other Independent Third Party suppliers in the market for similar types, specifications, techniques, and standards of services; and

b. costs to be incurred by Hilong Pipeline Group for spraying and packaging services with a reasonable profit margin in the range of 20% to 40%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be based on the specifications, techniques and standards of drill-pipes. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the prevailing market prices.

iv. Painting materials pricing policy

a. The prevailing market prices based on comparing quotations obtained from other Independent Third Party suppliers in the market for similar types, specifications, techniques, and standards of products; and

b. costs to be incurred by Hilong Pipeline Group for painting materials with a reasonable profit margin in the range of 35% to 85%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be based on the specifications, techniques and standards of painting materials.

The prices and conditions (including payment and settlement terms) for coating services, hardbanding services, spraying and packaging services and painting materials offered by Hilong Pipeline Group shall be no less favorable to Hilong Energy Group than those quotations available from Independent Third Parties.

Condition precedent: The 2026 Hilong Energy Products and Services Procurement Agreement is conditional upon the Independent Shareholders approving the 2026 Hilong Energy Products and Services Procurement Agreement, the transactions contemplated thereunder and the proposed revised annual cap related thereto at the EGM.

	For the financial year ended 31 December 2024 *RMB*	For the ten months ended 31 October 2025[(3)] *RMB*
Historical transaction amounts:	281,610,426 (inclusive of VAT)	185,069,695 (inclusive of VAT)

	Existing annual cap for the financial year ending 31 December 2025[(3)] *RMB'000*	Proposed annual cap for the 2026 Hilong Energy Products and Services Procurement Agreement *RMB'000*
Annual cap:	382,048 (inclusive of VAT)	281,372 (inclusive of VAT)

Note:

(3) The historical transaction amounts for the ten months ended 31 October 2025 and the existing annual cap for the financial year ending 31 December 2025 do not include painting materials.

Basis of consideration

The proposed annual cap in respect of the 2026 Hilong Energy Products and Services Procurement Agreement is determined with reference to (i) historical transaction amount; (ii) the anticipated demand for coating services, hardbanding services, spraying and packaging services and painting materials based on drill-pipe production plans of the Group for the financial year ending 31 December 2026 and the strategic drill-pipe projects with key clients of the Group; and (iii) the VAT rates in China and Russia of approximately 13% and 22%, respectively. The increase in Russian VAT for the financial year ending 2026 is attributable to the Russian government's scheduled implementation of a 22% VAT rate effective in 2026.

The proposed annual cap for the 2026 Hilong Energy Products and Services Procurement Agreement decreases by approximately 26.35% to RMB281,372,000 from RMB382,048,000 as compared to financial year ending 31 December 2025, primarily due to (i) forecasted decline in demand for coating services, hardbanding services and spraying and packaging services for drill pipes by approximately 26.59%, 48.27% and 85.49% respectively, which reflects an expected reduction in global drill pip market attributable to forecasted slowdown in global oil and gas exploration activities and volatility in international oil prices; partially offset by (ii) the new procurement of painting materials; and (iii) anticipated appreciation of RMB to RUB exchange rate and increase in VAT rates in Russia. The procurement of coating services, hardbanding services, spraying and packaging services and painting materials from Hilong Pipeline in China and Russia accounts for approximately 65% and 32% of the transactions under the 2026 Hilong Energy Products and Services Procurement Agreement.

The terms of the 2026 Hilong Energy Products and Services Procurement Agreement are reached after arm's length negotiation between Hilong Energy and Hilong Pipeline. Taking into consideration (i) the entering into of the 2026 Hilong Energy Products and Services Procurement Agreement is in the ordinary and usual course of business of the Group; (ii) the 2026 Hilong Energy Products and Services Procurement Agreement is non-exclusive in nature; and (iii) Hilong Energy Group will only procure coating services, hardbanding services, spraying and packaging services and painting materials from Hilong Pipeline Group when the price offered by Hilong Pipeline Group is no less favorable to the Group as compared to other quotations received from Independent Third Parties. Based on the above reasons, the Directors (including the independent non-executive Directors) considers that the 2026 Hilong Energy Products and Services Procurement Agreement, the transactions contemplated thereunder and the proposed revised annual cap related thereto are on normal commercial terms or better, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS FOR ENTERING INTO THE 2026 HILONG ENERGY PRODUCTS AND SERVICES PROCUREMENT AGREEMENT

The Group requires coating services, hardbanding services, spraying and packaging services and painting materials for drill pipes production and sales during its ordinary and usual course of business. The Group needs to collaborate with a qualified coating services supplier when participating in the bidding process for the sale of drill pipes.

The Company considers that Hilong Pipeline Group is specialized and experienced in coating services through years of cooperation between the Group and Hilong Pipeline Group. Hilong Pipeline is one of the recognized suppliers by market leaders such as CNPC, Sinopec Corp., ADNOC Drilling company PJSC (ADNOC) and Ensign. In terms of the global market, certain drill pipe clients also designate Hilong Pipeline as the coating services provider for its capability to provide high-performance coatings under extremely harsh exploration conditions. Drill pipe clients which have a long-standing relationship with the Company such as PetroChina Company Limited (中國石油天然氣股份有限公司), Sinopec Corp., ADNOC also recognized Hilong Pipeline as an approved coating services supplier.

Furthermore, since both parties are familiar with each other's background, communication between parties would be faster and easier, risks and costs for transaction will also be reduced. Hilong Pipeline Group is also familiar with the business needs, quality standards and operation requirements of the Group. Moreover, since the Group's drill-pipe production facility and Hilong Pipeline's coating manufacturing plant are located close to each other, cooperating with Hilong Pipeline will save the Group considerable transportation costs. As set out in the section headed "Internal Controls for the Group's Continuing Connected Transactions" in this circular, service providers of coating services, hardbanding services, spraying and packaging services and painting materials will be selected and determined by comparing quotations obtained from Hilong Pipeline and Independent Third Party providers. The entering into of the 2026 Hilong Energy Products and Services Procurement Agreement could provide flexibility to the Group in securing reliable coating services, hardbanding services, spraying and packaging services and painting materials in 2026.

Therefore, Hilong Energy and Hilong Pipeline decided to enter into the 2026 Hilong Energy Products and Services Procurement Agreement to meet the Group's business needs in 2026 and to revise the existing annual cap to cover the financial year ending 31 December 2026.

(F) 2026 WELDING WIRE SUPPLY AGREEMENT

Background: Given that the 2025 Welding Wire Supply Agreement will expire on 31 December 2025, Hilong Energy entered into the 2026 Welding Wire Supply Agreement for a term of a one year from 1 January 2026 to 31 December 2026. The principal terms of the 2026 Welding Wire Supply Agreement are set out below:

Date: 15 December 2025

Parties:
i. Hilong Energy; and

ii. Hilong Pipeline

Subject Matter: Hilong Energy Group shall supply welding wires and related products to Hilong Pipeline Group as and when requested by Hilong Pipeline Group during the term of the agreement.

Term: The 2026 Welding Wire Supply Agreement will commence on 1 January 2026 and end on 31 December 2026, subject to renewal upon mutual agreement of both parties and compliance with the Listing Rules.

Payment: Hilong Pipeline Group shall pay Hilong Energy Group within 90 days from the date of invoice.

Pricing Policy:

Prices are determined after arm's length negotiations between the parties with references (i) to the final price of welding wires and related products sold by Hilong Energy Group to Independent Third Parties in the current financial year; and (ii) the costs of the welding wires produced by Hilong Energy Group with a reasonable profit margin in the range of 80% to 90%, with additional costs of tariffs and exchange rate considered for overseas market. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period taken into account the uniqueness and extensively patented welding wire formula, and the relatively lower cost attributable to the high productivity of the welding wire equipment of Hilong Energy Group. Prior to determining the price of welding wires before transactions, the marketing department of Hilong Energy Group is required to conduct research on the prices of welding wires offered to the Independent Third Parties of the Group in similar transactions, or the market prices of similar products under similar sales terms and conditions if no similar transactions have occurred within the Group. After preliminary pricing discussions with cost center and financial department, the marketing department will submit pricing proposals to management of Hilong Energy Group and relevant departments for review and approval before entering into transactions.

In any event, the prices and conditions (including payment and settlement terms) for welding wire and related products offered by Hilong Energy Group to Hilong Pipeline Group shall be no more favorable than those offered by Hilong Energy Group to Independent Third Parties.

Condition precedent:

The 2026 Welding Wire Supply Agreement is conditional upon the Independent Shareholders approving the 2026 Welding Wire Supply Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto at the EGM.

Historical transaction amounts:

For the financial year ended 31 December 2024	For the ten months ended 31 October 2025
RMB	*RMB*
17,836,192 (inclusive of VAT)	14,070,792 (inclusive of VAT)

Annual cap:	Existing annual cap for the financial year ending 31 December 2025 *RMB'000*	Proposed annual cap for the 2026 Welding Wire Supply Agreement *RMB'000*
	24,000 (inclusive of VAT)	26,418 (inclusive of VAT)

Basis of consideration

The proposed annual cap in respect of the 2026 Welding Wire Supply Agreement is determined with reference to (i) historical transaction amount in relation to the supply of welding wires by Hilong Energy Group to Hilong Pipeline Group; (ii) the anticipated demand for welding wires required by Hilong Pipeline Group in 2026; (iii) Hilong Pipeline Group's demand for welding wires as communicated to the Group in 2026, based on the existing projects obtained by Hilong Pipeline Group that commence in 2026; (iv) anticipated higher demand for premium-grade welding wire models with high average unit price; and (v) the VAT rates in China and Russia of approximately 13% and 22%, respectively. The increase in Russian VAT for the financial year ending 2026 is attributable to the Russian government's scheduled implementation of a 22% VAT rate effective in 2026.

The proposed annual cap for the 2026 Welding Wire Supply Agreement increases by approximately 11.47% to RMB26,418,000 from RMB24,000,000 for the financial year ending 31 December 2025, primarily due to (i) forecasted increase in average unit price of welding wire in 2026 by approximately 24.70% attributable to anticipated higher demand from Hilong Pipeline Group for premium series of welding wire with higher average unit prices; and partially offset by (ii) decline in forecasted sales volume by approximately 10.61% due to expected decrease in demand for welding wire for processing hardbands. The sales of welding wires to Hilong Pipeline in China and Russia accounts for approximately 28% and 72% of the transactions under the 2026 Welding Wire Supply Agreement.

The terms of the 2026 Welding Wire Supply Agreement are reached after arm's length negotiation between Hilong Energy and Hilong Pipeline. Taking into consideration (i) the entering into of the 2026 Welding Wire Supply Agreement is in the ordinary and usual course of business of the Group; and (ii) the 2026 Welding Wire Supply Agreement is non-exclusive in nature and the Group has other existing welding wires clients who are Independent Third Parties. Based on the above reasons, the Directors (including the independent non-executive Directors) considers that the 2026 Welding Wire Supply Agreement, the transactions contemplated thereunder and the proposed annual cap related thereto are on normal commercial terms or better, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS FOR ENTERING INTO THE 2026 WELDING WIRE SUPPLY AGREEMENT

In the past, Hilong Pipeline Group has constantly procured the welding wires produced by the Hilong Energy Group, which are processed into hardbanding and sold to customers as part of the coating services. With years of stable and long-term relationship between Hilong Energy and Hilong Pipeline, Hilong Energy Group is familiar with the business needs and quality standards of Hilong Pipeline Group while Hilong Pipeline is familiar with Hilong Energy's production capability and qualification for welding wires, which promotes higher work efficiency. As the Group currently focuses its resources on drill-pipe related and oilfield services, it does not intend to expand the operation size and sales force of the Group's welding wire business given it is already a highly competitive market and it is relatively difficult for the Group to promote its welding wire products into international markets. The sales to Hilong Pipeline Group shall provide a stable stream of revenue to the Group, enhancing the Group's profitability and bringing better returns to Shareholders. The Group also hopes to capitalize on Hilong Pipeline's geographical coverage in both domestic and overseas markets and to further promote the Group's market presence.

Further, as set out in the section headed "Internal Controls for the Group's Continuing Connected Transactions" in this circular, the relevant departments and the CCT IC Committee (to be defined below) will follow the internal control measures such that Hilong Energy will only supply welding wire to Hilong Pipeline when the price and conditions (including payment and settlement terms) offered to Hilong Pipeline are no more favorable than those being offered to Independent Third Party.

Therefore, Hilong Energy and Hilong Pipeline decided to enter into the 2026 Welding Wire Supply Agreement for a one year term from 1 January 2026 to 31 December 2026.

3. CONNECTED TRANSACTIONS

LONGSHI INVESTMENT AMENDMENT AGREEMENTS

Background: Reference is made to the announcement of the Company dated 1 August 2023 in relation to the 2023 Longshi Investment Tenancy Agreements. Having considered relevant business needs, Longshi Investment as lessor and Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering as lessees have entered into the Longshi Investment Amendment Agreements to amend the terms of the 2023 Longshi Investment Tenancy Agreements.

The key amendments of the Longshi Investment Amendment Agreements are set out below:

(i) Terms

The original terms under the 2023 Longshi Investment Tenancy Agreements, which was from 1 August 2023 to 31 July 2026, were amended to the period from 1 January 2026 to 31 December 2026.

(ii) Leasing area under the 2023 Longshi Investment Tenancy Agreement No.2

Given that 2025 Longshi Investment Tenancy Agreement and 2023 Longshi Investment Tenancy Agreement No.2 will expire on 31 December 2025 and 31 July 2026, respectively, Hilong Petroleum Offshore Engineering as lessee and Longshi Investment as lessor agreed to consolidate the existing leased premises in 5/F and 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC. The leased area of the premises of the 2023 Longshi Investment Tenancy Agreement No.2 will therefore increase from 1,390.8 sqm to 2,513.74 sqm, which consists of the 1,390.8 sqm under the 2023 Longshi Investment Tenancy Agreement No.2, the 1,006.94 sqm under the 2025 Longshi Investment Tenancy Agreement and an additional expansion of office space of 116 sqm under the Longshi Investment Amendment Agreements No.2.

(iii) Monthly rental of the leased premises

Due to consolidated leased areas as disclosed in (ii) and to reflect rental levels of similar properties in the vicinity of the leased premises, (i) Longshi Investment as lessor and Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering as lessees agreed to adjust the monthly rental under the 2023 Longshi Investment Agreement No. 1 from RMB59,677.5 to RMB62,661.38 per month with the average unit rental price of approximately RMB182.50 per sqm per month increasing to approximately RMB191.63 per sqm per month by 5.0%; and (ii) Longshi investment as lessor and Hilong Petroleum Offshore Engineering as lessee agreed to adjust the monthly rental under the 2023 Longshi Investment Agreement No. 2 from RMB253,821 to RMB481,695.43 per month with the average unit rental price of approximately RMB182.50 per sqm per month increasing to approximately RMB191.63 per sqm per month by 5.0%. Consequently, the annual rental for the one

year term from 1 January 2026 to 31 December 2026 has been adjusted to RMB751,936.50 and RMB5,780,345.16 under the 2023 Longshi Investment Tenancy Agreement No.1 and the 2023 Longshi Investment Tenancy Agreement No.2, respectively.

Date: 15 December 2025

	Longshi Investment Amendment Agreement No.1	**Longshi Investment Amendment Agreement No.2**
Lessor:	Longshi Investment	Longshi Investment
Lessee:	Hilong Group of Companies Ltd.	Hilong Petroleum Offshore Engineering
Leased premises:	6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC	5/F and 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Leased area:	327 sqm	2,513.74 sqm
Monthly rental:	RMB62,661.38 per month excluding management fees and utility fees	RMB481,695.43 per month excluding management fees and utility fees
Rental deposits:	RMB125,322.76	RMB963,390.86
Usage:	Office	Office

Payment: Rental is payable by the Group on a quarterly basis. The Group is required to pay the rental of the first quarter together with the rental deposits within 3 days from the date of the agreement. Thereafter, the Group is required to make rental payments at the start of each subsequent quarter.

Basis of consideration

The terms of the Longshi Investment Amendment Agreements are determined on an arm's length basis and normal commercial terms taking into account: (i) the historical rental amounts payable by Hilong Group of Companies Ltd. and Hilong Petroleum Offshore Engineering to Longshi Investment under the 2023 Longshi Investment Tenancy Agreement No. 1 and the 2023 Longshi Investment Tenancy Agreement No. 2; (ii) the prevailing market rents in the range of approximately RMB4.00 to RMB7.80 per sqm per day with respect to the leased premises under the Longshi Investment Amendment Agreement No.1 and the Longshi Investment

Amendment Agreement No.2, which are obtainable as public information through online platform and after consulting the advice of several reputable local real estate agents; (iii) the conditions of the leased premises; and (iv) the availability of properties with similar size and similar locations.

Accounting Treatment with respect to the Longshi Investment Amendment Agreements

In accordance with HKFRS 16, the revised value of the right-of-use assets measured by the Company in respect of the 2023 Longshi Investment Tenancy Agreements (as amended by the Longshi Investment Amendment Agreements) upon signing of the Longshi Investment Amendment Agreements, which has not been reviewed or audited by the auditors of the Company, would be approximately RMB6,010,781. This value represents the carrying amount of the right-of-use assets as remeasured following the amendments and is calculated on the basis of the present value of the rent payable under the 2023 Longshi Investment Tenancy Agreements (as amended by the Longshi Investment Amendment Agreements) over the remainder of the current term (up to 31 December 2026). Such measurement of right-of-use asset will constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS FOR ENTERING INTO THE LONGSHI INVESTMENT AMENDMENT AGREEMENTS

The Group has been leasing premises from Longshi Investment for use as offices and has practical needs to continue the leasing of such office premises. Given that 2025 Longshi Investment Tenancy Agreement will expire on 31 December 2025 and the 2023 Longshi Investment Tenancy Agreements will expire on 31 July 2026, the Company believes that it is time and cost efficient for the Group to continue to lease premises rather than seeking alternative locations for the year ending 31 December 2026, which would incur unnecessary moving costs and cause potential disruption to the daily operations of the Group. The terms of each of the Longshi Investment Amendment Agreements are negotiated by the parties on an arm's length basis, taking into account prevailing market rentals and management fees, but in any event at leasing terms, rental rates and management fees no less favourable than those offered to the Group by Independent Third Parties for the same or similar types of leased premises.

4. INTERNAL CONTROLS FOR THE GROUP'S CONTINUING CONNECTED TRANSACTIONS

The Company has established internal control measures to ensure that (i) terms of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements are on normal commercial terms, fair and reasonable, and (ii) the transactions and the pricing policy are conducted in accordance with the terms of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements.

The Company has adopted and implemented a management system on connected transactions ("**Management System**"). Under the Management System, an internal control review committee ("**CCT IC Committee**") is established and comprises the heads of the financial department, the marketing department, the procurement department and the audit department. The CCT IC Committee will report to the Board for all significant matters related to the continuing connected transactions of the Group.

Prior to entering into the 2026 Renewed Tenancy CCT Agreements, the marketing department will closely monitor the prevailing market rent of similar premises in the vicinity of the leased premises. As such, the marketing department of the Group will first obtain three quotations from reputable local real estate agents such as Shanghai Chenda Real Estate Marketing Planning Co., Ltd.* (上海辰達房地產營銷策劃有限公司), Shanghai Lianjia Real Estate Brokerage Co., Ltd.* (上海鏈家房地產經紀有限公司) and Zhongyuan (China) Real Estate Agent Co., Ltd.* (中原(中國)房地產代理有限公司). The CCT IC Committee will then discuss and review the prices and conditions of the leased premises, taking into account other factors such as leased area floor levels and conditions of the leased premises. The financial department of the Company will regularly monitor the 2026 Renewed Tenancy CCT Agreements on a monthly basis and submit monthly reports to the CCT IC Committee to ensure they are conducted in accordance with their respective terms and conditions. The independent non-executive Directors will review the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements semiannually to check and confirm whether such connected leases have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such connected leases are conducted in accordance with the pricing policies set out by our Group.

Before entering into the transactions under the 2026 Hilong Energy Products and Services Procurement Agreement, the relevant staff of the marketing department will obtain at least two quotations, on a quarterly basis, from Independent Third Party service providers selected from a list of pre-approved coating services, hardbanding services, spraying and packaging services and painting materials providers maintained by the Group from time to time ("**Pre-approved Supplier List**"). The criteria of the Pre-approved Supplier List include, among others, production capabilities and quality, qualifications, reputation, experience and location. The Pre-approved Supplier List is then approved by both the heads of the marketing department and procurement department and is subject to review annually. The selection basis of the two Independent Third Party service providers for quotation include their performance in recent completed projects, current service capacity, delivery timeline and competitiveness of pricing terms offered. The quotations together with the relevant supporting documents will then be reviewed by the financial department and then approved by the CCT IC Committee, to ensure that the pricing and terms of the coating services, hardbanding services and spraying, packaging services and painting materials provided by Hilong Pipeline Group will be no less favorable to the Group as compared to other quotations received from Independent Third Party service providers.

Before entering into the transactions under the 2026 Welding Wire Supply Agreement, the marketing department will closely monitor the prices of the welding wires offered to Hilong Pipeline by evaluating the average price of the welding wires offered to the Independent Third Parties of the Group and the market prices of similar products under similar sales terms and conditions. For the evaluation mentioned above, the marketing department of the Group will first collect market price information available in the public domain including supplier tender online platforms of China National Petroleum Corporation (CNPC) and China Petroleum & Chemical Corporation (Sinopec Corp.) and market analysis reports including "2025-2031 Global and China Welding Wires Market Status and Forecast" (2025-2031全球與中國焊絲市場現況及未來發展趨勢報告). The CCT IC Committee will then discuss and review the prices and conditions of the welding wires offered to Hilong Pipeline (taking into account various factors such as costs, transaction volume, sales channel and market competition). In the event of market fluctuations, the CCT IC Committee will also convene meetings on an urgent basis. If at any time the relevant departments of the Group become aware that the price of welding wires offered to Hilong Pipeline is lower than that offered by the Group to Independent Third Parties and/or the terms of welding wires offered to Hilong Pipeline Group are more favorable than those offered by the Group to Independent Third Parties, such findings shall be reported to the CCT IC Committee immediately. The CCT IC committee shall then discuss with the Board to adjust the price offered to Hilong Pipeline Group and/or amend the relevant terms. Hilong Energy Group will only supply welding wires to Hilong Pipeline Group when the sales prices and conditions offered to Hilong Pipeline Group are no more favorable than those being offered to Independent Third Party and to ensure that all transactions with Hilong Pipeline Group will comply with the terms of the 2026 Welding Wire Supply Agreement.

To ensure the transactions contemplated under the 2026 Hilong Energy CCT Agreements do not exceed the respective proposed annual caps, the financial department of the Company will regularly monitor the actual transaction amount under the 2026 Hilong Energy CCT Agreements on a monthly basis and submit monthly reports to the CCT IC Committee to evaluate and review the implementation progress of the continuing connected transactions. If the financial department notices that the transactions under the 2026 Hilong Energy CCT Agreements will have the possibility of exceeding the respective proposed annual caps, it will notify the business and legal departments of the Group at once, as well as the CCT IC Committee to take next steps to ensure compliance with the relevant Listing Rules.

The audit department of the Company will review the continuing connected transactions under the 2026 Hilong Energy Products and Services Procurement Agreement and the 2026 Welding Wire Supply Agreement annually to check and confirm (among others) the fairness of the pricing terms, the implementation of continuing connected transactions, and the compliance of contract approval, ensuring that the internal control processes and operational procedures are complied in accordance with the requirements of the Management System and the Listing Rules.

The independent non-executive Directors will review the continuing connected transactions under the 2026 Hilong Energy CCT Agreements annually to check and confirm whether such continuing connected transactions have been conducted in the

ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policies set out in such relevant agreements.

The Company's external auditors will review the continuing connected transactions under each of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the relevant annual caps have been exceeded.

5. INFORMATION ON THE COMPANY AND THE COUNTERPARTIES

The Group

The Group is principally engaged in the manufacture and distribution of oil and gas drilling equipment and provide oilfield and offshore engineering services worldwide. The Group operates its business through three segments, namely (1) drill pipe-related business; (2) oilfield services business; and (3) offshore-engineering services.

Beijing Huashi Investment

Beijing Huashi Investment is an associate of Mr. Zhang and is principally engaged in investment management and sales of petrochemicals. Beijing Huashi Investment is held as to 98.00% by BHH Petroleum Machine Equipment, 1.00% by Mr. Zhang and 1.00% by Ms. ZHANG Jingying ("**Ms. Zhang**"), the mother of Mr. Zhang. BHH Petroleum Machine Equipment is a company incorporated in the PRC with limited liability and is held as to approximately 95.65% by Mr. Zhang and approximately 4.35% by Ms. Zhang, the mother of Mr. Zhang. BHH Petroleum Machine Equipment is an associate of Mr. Zhang and principally engaged in investment holding and management.

Drilling Technology

Drilling Technology is an indirect wholly-owned subsidiary of the Company incorporated in the Russian Federation in 2018 and is principally engaged in manufacture and distribution of oil and gas equipment.

Hilong Energy

Hilong Energy is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong in 2008 and is principally engaged in investment holding. Hilong Energy Group consists of Hilong Energy and its subsidiaries.

Hilong Petroleum Offshore Engineering

Hilong Petroleum Offshore Engineering is an indirect wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in offshore oilfield service provision.

Hilong Pipeline

Hilong Pipeline is a wholly-owned by Hilong Shine New Materials and an associate of Mr. Zhang. Hilong Pipeline is established in the PRC in 2005 and is principally engaged in the provision of coating services. Hilong Pipeline Group ("**Hilong Pipeline Group**") consists of Hilong Pipeline and its subsidiaries. Hilong Pipeline Group is principally engaged in multi-functional coating materials and coating services, inspection services and maintenance services for various pipes utilized in oil and gas drilling and transmission processes in the PRC and overseas markets.

Hilong Oil Service

Hilong Oil Service is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of oilfield service.

Hilong Oil Shanghai

Hilong Oil Shanghai is a wholly-owned subsidiary of the Hilong Pipeline and an associate of Mr. Zhang. Hilong Oil Shanghai is principally engaged in pipeline anti-corrosion treatment and related technical services.

Hilong Group of Companies Ltd.

Hilong Group of Companies Ltd. is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the distribution of oil and gas equipment.

Hilong Shine New Materials

Hilong Shine New Materials is an associate of Mr. Zhang and is principally engaged in the manufacture and sales of heavy-duty coating materials. As at the Latest Practicable Date, Hilong Shine New Materials is held as to:

(1) approximately 42.25% by BHH Petroleum Machine Equipment;

(2) approximately 17.68% by Sinopec Group Capital Co., Ltd. (中國石化集團資本有限公司) ("**Sinopec Group Capital**"), a company incorporated under the laws of the PRC. As at the Latest Practicable Date, Sinopec Group Capital was held as to 51.00% by China Petrochemical Corp. (中國石油化工集團有限公司) which is a state-owned enterprise and 49.00% by China Petroleum & Chemical Corporation (中國石油化工股份有限公司) which is listed on the Stock Exchange (stock code: 00386) and the Shanghai Stock Exchange (stock code: 600028);

(3) approximately 5.89% by China Building Material (Anhui) New Materials Industry Investment Fund (Limited Partnership) (中建材(安徽)新材料產業投資基金合夥企業(有限合夥)) ("**CBM Anhui**"), a limited partnership incorporated under the laws of the PRC. As at the Latest Practicable Date, the executive partner of CBM Anhui is China Building Materials (Anhui) New materials Fund Management Co., Ltd. (中建材(安徽)新材料基金管理有限公司) which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會);

(4) approximately 5.19% by Zibo Juncihongchuang No.1 Equity Investment Fund Partnership (Limited Partnership) (淄博雋賜虹創壹號股權投資基金合夥企業(有限合夥)) ("**Zibo Juncihongchuang**"), a limited partnership incorporated under the laws of the PRC. As at the Latest Practicable Date, the executive partner of Zibo Juncihongchuang is Shanghai Junci Investment Co., Ltd. (上海雋賜投資管理有限公司), which is owned as to 51.00% by Zhang Fenglin (張鳳林) and 49.00% by Zhang Liying (張利英) who are Independent Third Parties; and

(5) other 11 shareholders each holding less than 5% of the equity interest in Hilong Shine New Materials.

To the best of the Company's knowledge, information and belief, each of the shareholders of Hilong Shine New Materials (other than BHH Petroleum Machine Equipment) and their respective ultimate beneficial owners is an Independent Third Party.

Longdi Management

Longdi Management is wholly-owned by Beijing Huashi Investment and an associate of Mr. Zhang. It is principally engaged in property management, architectural decoration and renovation projects, refrigeration equipment installation, and cleaning services.

Longhai Petroleum

Longhai Petroleum is an indirect wholly-owned subsidiary of the Company incorporated in the Russian Federation in 2023 and is principally engaged in maintenance and upkeep of rotary guidance.

Longshi Investment

Longshi Investment is an associate of Mr. Zhang and is held as to 50.00% by Beijing Huashi Investment and 50.00% by Wuxi Hongyuan Enterprise Management Co., Ltd. (無錫虹元企業管理有限公司), an independent third party of the Group. It is principally engaged in investment management, business advisory, property management, and sales of daily articles.

Pipeline Surgut

Pipeline Surgut is a wholly-owned subsidiary of Hilong Pipeline and an associate of Mr. Zhang. Pipeline Surgut is incorporated in the Russian Federation in 2017 and is principally engaged in coating services provision.

Shenglong Oil and Gas

Shenglong Oil and Gas is a wholly-owned subsidiary of Hilong Pipeline and an associate of Mr. Zhang. Shenglong Oil and Gas is established in the PRC in 2013 and is principally engaged in research, inspection and repairment of oil and gas equipment.

Technomash

Technomash is a wholly-owned subsidiary of Hilong Pipeline and an associate of Mr. Zhang. Technomash is an investment holding company and is incorporated in the Russian Federation in 2009.

6. LISTING RULES IMPLICATIONS

As of the Latest Practicable Date, the counterparties under the 2026 Renewed Tenancy CCT Agreements, 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements are all companies of which a majority of their interests is controlled by Mr. Zhang, a controlling shareholder and a Director. Therefore, the said counterparties are associates of Mr. Zhang and thus connected persons of the Company under Chapter 14A of the Listing Rules.

Given that the 2026 Renewed Beijing Huashi Tenancy Agreements, the 2026 Renewed Shine New Materials Tenancy Agreement, the 2026 Renewed Pipeline Tenancy Agreements and the Longdi Management Agreements are entered into by the Group and counterparties who are associates of Mr. Zhang within a 12-month period and are of similar nature, the transactions contemplated under these agreements would have to be aggregated for the purpose of considering the Company's compliance obligations pursuant to Rules 14A.81 to 14A.83 of the Listing Rules respectively. The aggregate proposed annual caps for the transactions contemplated under the 2026 Renewed Tenancy CCT Agreements for the financial year ending 2026 is RMB47,304,000.

Given that the 2026 Renewed Shine New Materials Tenancy Agreement, the 2026 Renewed Pipeline Tenancy Agreement No.1, the 2026 Renewed Pipeline Tenancy Agreement No.2 and the 2026 Pipeline Tenancy Agreement No.5 are entered into by the Group and counterparties who are associates of Mr. Zhang within a 12-month period and are of similar nature, the transactions contemplated under these agreements would have to be aggregated for the purpose of considering the Company's compliance obligations pursuant to Rules 14A.81 to 14A.83 of the Listing Rules respectively. The aggregate proposed annual caps for the transactions contemplated under the 2026 Renewed Tenancy CCT Agreements for the financial year ending 2027 and 2028 is RMB21,500,000 and RMB21,500,000, respectively.

Given that the 2026 Hilong Energy Products and Services Procurement Agreement and the 2026 Welding Wire Supply Agreement are entered into by the Group and counterparties who are associates of Mr. Zhang within a 12-month period and are of similar nature, the transactions contemplated under these agreements would have to be aggregated for the purpose of considering the Company's compliance obligations pursuant to Rules 14A.81 to 14A.83 of the Listing Rules respectively. The aggregate proposed annual caps for the transactions contemplated under the 2026 Hilong Energy CCT Agreements for the financial year ending 2026 is RMB307,790,000.

As the highest applicable percentage ratio of the aggregate proposed annual caps of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements exceeds 5% respectively, each of the above continuing connected transactions is subject to, among other things, the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the note to Rule 14A.35 of the Listing Rules, if there is any material variation of the terms or material delay in the completion of a connected transaction, the Company must announce this fact as soon as practicable and re-comply with other applicable provisions under the Listing Rules. Given that the 2023 Longshi Investment Tenancy Agreements and the Longshi Investment Amendment Agreements are entered into by the Group with the same lessor, the transactions contemplated under these agreements would have to be aggregated for the purpose of considering the Company's compliance obligations pursuant to Rule 14A.81 of the Listing Rules respectively. As the highest applicable percentage ratio in respect of the right-of-use assets to be recognised under the 2023 Longshi Investment Tenancy Agreements and the Longshi Investment Amendment Agreements exceeds 5%, the Longshi Investment Amendment Agreements and the transactions contemplated thereunder are subject to, among other things, the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Zhang, who has material interests in the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements, and Ms. ZHANG Shuman and Mr. CAO Hongbo, both are associates of Mr. Zhang for the purpose of Chapter 14A of the Listing Rules, abstained from voting on the board resolutions approving (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder).

Pursuant to 14A.36 of the Listing Rules, any Shareholder who has a material interest in the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements shall abstain from voting to approve (i) the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the respective transactions contemplated thereunder) related thereto at the EGM. As at the Latest Practicable Date, Hilong Group Limited, Younger Investment Limited, North Violet Investment Limited and LongZhi Investment Limited are interested in an aggregate of 837,313,800 Shares, which are held by Mr. Zhang's trust and family trusts, with Standard Chartered Trust (Singapore) Limited acting as trustee of Mr. Zhang's trust and family trusts. Mr. Zhang is interested in 1,260,000 Shares in his capacity as a beneficial owner, and is the founder of Mr. Zhang's trust and family trusts as well as the sole director of Hilong Group Limited, North Violet Investment Limited and LongZhi Investment Limited. In addition, Ms. ZHANG Shuman is interested in 692,000 Shares in her capacity as a beneficial owner, and is deemed to be interested in the Shares held by Younger Investment Limited of which she is the sole director. Mr. CAO Hongbo is interested in 1,708,000 Shares in his capacity as a beneficial owner. Accordingly, each of Hilong Group Limited, Younger Investment Limited, North Violet Investment Limited, LongZhi Investment Limited, Mr. Zhang, Ms. ZHANG Shuman and Mr. CAO Hongbo, who are interested in an aggregate of 840,973,800 Shares, representing approximately 49.57% of the total issued Shares of the Company as at the Latest Practicable Date, will be required to abstain from voting on the relevant resolutions at the EGM to approve (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder) accordingly. Save as disclosed above, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting as no other Shareholder has any interest in the 2026 Renewed Tenancy CCT Agreements, 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements which are different from the other Shareholders.

7. EGM

The EGM will be convened and held to consider and, if thought fit, approve (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder).

The Independent Board Committee comprising Mr. WANG Tao, Mr. WONG Man Chung Francis and Mr. SHI Zheyan, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder). Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A notice convening the EGM to be held at Conference Room, 6th Floor, Hilong Group of Companies Ltd., No.1825 Luodong Road, Baoshan Industrial Zone, Shanghai, China on Friday, 9 January 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-5 of this circular. Ordinary resolutions will be proposed at the EGM for the purpose of considering and, if thought fit, approving (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendments Agreements (including the transactions contemplated thereunder). The voting on the ordinary resolutions to be proposed at the EGM will be taken by way of poll and an announcement will be made by the Company after the EGM on the result of the EGM with respect to whether or not the proposed ordinary resolutions have been passed by the Shareholders.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to read the notice of EGM and to complete the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 January 2026 to Friday, 9 January 2026, both days inclusive, during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 9 January 2026 are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 5 January 2026.

9. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee on page 51 of this circular, which contains its recommendation to the Independent Shareholders, and the letter of advice from the Independent Financial Adviser on pages 53 to 81 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder).

Having considered the principal factors and reasons stated in the letter of advice from the Independent Financial Adviser, the Independent Board Committee considers that (i) the continuing connected transactions under 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder) are fair and reasonable and on normal commercial terms or better, and such transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the resolutions to be proposed at the EGM to approve (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder).

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I to this circular.

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

Hilong Holding Limited
海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1623)

22 December 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
(1) 2026 RENEWED TENANCY CCT AGREEMENTS;
(2) 2026 HILONG ENERGY CCT AGREEMENTS;
AND
CONNECTED TRANSACTION
(3) LONGSHI INVESTMENT AMENDMENT AGREEMENTS

We refer to the circular of the Company dated 22 December 2025 (the "**Circular**") to the Shareholders, of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

In compliance with the Listing Rules, we have been appointed by the Board to form the Independent Board Committee to advise you in connection with (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder), details of which are set out in the letter from the Board which is on pages 11 to 50 of the Circular.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. We wish to draw your attention to their letter of advice which is on pages 53 to 81 of the Circular.

Having considered the principal factors and reasons stated in the letter of advice from the Independent Financial Adviser, we consider that (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder) are fair and reasonable and on normal commercial terms or better, and such transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the resolutions to be proposed at the EGM to approve (i) the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements (including respective transactions contemplated thereunder and the proposed annual caps related thereto); and (ii) the Longshi Investment Amendment Agreements (including the transactions contemplated thereunder).

Yours faithfully,
Independent Board Committee

Mr. WANG Tao	**Mr. WONG Man Chung Francis**	**Mr. SHI Zheyan**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

* *For identification purpose only*

The following is the full text of a letter of advice from Rainbow Capital to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements, which has been prepared for the purpose of inclusion in this circular.

RAINBOW CAPITAL (HK) LIMITED
泓 博 資 本 有 限 公 司

22 December 2025

To the Independent Board Committee and the Independent Shareholders

Hilong Holding Limited
No. 1825, Luodong Road
Baoshan Industrial Zone
Shanghai
PRC

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
(1) 2026 RENEWED TENANCY CCT AGREEMENTS;
(2) 2026 HILONG ENERGY CCT AGREEMENTS;
AND
CONNECTED TRANSACTION
(3) LONGSHI INVESTMENT AMENDMENT AGREEMENTS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements and the transactions contemplated thereunder, details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company dated 22 December 2025 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

Since (i) each of the 2025 Renewed Tenancy CCT Agreements and the 2025 Hilong Energy CCT Agreements will expire on 31 December 2025; and (ii) the Group has been procuring management services during the terms of the 2023 Longshi Investment Tenancy Agreements and is seeking alternative suppliers for better quality and cost efficient services, the Group and the relevant counterparties entered into the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements. Having considered relevant business needs, Longshi Investment as lessor and Hilong Group of Companies and Hilong Petroleum Offshore Engineering as lessees have entered into the Longshi Investment Amendment Agreements to amend the terms of the 2023 Longshi Investment Tenancy Agreements.

As at the Latest Practicable Date, the counterparties under the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements are all companies of which a majority of their interests is controlled by Mr. Zhang, a controlling shareholder and a Director. Therefore, the said counterparties are associates of Mr. Zhang and thus connected persons of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the aggregate proposed annual caps of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements exceeds 5% respectively, each of the above continuing connected transactions is subject to, among other things, the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the right-of-use assets to be recognised under the 2023 Longshi Investment Tenancy Agreements and the Longshi Investment Amendment Agreements exceeds 5%, the Longshi Investment Amendment Agreements and the transactions contemplated thereunder are subject to, among other things, the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. WANG Tao, Mr. WONG Man Chung Francis and Mr. SHI Zheyan, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements, the transactions contemplated thereunder and the proposed annual caps related thereto. We, Rainbow Capital (HK) Limited, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group and Mr. Zhang that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to the independent board committee and the Independent Shareholders of the Company in relation to (i) the continuing connected transactions in relation to the supplemental coating services and hardbanding services agreement and the renewal of the welding wire supply agreement, details of which are set out in the circular of the Company dated 4 March 2024; (ii) the

continuing connected transactions in relation to the renewal of tenancy agreements and the equipment lease agreement, details of which are set out in the circular of the Company dated 25 July 2024; (iii) the continuing connected transactions in relation to the 2025 Renewed Tenancy CCT Agreements and the 2025 Hilong Energy CCT Agreements, details of which are set out in the circular of the Company dated 20 December 2024; and (iv) the continuing connected transactions in relation to the 2025 drill pipe inspection and coating services agreement and the 2025 pipeline cleaning and inspection agreement, details of which are set out in the circular of the Company dated 4 August 2025. Other than that, there was no engagement or connection between the Group or Mr. Zhang and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group or Mr. Zhang. Accordingly, we are independent from the Company pursuant to the requirements under Rule 13.84 and therefore are qualified to give independent advice in respect of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or its substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements, we have taken into account the principal factors and reasons set out below:

1. Information of the Group and the relevant counterparties

(i) Information of the Group

The Group is principally engaged in the manufacture and distribution of oil and gas drilling equipment and provide oilfield and offshore engineering services worldwide. The Group operates its business through three segments, namely (1) drill pipe-related business; (2) oilfield services business; and (3) offshore-engineering services.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2024 ("**FY2023**" and "**FY2024**", respectively) as extracted from the annual report of the Company for FY2024 and the six months ended 30 June 2024 and 2025 ("**6M2024**" and "**6M2025**", respectively) as extracted from the interim report of the Company for 6M2025:

	FY2024	**FY2023**	**6M2025**	**6M2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(unaudited)*	*(unaudited)*
Revenue	4,668,332	4,251,531	2,322,537	2,465,641
– Oilfield equipment manufacturing and services	2,124,700	2,614,421	716,643	1,132,464
– Oilfield services	1,579,862	1,168,928	843,740	923,497
– Offshore engineering services	963,770	468,182	762,154	409,680
Gross profit	1,121,765	915,466	401,445	578,304
Operating profit/(loss)	371,771	434,509	(182,427)	229,110
Profit/(Loss) for the period attributable to the Shareholders	28,275	148,665	(324,236)	46,002

FY2024 vs FY2023

The Group's revenue increased by 9.8% from RMB4,251.5 million for FY2023 to RMB4,668.3 million for FY2024, which was mainly due to the increase in revenue from the oilfield services and offshore engineering services segment. Such increase primarily reflected (1) the increase in revenue from tubing and casing trading business and the recovery of the utilisation rate of drilling rigs in 2024; and (2) the increase in revenue from the subsea pipeline laying project and offshore drilling platform construction project.

The Group's gross profit increased by 22.5% from RMB915.5 million for FY2023 to RMB1,121.8 million for FY2024, which was mainly due to the increase in revenue and gross profit margin. The Group's gross profit margin increased from 21.5% for FY2023 to 24.0% for FY2024.

The Group's net profit attributable to the Shareholders decreased by 81.0% from RMB148.7 million for FY2023 to RMB28.3 million for FY2024, which was mainly due to the increase in administrative expenses, finance costs and foreign exchange losses.

6M2025 vs 6M2024

The Group's revenue decreased by 5.8% from RMB2,465.6 million 6M2024 to RMB2,322.5 million for 6M2025, which was mainly due to the decrease in revenue from oilfield equipment manufacturing and services. Such decrease primarily reflected the decrease in revenue derived from sales of drill pipe.

The Group's gross profit decreased by 30.6% from RMB578.3 million for 6M2024 to RMB401.4 million for 6M2025. Gross profit margin decreased to 17.3% for 6M2025 from 23.5% for 6M2024.

The Group recorded net loss attributable to the Shareholders of RMB324.2 million for 6M2025, compared to net profit attributable to the Shareholders of RMB46.0 million for 6M2024, which was mainly due to the decrease in gross profit and the one-off impairment loss on write-down of non-current asset classified as held for sale of RMB329.3 million.

(ii) Information of the relevant counterparties

For details of the relevant counterparties, please refer to the section headed "5. Information on the Company and the counterparties" in the Letter from the Board.

2. Reasons for and benefits of entering into the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements

2026 Renewed Tenancy CCT Agreements

The Group has been leasing premises from Beijing Huashi Investment for use as offices and has practical needs to continue to lease such office premises. The leases of the office premises under the 2025 Renewed Beijing Huashi Tenancy Agreements will expire on 31 December 2025. The Company believes that it is time and cost efficient for the Group to continue to lease the premises under the 2026 Renewed Beijing Huashi Tenancy Agreements rather than seeking for alternative locations, which would incur unnecessary moving costs and cause potential disruption to the daily operations of the Group.

The lease of the factory premises under the 2025 Renewed Shine New Material Tenancy Agreement will expire on 31 December 2025. Hilong Shine New Materials has been long-term lessees of the Group and the Company believes that through the leasing of the factory premises to Hilong Shine New Materials for a term of three years, the Group is able to continue to achieve use of their resources in a more efficient manner. The rental income received by Hilong Group of Companies Ltd. under the 2026 Renewed Shine New Material Tenancy Agreement also provides a steady source of revenue to the Group.

The 2025 Renewed Pipeline Tenancy Agreements will expire on 31 December 2025. The Company believes that through the leasing of the premises to Hilong Pipeline, Shenglong Oil and Gas and Hilong Oil Shanghai for a term of three years, the Group is able to achieve use of their resources in a more efficient manner. The rental income received by Hilong Group of Companies Ltd. under the 2026 Renewed Pipeline Tenancy Agreements No. 1, No. 2 and No. 5 also provides a steady source of revenue to the Group. The Group has been leasing premises from Technomash since 2020. The Company believes that it is beneficial for the Group to continue to lease the relevant premises from Technomash for a term of one year to maintain the stability of the Group's daily operations rather than seeking alternative locations and lessors. Longhai Petroleum has been leasing premises from Pipeline Surgut since 2025. Given the close proximities of Longhai Petroleum's operations to Pipeline Surgut and its desirable location, the Company believes it is beneficial to lease such premises for a term of one year from Pipeline Surgut instead of seeking alternative locations and lessors. The term of one year under the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 provide the Company with greater flexibility in negotiations as lessee. There are no renewal options under the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 as the Company considers the risk of non-renewal by respective lessors to be low. In the event that renewal is not agreed among the Company and the lessors after the expiry of the 2026 Renewed Pipeline Tenancy Agreement No. 3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4 for a term of one year, the Group will be able to secure alternative premises in close proximity to the existing location without any material impact on the Group's operations.

The Group has been leasing premises from Longshi Investment for use as offices and has practical needs to continue the leasing of such office premises under the Longshi Investment Amendment Agreements. The Group has been procuring management services during the terms of the 2023 Longshi Investment Tenancy Agreements and is seeking alternative suppliers for better quality and cost efficient services.

2026 Hilong Energy CCT Agreements

The Group requires coating services, hardbanding services, spraying and packaging services and painting materials for drill pipes production and sales during its ordinary and usual course of business. The Group needs to collaborate with a qualified coating services supplier when participating in the bidding process for the sale of drill pipes.

The Company considers that Hilong Pipeline Group is specialized and experienced in coating services through years of cooperation between the Group and Hilong Pipeline Group. Hilong Pipeline is one of the recognized suppliers by market leaders such as CNPC, Sinopec Corp., ADNOC Drilling company PJSC (ADNOC) and Ensign. In terms of the global market, certain drill pipe clients also designate Hilong Pipeline as the coating services provider for its capability to provide high-performance coatings under extremely harsh exploration conditions. Drill pipe clients which have a long-standing relationship with the Company such as PetroChina Company Limited (中國石油天然氣股份有限公司), Sinopec Corp., ADNOC also recognized Hilong Pipeline as an approved coating services supplier.

Furthermore, since both parties are familiar with each other's background, communication between parties would be faster and easier, risks and costs for transaction will also be reduced. Hilong Pipeline Group is also familiar with the business needs, quality standards and operation requirements of the Group. Moreover, since the Group's drill-pipe production facility and Hilong Pipeline's coating manufacturing plant are located close to each other, cooperating with Hilong Pipeline will save the Group considerable transportation costs. As set out in the section headed "Internal Controls for the Group's Continuing Connected Transactions" in the Letter from the Board, service providers of coating services, hardbanding services, spraying and packaging materials and painting services will be selected and determined by comparing quotations obtained from Hilong Pipeline and Independent Third Party providers. The entering into of the 2026 Hilong Energy Products and Services Procurement Agreement could provide flexibility to the Group in securing reliable coating services, hardbanding services, spraying and packaging services and painting materials in 2026.

In the past, Hilong Pipeline Group has constantly procured the welding wires produced by the Hilong Energy Group, which are processed into hardbanding and sold to customers as part of the coating services. With years of stable and long-term relationship between Hilong Energy and Hilong Pipeline, Hilong Energy Group is familiar with the business needs and quality standards of Hilong Pipeline Group while Hilong Pipeline is familiar with Hilong Energy's production capability and qualification for welding wires, which promotes higher work efficiency. As the Group currently focuses its resources on drill-pipe related and oilfield services, it does not intend to expand the operation size and sales force of the Group's welding wire business given it is already a highly competitive market and it is relatively difficult for the Group to promote its welding wire products into international markets. The sales to Hilong Pipeline Group shall provide a stable stream of revenue to the Group, enhancing the Group's profitability and bringing better returns to

Shareholders. The Group also hopes to capitalize on Hilong Pipeline's geographical coverage in both domestic and overseas markets and to further promote the Group's market presence.

Longshi Investment Amendment Agreements

The Group has been leasing premises from Longshi Investment for use as offices and has practical needs to continue the leasing of such office premises. Given that 2025 Longshi Investment Tenancy Agreement will expire on 31 December 2025 and the 2023 Longshi Investment Tenancy Agreement will expire on 31 July 2026, the Company believes that it is time and cost efficient for the Group to continue to lease premises rather than seeking alternative locations for the year ended 31 December 2026, which would incur unnecessary moving costs and cause potential disruption to the daily operations of the Group.

Based on the above, we concur with the Board that the entering into of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements and the transactions contemplated thereunder is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements

Details of the terms of 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements are set out in the Letter from the Board. Set out below are the principal terms of the agreements:

(i) 2026 Renewed Beijing Huashi Tenancy Agreements

Term: 1 January 2026 to 31 December 2026

	2026 Renewed Beijing Huashi Tenancy Agreement No. 1	**2026 Renewed Beijing Huashi Tenancy Agreement No. 2**	**2026 Renewed Beijing Huashi Tenancy Agreement No. 3**	**2026 Renewed Beijing Huashi Tenancy Agreement No. 4**	**2026 Beijing Huashi Car Park Lease Agreement**
Lessor:	Beijing Huashi Investment	Beijing Huashi Investment	Beijing Huashi Investment	Beijing Huashi Investment	Beijing Huashi Investment

Lessee:	Hilong Oil Service	Hilong Oil Service	Hilong Oil Service	Hilong Oil Service	Hilong Oil Service
Leased premises	20/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	Room 502, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	Room 503-1, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	Room 501, 5/F., Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC	20 car park spaces on B2/F Building 1, 13 Workers' Stadium North Road, Chaoyang District, Beijing, PRC
Leased area	1,850.32 square meters	476.99 square meters	126.12 square meters	276.74 square meters	100.00 square meters
Monthly rental:	RMB644,412.49 per month excluding utility and management fees (equivalent to approximately RMB11.45 per square meter per day)	RMB160,608.50 per month excluding utility and management fees (equivalent to approximately RMB11.07 per square meter per day)	RMB30,650.84 per month excluding utility and management fees (equivalent to approximately RMB7.99 per square meter per day)	RMB93,434.34 per month excluding utility and management fees (equivalent to approximately RMB11.10 per square meter per day)	RMB30,000.00 per month (equivalent to RMB1,500 per month per car park space)
Rental deposits:	RMB1,288,824.98	RMB321,217	RMB61,301.68	RMB186,868.68	Nil
Usage:	Office	Office	Office	Office	Car park
Payment:	The rental of 2026 Renewed Beijing Huashi Tenancy Agreements are payable by Hilong Oil Service in every six months period. Hilong Oil Service is required to pay the first six months of rental with the rental deposits on the date of the 2026 Renewed Beijing Huashi Tenancy Agreements. Thereafter, Hilong Oil Service is required to pay the second six months of rental 15 days prior to the start of the second six months period.				

As advised by the management of the Group, the Group did not enter into any tenancy agreements of similar type with independent third parties, either as lessor or lessee. In assessing whether the terms of the 2026 Renewed Beijing Huashi Tenancy Agreements are fair and reasonable, we have reviewed the industry report on Grade A office market in Beijing for the third quarter of 2025 issued by Knight Frank, a leading independent real estate consultancy (https://content.knightfrank.com/research/1527/documents/zh-chs/bei-jing-xie-zi-lou-shi-chang-bao-gao-2025nian-q3-12472.pdf)

and we noted that the average rental in the area where the properties under the 2026 Renewed Beijing Huashi Tenancy Agreements are located was approximately RMB8.23 per square meter per day in the third quarter of 2025. As advised by the management of the Group, the relatively higher rentals of 2026 Renewed Beijing Huashi Tenancy Agreements No. 1, No.2 and No.4 are mainly due to the inclusion of building naming rights, which provides significant, long-term branding and promotional value to the Group. Based on (a) the total leased area of 2,604.05 square meters with a monthly rental of RMB898,455.33 under the 2026 Renewed Beijing Huashi Tenancy Agreements Nos. 1, 2, and 4, and (b) the average market rental of approximately RMB8.23 per square meter per day, the implied monthly rental attributable to building naming rights is RMB246,585.66. We have conducted searches on public websites for rental information regarding naming rights of nearby properties but did not identify any comparable transactions. Given that building naming rights serve a promotional function similar to billboards, we extended our research to billboard rental prices in the vicinity. We noted that the monthly rental price of billboards in Shimao Plaza, which is located at 13 Workers' Stadium North Road, Chaoyang District, Beijing, adjacent to the office building leased by the Group, is approximately RMB239,000. Accordingly, we consider the implied monthly rental attributable to building naming rights to be fair and reasonable.

The rental of 2026 Renewed Beijing Huashi Tenancy Agreement No. 3 is close to the average market rental. The relatively lower rental of 2026 Renewed Beijing Huashi Tenancy Agreement No. 3 compared to other tenancy agreements with Beijing Huashi Investment is mainly due to that the premises was a shared office and Hilong Oil Service only occupies part of the premises and needs to share areas such as entrance and pantry with other occupants.

Regarding the 2026 Beijing Huashi Car Park Lease Agreement, based on our search on the public website, we noted the long-term rental fee of care park spaces at Shimao Plaza is RMB1,500 per month per car park space, which is consistent with the proposed monthly rental under the 2026 Beijing Huashi Car Park Lease Agreement.

Regarding the payment terms of the 2026 Renewed Beijing Huashi Tenancy Agreements, we have independently searched on the website of Anjuke, a leading real estate brokerage website in the PRC, for comparable properties with similar uses and we noted that it's a normal market practice to (a) require a deposit equal to one to three times of the monthly rental which is in line with the deposit required under the 2026 Renewed Beijing Huashi Tenancy Agreements; and (b) require rental to be paid quarterly in advance. The rental of 2026 Renewed Beijing Huashi Tenancy Agreements are payable by Hilong Oil Service in every six months period in advance. Taking into account (a) the superior location and interior conditions of the premises; and (b) that Beijing Huashi Investment has procured the property management company to provide the Group with a discount on property management fees and provide additional cleaning services, we consider the six-month payment in advance to be acceptable.

Based on the above, we consider the terms of the 2026 Renewed Beijing Huashi Tenancy Agreements are on normal commercial terms which are fair and reasonable.

(ii) 2026 Renewed Shine New Material Tenancy Agreement

Term:	1 January 2026 to 31 December 2028
Lessor:	Hilong Group of Companies Ltd.
Lessee:	Hilong Shine New Materials
Leased premises:	Office use and factory premises located at No. 1825, Luodong Road, Baoshan District, Shanghai, PRC
Leased area:	23,307.94 square meters
Monthly rental:	RMB476,118.42 per month
Utility fees:	The utility fees are estimated at RMB166,666.67 per month, which consists of water and electricity fees. Accordingly, the total estimated utility fees to be received by Hilong Group of Companies Ltd under the agreement is RMB6,000,000.12.
Usage	Office and manufacturing plant
Payment	The rental of 2026 Renewed Shine New Material Tenancy Agreement is payable by Hilong Shine New Material annually. Hilong Shine New Material is required to pay the first year of rental in the amount of RMB5,713,421.09 within 15 days from the date of the 2026 Renewed Shine New Material Tenancy Agreement. For each subsequent year, Hilong Shine New Material shall pay the rental for the following year in the amount of RMB5,713,421.09 no later than 15 days prior to the commencement of that year.

Renewal of leases	Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including the Listing Rules) and negotiation of the parties, Hilong Shine New Materials has the priority option to renew the 2026 Renewed Shine New Material Tenancy Agreement by giving 60 days' prior written notice to Hilong Group of Companies Ltd. before the expiration of the 2026 Renewed Shine New Material Tenancy Agreement. New tenancy agreements or renewal agreements may be entered into by the parties.

As advised by the management of the Group, the Group did not enter into any tenancy agreements of similar type with independent third parties, either as lessor or lessee. In assessing whether the terms of the 2026 Renewed Shine New Material Tenancy Agreement are fair and reasonable, we have independently searched on the website of Anjuke, a leading real estate brokerage website in the PRC, for comparable properties with similar uses and locations and we noted that the market rental ranged from approximately RMB0.30 to RMB0.99 per square meter per day with a median market rental of approximately RMB0.69 per square meter per day. The rental under the 2026 Renewed Shine New Material Tenancy Agreement of approximately RMB0.67 per square per day is generally consistent with the market rental.

The proposed utility fee under the 2026 Renewed Shine New Material Tenancy Agreement remains unchanged compared to the utility fee under the 2025 agreement, and is based on historical utility usage. We have obtained and reviewed the historical utility fees charged by the Group to Hilong Shine New Materials, which amounted to RMB1,530,000 for the ten months ended 31 October 2025 (equivalent to RMB1,836,000 on an annualized basis) and RMB1,591,000 for FY2024. The proposed annual utility fees of RMB2,000,000.04 represent an increase of approximately 8.9% over the annualised utility fees for the ten months ended 31 October 2025. Since the utility fees incurred by Shine New Material increased by approximately 15.4% in 2025, we consider that the estimated increase in utility fees and the proposed utility fees are fair and reasonable.

As Hilong Shine New Material will pay the rental annually in advance, we consider the payment terms to be favorable to the Group.

Based on the above, we consider the terms of the 2026 Renewed Shine New Material Tenancy Agreement are on normal commercial terms which are fair and reasonable.

(iii) 2026 Renewed Pipeline Tenancy Agreements

Term:

(i) 1 January 2026 to 31 December 2028 for the 2026 Renewed Pipeline Tenancy Agreement No.1, the 2026 Renewed Pipeline Tenancy Agreement No.2 and the 2026 Pipeline Tenancy Agreement No.5

(ii) 1 January 2026 to 31 December 2026 for the 2026 Renewed Pipeline Tenancy Agreement No.3 and the 2026 Renewed Pipeline Tenancy Agreement No. 4

	2026 Renewed Pipeline Tenancy Agreement No. 1	**2026 Renewed Pipeline Tenancy Agreement No. 2**	**2026 Renewed Pipeline Tenancy Agreement No. 3**	**2026 Renewed Pipeline Tenancy Agreement No. 4**	**2026 Pipeline Tenancy Agreement No. 5**
Lessor:	Hilong Group of Companies Ltd.	Hilong Group of Companies Ltd.	Technomash	Pipeline Surgut	Hilong Group of Companies Ltd.
Lessee:	Hilong Pipeline	Shenglong Oil and Gas	Drilling Technology	Longhai Petroleum	Hilong Oil Shanghai
Leased premises:	Premises in D plant, F plant, 2nd and 4th floor of main building and open areas, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC	Premises in F plant, G plant, 2nd and 4th floor of main building and open areas, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC	Premises in 47/1, Building 10A, 10B and 10C, Demyan Bedny Street, Nevyansk, Sverdlovsk Region, Russian Federation	Premises in Building 1, 6 Imeni Glukhov Street, Yugra, Surgut city, Khanty-Mansiysk Autonomous Okrug Region, Russian Federation	Premises in room 202, 211, 213 and 415 of main building, No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, PRC
Leased area:	28,397.07 square meters	3,312.42 square meters	18,022.50 square meters	1,311.80 square meters	272.76 square meters
Monthly rental:	RMB397,911.81 per month	RMB51,739.85 per month	RUB10,997,731 per month (inclusive of water and electricity fees)	RUB1,044,918.00 per month (inclusive of water and electricity fees)	RMB11,615.03 per month (inclusive of water and electricity fees)

Utility fees:	The utility fees are estimated at RMB666,666.67 per month, which consists of water and electricity fees.	The utility fees are estimated at RMB20,833.34 per month, which consists of water and electricity fees.	There are no utility fees under the 2026 Renewed Pipeline Tenancy Agreement No. 3, the 2026 Renewed Pipeline Tenancy Agreement No. 4 and the 2026 Pipeline Tenancy Agreement No. 5 as the respective monthly rental has included water and electricity fees.		
Usage:	Office use and manufacturing plant	Office use and manufacturing plant	Office use and manufacturing plant	Maintenance and manufacturing	Office use
Payment:	The rental fee is payable annually. The rental fee of first year in the amount of RMB4,774,941.7 is payable within 15 days from the date of the agreement. For each subsequent year, the rental fee for the following year in the amount of RMB4,774,941.7 is payable no later than 15 days prior to the commencement of that year.	The rental fee is payable annually. The rental fee of first year in the amount of RMB620,878.18 is payable within 15 days from the date of the agreement. For each subsequent year, the rental fee for the following year in the amount of RMB620,878.18 is payable no later than 15 days prior to the commencement of that year.	The monthly rental is payable on a monthly basis by the end of the preceding month.	At the end of calendar month, but not later than the fifth day of the month following the reporting month, the lessor sends the lessee the invoice for payment. The amount of rental fees on the invoice is payable by the lessee to the lessor within 90 days upon receiving the invoice.	The rental fee is payable annually. The rental fee of first year in the amount of RMB139,380.36 is payable within 15 days from the date of the agreement. For each subsequent year, the rental fee for the following year in the amount of RMB139,380.36 is payable no later than 15 days prior to the commencement of that year.

Renewal of leases: Subject to compliance with all the rules and requirements set out in the applicable laws and regulations (including the Listing Rules), the lessee of the 2026 Renewed Pipeline Tenancy Agreement No. 1, the 2026 Renewed Pipeline Tenancy Agreement No. 2 and the 2026 Pipeline Tenancy Agreement No. 5 has the priority option to renew the leases by giving 60 days' prior written notice to the lessor before the expiration of the lease. New tenancy agreements or renewal agreements may be entered into by the parties. There are no renewal options under the 2026 Renewed Pipeline Agreement No. 3 and the 2026 Renewed Pipeline Agreement No. 4 respectively.

In assessing whether the terms of the 2026 Renewed Pipeline Tenancy Agreements No.1, No.2 and No.5 are fair and reasonable, we have independently searched on the website of Anjuke, a leading real estate brokerage website in the PRC, for comparable properties with similar uses and locations and we noted that the market rental ranged from approximately RMB0.30 to RMB0.99 per square meter per day with a median market rental of approximately RMB0.69 per square meter per day. The average rental under the 2026 Renewed Pipeline Tenancy Agreements No.1, No.2 and No.5 of approximately RMB0.47 per square per day is lower than the market rental. We have further reviewed the rental breakdown, and we noted that the relatively low rental charged by the Group is primarily due to that the 2026 Renewed Pipeline Tenancy Agreements No.1, and No.2 include an additional 11,099 square meters of open yard compared to lease agreements in 2025, with a rental of RMB0.193 per square meter per day. Given that these areas are open and uncovered, the rental is lower compared to those for office and factory premises. Excluding this portion, the average rental under the 2026 Renewed Pipeline Tenancy Agreements No.1, No.2 and No.5 would be approximately RMB0.62 per square meter per day, which is close to the market rental. Therefore, we consider the rental under the 2026 Renewed Pipeline Tenancy Agreements No.1, No.2 and No.5 to be fair and reasonable.

The proposed utility fee under the 2026 Renewed Pipeline Tenancy Agreements No.1 remains unchanged compared to the utility fee under the 2025 agreement, and is based on historical utility usage. We have obtained and reviewed the historical utility fees charged by the Group to Hilong Pipeline, which amounted to RMB3,545,000 for the ten months ended 31 October 2025 (equivalent to RMB4,254,000 on an annualized basis) and RMB7,943,000 for FY2024. The proposed annual utility fees of RMB8,000,000.04 is generally in line with the historical utility fees for FY2024. As advised by the Group's management, the low utility usage by Hilong Pipeline in 2025 was primarily due to the increased production of smaller-diameter pipelines, which typically require approximately 40% less electricity than larger-diameter pipelines. According to Hilong Pipeline's existing orders, its production of larger-diameter pipelines is expected to return to the levels observed in 2024, which will consequently require higher electricity consumption. As such, we consider that the estimated increase in utility fees and the proposed utility fees are fair and reasonable.

The proposed utility fee under the 2026 Renewed Pipeline Tenancy Agreements No.2 increases to RMB20,833.34 per month compared to RMB12,500 per month under the 2025 agreement, which is mainly due to the increased demand from Shenglong Oil based on its existing orders. We have obtained and reviewed the historical utility fees charged by the Group to Shenglong Oil, which amounted to RMB188,000 for the ten months ended 31 October 2025 (equivalent to RMB225,600 on an annualized basis) and RMB141,700 for FY2024. The proposed annual utility fees of RMB250,000.00 represent an increase of approximately 10.8% over the annualised utility fees for the ten months ended 31 October 2025. Since the utility fees incurred by Shenglong Oil increased by approximately 59.2% in 2025, we consider that the estimated increase in utility fees and the proposed utility fees are fair and reasonable.

As Hilong Pipeline, Shenglong Oil and Gas and Hilong Oil Shanghai will pay the rental annually in advance, we consider the payment terms to be favorable to the Group.

As for the 2026 Renewed Pipeline Tenancy Agreements No. 3 and No. 4, we have independently searched on the website of Cian, a leading real estate brokerage website in Russia, for comparable properties with similar uses and locations and we noted that (i) the rental charged by Technomash of approximately RUB20.06 per square meter per day is close to the median of the market rentals of approximately RUB19.73 per square meter per day; and (ii) the rental charged by Pipeline Surgut of approximately RUB26.19 per square meter per day is close to the median of the market rentals of approximately RUB25.75 per square meter per day. Given the Group does not need to pay deposit to Technomash and Pipeline Surgut and the rental will be paid on a monthly basis, we consider that the terms of the 2026 Renewed Pipeline Tenancy Agreement No. 3 and No. 4 are fair and reasonable.

Based on the above, we consider the terms of the 2026 Renewed Pipeline Tenancy Agreements are on normal commercial terms which are fair and reasonable.

(iv) 2026 Longshi Investment Amendment Agreements

Term: 1 January 2026 to 31 December 2026

	2026 Longshi Investment Amendment Agreement No.1	**2026 Longshi Investment Amendment Agreement No.2**
Lessor:	Longshi Investment	Longshi Investment
Lessee:	Hilong Group of Companies	Hilong Petroleum Offshore Engineering
Leased premises:	6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC	5/F and 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Leased area:	327 square meters	2,513.74 square meters
Monthly rental:	RMB62,661.38 per month excluding management fees and utility fees	RMB481,695.43 per month excluding management fees and utility fees
Rental deposits:	RMB125,322.76	RMB963,390.86
Usage:	Office	Office

Payment: Rental is payable by the Group on a quarterly basis. The Group is required to pay the rental of the first quarter together with the rental deposits within 3 days from the date of the agreement. Thereafter, the Group is required to make rental payments at the start of each subsequent quarter.

In assessing whether the terms of the 2026 Longshi Investment Amendment Agreements are fair and reasonable, we have independently searched on the website of Anjuke for comparable properties with similar uses and locations and we noted that (i) the rental of approximately RMB6.30 per square meter per day charged by Longshi Investment is within the market rental range of approximately RMB4.00 to RMB7.50 per square meter per day and is close to the median market rental of approximately RMB5.50 per square meter per day; and (ii) a deposit of two months' rent and quarterly rental payments are in line with market practice.

Based on the above, we consider the terms of the 2026 Longshi Investment Amendment Agreements are on normal commercial terms which are fair and reasonable.

(v) 2026 Longdi Management Agreements

Term: 1 January 2026 to 31 December 2026

	2026 Longdi Management Agreement No.1	**2026 Longdi Management Agreement No.2**
Parties:	i. Longdi Management ii. Hilong Group of Companies	i. Longdi Management ii. Hilong Petroleum Offshore Engineering
Subject:	Longdi Management shall provide management services to Hilong Group of Companies on the leased premises at 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC	Longdi Management shall provide management services to Hilong Petroleum Offshore Engineering on the leased premises at 5/F and 6/F, Building 1, Lane 288 of Shenchang Road, Minhang District, Shanghai, PRC
Monthly management fees:	RMB10,464.00 per month	RMB80,439.68 per month

Payment: Hilong Group of Companies and Hilong Petroleum Offshore Engineering shall pay Longdi Management on a quarterly basis. Hilong Group of Companies and Hilong Petroleum Offshore Engineering are required to pay the management fees for the first quarter on the date of the 2026 Longdi Management Agreement No.1 and 2026 Longdi Management Agreement No.2. Thereafter, Hilong Group of Companies and Hilong Petroleum Offshore Engineering are required to pay the management fees at the start of each subsequent quarter.

Pricing Policy: Prices of RMB32 per square meter per month are determined after arm's length negotiations between the parties with references to prevailing market prices for management services of similar properties in the vicinity of the leased premises, which is obtainable as public information from the online platforms.

In assessing whether the terms of the 2026 Longdi Management Agreements are fair and reasonable, we have independently searched public websites to identify market management fees for comparable properties with similar uses and locations and we noted that the management fee of approximately RMB32 per square meter per month charged by Longdi Management is comparable to the RMB33 per square meter per month charged by the lessors of two nearby office buildings. Since these two office buildings are the only comparable properties for which we were able to obtain management fee information from public sources, and as they are located within the same business district as the properties under the 2026 Longdi Management Agreements, we consider the samples to be fair and reasonable. The payment terms of the 2026 Longdi Management Agreements are consistent with the 2026 Longshi Investment Amendment Agreements.

Based on the above, we consider the terms of the 2026 Longdi Management Agreements are on normal commercial terms which are fair and reasonable.

(vi) 2026 Hilong Energy Products and Services Procurement Agreement

Parties

i. Hilong Energy; and

ii. Hilong Pipeline

Subject Matter: Hilong Pipeline Group shall provide Hilong Energy Group with coating services, hardbanding services, spraying and packaging services and painting materials as and when requested by Hilong Energy Group during the term of the agreement.

Term: The 2026 Hilong Energy Products and Services Procurement Agreement will commence on 1 January 2026 and end on 31 December 2026, subject to renewal upon mutual agreement of both parties and compliance with the Listing Rules.

Payment: Hilong Energy Group shall pay Hilong Pipeline Group within 120 days from the date of delivery of services or products.

Pricing Policy: Prices are determined after arm's length negotiations between the parties with references to prevailing market prices within the industry and considering regional price differences, with reference to:

i. Coating services pricing policy

a. PRC Market: the reference prices formulated by China National Petroleum Corporation (CNPC) and China Petroleum & Chemical Corporation (Sinopec Corp.) for similar types, specifications, techniques, and standards on an annual basis. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the above reference prices.

b. Overseas Market: (i) the prevailing market prices based on comparing quotations obtained from other Independent Third Parties for similar types, specifications, techniques, and standards of services; and (ii) costs to be incurred by Hilong Pipeline Group for coating services with a reasonable profit margin in the range of 30% to 55%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be based on the specifications, techniques and standards of drill-pipes. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the prevailing market prices.

ii. Hardbanding services pricing policy

a. The prevailing market prices are based on comparing quotations obtained from other Independent Third Party suppliers in the market for similar types, specifications, techniques, and standards of services; and

b. costs to be incurred by Hilong Pipeline Group for hardbanding services with a reasonable profit margin in the range of 10% to 55%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be determined with reference to the specifications, techniques and standards of drill-pipes. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the prevailing market prices.

iii. Spraying and packaging services pricing policy

a. The prevailing market prices based on comparing quotations obtained from other Independent Third Party suppliers in the market for similar types, specifications, techniques, and standards of services; and

b. costs to be incurred by Hilong Pipeline Group for spraying and packaging services with a reasonable profit margin in the range of 20% to 40%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be based on the specifications, techniques and standards of drill-pipes. Hilong Pipeline offers a discount in the range of 1% to 12% to the Group based on the prevailing market prices.

iv. Painting materials pricing policy

a. The prevailing market prices based on comparing quotations obtained from other Independent Third Party suppliers in the market for similar types, specifications, techniques, and standards of products; and

b. costs to be incurred by Hilong Pipeline Group for painting materials with a reasonable profit margin in the range of 35% to 85%. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period; while the actual profit margin will be based on the specifications, techniques and standards of painting materials.

The prices and conditions (including payment and settlement terms) for coating services, hardbanding services, spraying and packaging services and painting materials offered by Hilong Pipeline Group shall be no less favorable to Hilong Energy Group than those quotations available from Independent Third Parties.

In assessing whether the terms of the 2026 Hilong Energy Products and Services Procurement Agreement are fair and reasonable, we have obtained and reviewed (a) the price list for coating services executed between Sinopec Corp. and Hilong Pipeline Group in 2025; (b) two coating services agreements entered into between the Group and Hilong Pipeline Group in 2025; (c) two hardbanding services agreements entered into between the Group and Hilong Pipeline Group in 2025; (d) two spraying and packaging services agreements entered into between the Group and Hilong Pipeline Group in 2025; (e) three quotations for hardbanding services from independent suppliers; and (f) three quotations for spraying and packaging services from independent suppliers. The Group did not enter into any agreements for coating services, hardbanding services or spraying and packaging services with independent suppliers in 2025. Taking into account that (i) the above samples were selected on a random basis and covered each category of services under the 2025 Coating Services, Hardbanding Services and Spraying and Packaging Services Agreement; (ii) the sample agreements and quotations were executed or obtained during the term of the 2025 Coating Services, Hardbanding Services and Spraying and Packaging Services Agreement; (iii) for coating services, considering Sinopec's leading position in the industry, we consider its pricing reflects the fair market price; and (iv) for other services, we obtained five samples for each category to make comparisons, we are of the view that the aforesaid samples we have reviewed, together with the sample size, are fair and representative.

We noted that (i) the price of coating services offered by Hilong Pipeline Group to the Group were set at discounts to the price list for coating services executed between Sinopec Corp. and Hilong Pipeline Group in accordance with the terms of the 2025 Coating Services, Hardbanding Services and Spraying and Packaging Services Agreement; and (ii) the prices of hardbanding services and spraying and packaging services offered by Hilong Pipeline Group to the Group were no less favourable than the prices offered independent suppliers to the Group for similar services. As such, we consider that the terms of the 2026 Hilong Energy Products and Services Procurement Agreement are fair and reasonable.

(vii) 2026 Welding Wire Supply Agreement

Parties	i. Hilong Energy; and ii. Hilong Pipeline
Subject Matter:	Hilong Energy Group shall supply welding wires and related products to Hilong Pipeline Group as and when requested by Hilong Pipeline Group during the term of the agreement.
Term:	The 2026 Welding Wire Supply Agreement will commence on 1 January 2026 and end on 31 December 2026, subject to renewal upon mutual agreement of both parties and compliance with the Listing Rules.
Payment:	Hilong Pipeline Group shall pay Hilong Energy Group within 90 days from the date of invoice.

Pricing Policy: Prices are determined after arm's length negotiations between the parties with references (i) to the final price of welding wires and related products sold by Hilong Energy Group to Independent Third Parties in the current financial year; and (ii) the costs of the welding wires produced by Hilong Energy Group with a reasonable profit margin in the range of 80% to 90%, with additional costs of tariffs and exchange rate considered for overseas market. The profit margin is determined after arm's length negotiation between the parties with reference to the profit margin of similar and comparable transactions with Independent Third Parties in the corresponding period taken into account the uniqueness and extensively patented welding wire formula, and the relatively lower cost attributable to the high productivity of the welding wire equipment of Hilong Energy Group. Prior to determining the price of welding wires before transactions, the marketing department of Hilong Energy Group is required to conduct research on the prices of welding wires offered to the Independent Third Parties of the Group in similar transactions, or the market prices of similar products under similar sales terms and conditions if no similar transactions have occurred within the Group. After preliminary pricing discussions with cost center and financial department, the marketing department will submit pricing proposals to management of Hilong Energy Group and relevant departments for review and approval before entering into transactions.

In any event, the prices and conditions (including payment terms and settlement terms) for welding wire and related products offered by Hilong Energy Group to Hilong Pipeline Group shall be no more favorable than those offered by Hilong Energy Group to Independent Third Parties.

In assessing whether the terms of the 2026 Welding Wire Supply Agreement are fair and reasonable, we have selected in a random basis and reviewed three agreements for welding wires and related products entered into between the Group and Hilong Pipeline Group in 2025, and four agreements for similar welding wires and related products entered into between the Group and independent customers in 2025. We noted that the price offered by the Group to the Hilong Pipeline Group was no less favourable to the Group than the price offered by the Group to independent customers. Based on our review of the agreements as stated above, we consider the terms of the 2026 Welding Wire Supply Agreement to be on normal commercial terms which are fair and reasonable.

4. Internal control measures of the Group

The Company has established internal control measures to ensure that (i) terms of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements are on normal commercial terms, fair and reasonable, and (ii) the transactions and the pricing policy are conducted in accordance with the terms of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements.

The Company has adopted and implemented a management system on connected transactions ("**Management System**"). Under the Management System, an internal control review committee ("**CCT IC Committee**") is established and comprises the heads of the financial department, the marketing department, the procurement department and the audit department. The CCT IC Committee will report to the Board for all significant matters related to the continuing connected transactions of the Group.

Prior to entering into the 2026 Renewed Tenancy CCT Agreements, the marketing department will closely monitor the prevailing market rent of similar premises in the vicinity of the leased premises. As such, the marketing department of the Group will first obtain three quotations from reputable local real estate agents such as Shanghai Chenda Real Estate Marketing Planning Co., Ltd.* (上海辰達房地產營銷策劃有限公司), Shanghai Lianjia Real Estate Brokerage Co., Ltd.* (上海鏈家房地產經紀有限公司) and Zhongyuan (China) Real Estate Agent Co., Ltd.* (中原(中國)房地產代理有限公司). The CCT IC Committee will then discuss and review the prices and conditions of the leased premises, taking into account other factors such as leased area floor levels and conditions of the leased premises. The financial department of the Company will regularly monitor the 2026 Renewed Tenancy CCT Agreements on a monthly basis and submit monthly reports to the CCT IC Committee to ensure they are conducted in accordance with their respective terms and conditions. The independent non-executive Directors will review the continuing connected transactions under the 2026 Renewed Tenancy CCT Agreements semiannually to check and confirm whether such connected leases have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such connected leases are conducted in accordance with the pricing policies set out by our Group.

Before entering into the transactions under the 2026 Hilong Energy Products and Services Procurement Agreement, the relevant staff of the marketing department will obtain at least two quotations, on a quarterly basis, from Independent Third Party service providers selected from a list of pre-approved coating services, hardbanding services, spraying and packaging services and painting services providers maintained by the Group from time to time ("**Pre-approved Supplier List**"). The criteria of the Pre-approved Supplier List include, among others, production capabilities and quality, qualifications, reputation, experience and location. The Pre-approved Supplier List is then approved by both the heads of the marketing department and procurement department and is subject to review annually. The selection basis of the two Independent Third Party service

providers for quotation includes their performance in recent completed projects, current service capacity, delivery timeline and competitiveness of pricing terms offered. The quotations together with the relevant supporting documents will then be reviewed by the financial department and then approved by the CCT IC Committee, to ensure that the pricing and terms of the coating services, hardbanding services and spraying, packaging services and painting services provided by Hilong Pipeline Group will be no less favorable to the Group as compared to other quotations received from Independent Third Party service providers.

Before entering into the transactions under the 2026 Welding Wire Supply Agreement, the marketing department will closely monitor the prices of the welding wires offered to Hilong Pipeline by evaluating the average price of the welding wires offered to the Independent Third Parties of the Group and the market prices of similar products under similar sales terms and conditions. For the evaluation mentioned above, the marketing department of the Group will first collect market price information available in the public domain including supplier tender online platforms of China National Petroleum Corporation (CNPC) and China Petroleum & Chemical Corporation (Sinopec Corp.) and market analysis reports including "2025-2031 Global and China Welding Wires Market Status and Forecast" (2025-2031全球與中國焊絲市場現況及未來發展趨勢報告). The CCT IC Committee will then discuss and review the prices and conditions of the welding wires offered to Hilong Pipeline (taking into account various factors such as costs, transaction volume, sales channel and market competition). In the event of market fluctuations, the CCT IC Committee will also convene meetings on an urgent basis. If at any time the relevant departments of the Group become aware that the price of welding wires offered to Hilong Pipeline is lower than that offered by the Group to Independent Third Parties and/or the terms of welding wires offered to Hilong Pipeline Group are more favorable than those offered by the Group to Independent Third Parties, such findings shall be reported to the CCT IC Committee immediately. The CCT IC committee shall then discuss with the Board to adjust the price offered to Hilong Pipeline Group and/or amend the relevant terms. Hilong Energy Group will only supply welding wires to Hilong Pipeline Group when the sales prices and conditions offered to Hilong Pipeline Group are no more favorable than those being offered to Independent Third Party and to ensure that all transactions with Hilong Pipeline Group will comply with the terms of the 2026 Welding Wire Supply Agreement.

To ensure the transactions contemplated under the 2026 Hilong Energy CCT Agreements do not exceed the respective proposed annual caps, the financial department of the Company will regularly monitor the actual transaction amount under the 2026 Hilong Energy CCT Agreements on a monthly basis and submit monthly reports to the CCT IC Committee to evaluate and review the implementation progress of the continuing connected transactions. If the financial department notices that the transactions under the 2026 Hilong Energy CCT Agreements will have the possibility of exceeding the respective proposed annual caps, it will notify the business and legal departments of the Group at once, as well as the CCT IC Committee to take next steps to ensure compliance with the relevant Listing Rules.

As mentioned in the section headed "3. Principal terms of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements" above, we have (i) reviewed the industry report on Grade A office market in Beijing for the third quarter of 2025 issued by Knight Frank; (ii) searched on the websites of Anjuke and Cian for properties comparable to those under the 2026 Renewed Tenancy CCT Agreements; (iii) reviewed the agreements for coating services, hardbanding services and spraying and packaging services entered into between the Group and Hilong Pipeline Group; (iv) reviewed the price list for coating services executed between Sinopec Corp. and Hilong Pipeline Group; (v) reviewed the quotations for hardbanding services and spraying and packaging services offered by independent suppliers; and (vi) reviewed three welding wires agreements with Hilong Pipeline Group and four welding wires agreements with independent customers.

Taking into account (i) based on our review of the abovementioned documents, we consider the Company has followed the relevant internal control procedures and the terms of the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements are on normal commercial terms which are fair and reasonable; (ii) the ongoing monitoring of the transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements; and (iii) the requirements under the Listing Rules for the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the transactions under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements and the annual caps thereunder, we concur with the Board that appropriate and adequate procedures are in place to ensure that the transactions contemplated under the 2026 Renewed Tenancy CCT Agreements and the 2026 Hilong Energy CCT Agreements will be appropriately monitored and conducted on commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Assessment of the proposed annual caps

(i) 2026 Renewed Tenancy CCT Agreements and the Longshi Investment Amendment Agreements

The annual cap of each of the 2026 Renewed Tenancy CCT Agreements and the Longshi Investment Amendment Agreements equals to the total rental under the respective agreement.

As mentioned in the section headed "3. Principal terms of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements", we consider the monthly rental or management fee of each of the 2026 Renewed Tenancy CCT Agreements and the Longshi Investment Amendment Agreements is fair and reasonable. Therefore, we consider the proposed annual caps of the 2026 Renewed Tenancy CCT Agreements and the Longshi Investment Amendment Agreements to be fair and reasonable.

(ii) 2026 Hilong Energy CCT Agreements

The historical transaction amounts and annual caps under the 2025 Hilong Energy CCT Agreements are set out below:

	Historical transaction amount for ten months ended 31 October 2025 *RMB'000*	**Annual cap for the year ending 31 December 2025** *RMB'000*	**Utilisation rate**
Coating services, hardbanding services, and spraying and packaging services provided by Hilong Pipeline Group to Hilong Energy Group	185,070	382,048	48.4%
Welding wires and related products provided by Hilong Energy Group to Hilong Pipeline Group	14,071	24,000	58.6%

2026 Hilong Energy Products and Services Procurement Agreement

In assessing the proposed annual cap of RMB281,372,000 under the 2026 Hilong Energy Products and Services Procurement Agreement, we have reviewed the relevant calculations of the proposed annual cap.

We noted that the historical transaction amounts for the coating services, hardbanding services, and spraying and packaging services were RMB185.1 million for the ten months ended 31 October 2025 (equivalent to RMB222.1 million on an annualised basis), RMB281.6 million for FY2024 and RMB362.1 million for FY2023. The average historical transaction amount for the coating services, hardbanding services, and spraying and packaging services is approximately RMB288.6 million per year. We consider that using the average historical transaction amount rather than the annualised transaction amount for the ten months ended 31 October 2025 to make the estimation is able to filter out short-term fluctuations in demand and provides a more accurate reflection of the overall demand, especially as the current crude oil market is increasingly uncertain due to geopolitical conflicts. In addition, the Group expects to purchase painting materials amounting to RMB8.0 million from Hilong Pipeline Group, based on its projected demand and prevailing market prices.

Considering (i) the new demand for painting materials; and (ii) the estimated transaction amount for coating, hardbanding, and spraying and packaging services, which is based on average historical transaction amount, we are of the view that the proposed annual cap under the 2026 Hilong Energy Products and Services Procurement Agreement is fair and reasonable.

2026 Welding Wire Supply Agreement

The proposed annual cap under the 2026 Welding Wire Supply Agreement is RMB26,418,000. We have reviewed the relevant calculations of the proposed annual cap and noted the historical transaction amounts in relation to the welding wires and related products provided by the Group were RMB14.1 million for the ten months ended 31 October 2025 (equivalent to RMB16.9 million on an annualised basis), RMB17.8 million for FY2024 and RMB25.1 million for FY2023. The average historical transaction amount is approximately RMB19.9 million per year, compared to which the proposed annual cap of RMB26.4 million for the year ending 31 December 2026 represents an increase of approximately 32.7%. We consider that using the average historical transaction amount rather than the annualised transaction amount for the ten months ended 31 October 2025 to make the estimation is able to filter out short-term fluctuations in demand and provides a more accurate reflection of the overall demand, especially as the current crude oil market is increasingly uncertain due to geopolitical conflicts. As advised by the management of the Group, the expected growth rate is mainly determined based on the expected increase in welding wire price. We have obtained and reviewed the breakdown of historical transaction amounts of welding wires and related products for FY2024 and the ten months ended 31 October 2025, and we noted the average price of welding wires and related products increased by 39.6%.

Given that the expected growth rate aligns with the historical increase in the average price of welding wires, we consider both the projected growth rate and the proposed annual cap under the 2026 Welding Wire Supply Agreement to be fair and reasonable.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM to approve the 2026 Renewed Tenancy CCT Agreements, the 2026 Hilong Energy CCT Agreements and the Longshi Investment Amendment Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(A) DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, save as disclosed below, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("**Model Code**"):

(a) Long positions in the Shares of the Company

Name of Director	Capacity	Number of Shares interested	Approximate percentage in the issued share capital of the Company
Mr. Zhang Jun	Founder and beneficiary of Mr. Zhang's trust/Interest of controlled corporation	725,013,000[(1)]	

Name of Director	Capacity	Number of Shares interested	Approximate percentage in the issued share capital of the Company
	Founder and beneficiary of three Mr. Zhang's family trusts/Interest of controlled corporation	112,300,800(2)	
	Beneficial owner	1,260,000	
		838,573,800	49.43%
Ms. Zhang Shuman	Interest of controlled corporation	24,300,000(3)	
	Beneficial owner	692,000	
		24,992,000	1.473%
Mr. Cao Hongbo	Beneficial owner	1,708,000	0.101%
Mr. Wong Man Chung Francis	Beneficial owner	1,288,000	0.076%
Dr. Yang Qingli	Interest of spouse	77,000(4)	0.005%
Chief Executive Mr. Gao Zhihai	Beneficial owner	1,395,000	0.08%

Notes:

(1) These shares are held by Hilong Group Limited, the entire share capital of which is held by SCTS Capital Pte. Ltd. which is then wholly-owned by Standard Chartered Trust (Singapore) Limited as the trustee of Mr. Zhang's trust. As Mr. Zhang Jun is the founder and beneficiary of Mr. Zhang's trust as well as the sole director of Hilong Group Limited, he is deemed to be interested in these shares.

(2) 24,300,000 shares, 24,000,000 shares and 64,000,800 shares are held by Younger Investment Limited, North Violet Investment Limited and LongZhi Investment Limited respectively, the entire share capital of each of which is held by SCTS Capital Pte Ltd. which is then wholly-owned by Standard Chartered Trust (Singapore) Limited as trustees of three Mr. Zhang's family trusts. As Mr. Zhang Jun is the founder and one of the beneficiaries of these three Mr. Zhang's family trusts as well as the sole director of North Violet Investment Limited and LongZhi Investment Limited, he is deemed to be interested in these shares.

(3) These shares are held by Younger Investment Limited of which Ms. Zhang Shuman is the sole director. Ms. Zhang Shuman is therefore deemed to be interested in these shares.

(4) These shares are held by Ms. Gao Chunyi, spouse of Dr. Yang Qingli. Dr. Yang Qingli is therefore deemed to be interested in these shares.

(b) Long positions in the shares of associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares interested	Percentage of the issued share capital of the associated corporation held
Mr. Zhang Jun	Hilong Group Limited	Founder and beneficiary of Mr. Zhang's trust	100	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register required to be maintained under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(B) SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN THE SECURITIES OF THE COMPANY

So far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company

Name of substantial shareholder	Capacity	Number of Shares/ underlying shares interested	Approximate percentage of the issues share capital of the Company
Hilong Group Limited	Beneficial owner	725,013,000(1)	42.74%
SCTS Capital Pte. Ltd.	Nominee	837,313,800(1)(2)	49.36%
Standard Chartered Trust (Singapore) Limited	Trustee	837,313,800(1)(2)	49.36%
Ms. Gao Xia	Interest of spouse	838,573,800(3)	49.43%

Notes:

(1) 725,013,000 shares are held by Hilong Group Limited, the entire share capital of which is held by SCTS Capital Pte Ltd. which is then wholly-owned by Standard Chartered Trust (Singapore) Limited as trustee of Mr. Zhang's trust. Mr. Zhang Jun is the founder and beneficiary of Mr. Zhang's trust.

(2) 24,300,000 shares, 24,000,000 shares and 64,000,800 shares are held by Younger Investment Limited, North Violet Investment Limited and LongZhi Investment Limited respectively, the entire share capital of each of which is held by SCTS Capital Pte. Ltd. which is then wholly-owned by Standard Chartered Trust (Singapore) Limited as trustees of three Mr. Zhang's family trusts. Mr. Zhang Jun is the founder and one of the beneficiaries of these three Mr. Zhang's family trusts.

(3) Ms. Gao Xia is the spouse of Mr. Zhang Jun and is therefore deemed to be interested in the shares and underlying shares of the Company in which Mr. Zhang Jun is interested.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, no other persons (not being a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under section 336 of the SFO.

3. COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors and their respective close associates had any business which competes or may compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, save as disclosed in this circular, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any asset which has been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

(A) The Group (as lessee) has entered into tenancy agreements with Shanghai Longshi Investment Management Company Limited (上海隆視投資管理有限公司) (as lessor) for premises on 1 August 2023 and 9 December 2024, respectively;

(B) The Group (as lessee) has entered into tenancy agreements with Beijing Huashi Hailong Oil Investment Co., Ltd.* (北京華實海隆石油投資有限公司) (as lessor) for premises, and a tenancy agreement with Technomash Limited Liability Company (as lessor), and car par spaces, and tenancy agreements with Technomash Limited Liability Company and Hilong Petroleum Pipeline Service (Surgut) LLC (as lessor) on 9 December 2024, respectively;

(C) The Group (as lessor) has entered into tenancy agreements with Shanghai Hilong Shine New Materials Co., Ltd.* (上海海隆賽能新材料有限公司), Hilong Pipeline Engineering Technology Service Co., Ltd. (海隆管道工程技術服務有限公司), Shenglong Oil and Gas Pipeline Inspection Technology Co., Ltd. (盛隆石油管檢測技術有限公司), Drilling Technology Limited liability Company (as lessees) for premises on 9 December 2024, respectively;

(D) The Group (as lessor) has entered into an equipment lease agreement with Pipeline Surgut Service (Surgut) LLC (as lessee) on 1 July 2024;

(E) The Group has entered into coating services and hardbanding services agreement with Hilong Pipeline Engineering Technology Service Co., Ltd. for providing coating services, hardbanding services and spraying and packaging services as and when requested by Hilong Energy Limited and its subsidiaries on 9 December 2024; and

(F) Hilong Pipeline has entered into welding wire supply agreement with the Group for supplying welding wires and related products to Hilong Pipeline as and when requested by Hilong Pipeline on 9 December 2024.

The counterparties of such agreements are associates of Mr. Zhang. Save as disclosed above, as at the Latest Practicable Date, there were no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director of the Company or his or her connected entities had a material interest, whether directly or indirectly.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. MATERIAL CONTRACTS

The following contract (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years immediately prior to the Latest Practicable Date and which are, or may be, material to the Group:

(A) The written memorandum of agreement dated 11 August 2025 entered into between Hilong Shipping Holding Limited and PT CAKRA BUANA RESOURCES ENERGI TBK in respect of the disposal of a vessel named "HAI LONG 106".

9. EXPERTS

The following is the qualification of the expert who has given its opinions or advice which are included in this circular:

Name	Qualifications
Rainbow Capital (HK) Limited	a licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, Rainbow Capital (HK) Limited:

(i) has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report (as the case may be) and references to its names, in the form and context in which they respectively appear;

(ii) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(iii) did not have any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The letters and/or report (as the case may be) from the above expert is given as of the date of this circular for incorporation herein.

10. MISCELLANEOUS

(a) Ms. Sham Ying Man is the company secretary of the Company. Ms. Sham Ying Man is a senior manager of Tricor Services Limited, a member of Vistra Group and a global professional service provider specializing in integrated business, corporate and investor services. The company secretary attended sufficient professional training as required under the Listing Rules for the year ended 31 December 2024 to update her skills and knowledge.

(b) The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(c) The principal place of business of the Company in Hong Kong is situated at Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

(d) The Hong Kong share registrar of the Company is Computershare Hong Kong Investor Services Limited, whose address is situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hilonggroup.com) for the period of 14 days commencing from the date of this circular:

(a) the 2026 Renewed Beijing Huashi Tenancy Agreements;

(b) the 2026 Renewed Shine New Materials Tenancy Agreement;

(c) the 2026 Renewed Pipeline Tenancy Agreements (including bilingual version of the 2026 Renewed Pipeline Tenancy Agreement No. 4);

(d) the 2026 Longdi Management Agreements;

(e) the 2026 Hilong Energy Products and Services Procurement Agreement;

(f) the 2026 Welding Wire Supply Agreement;

(g) the Longshi Investment Amendment Agreements;

(h) the letter from the Independent Board Committee, the text of which is set out in this circular;

(i) the letter from the Independent Financial Adviser, the text of which is set out in this circular;

(j) the written consent of the expert referred to in the section headed "9. Experts" in this appendix; and

(k) this circular.

Hilong Holding Limited
海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 first extraordinary general meeting (the "**EGM**") of the shareholders of Hilong Holding Limited (the "**Company**") will be held at Conference Room, 6th Floor, Hilong Group of Companies Ltd., No.1825 Luodong Road, Baoshan Industrial Zone, Shanghai, China, on Friday, 9 January 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

   (a) the 2026 Renewed Beijing Huashi Tenancy Agreements dated 15 December 2025 referred to in the sub-section headed "2. I.(A) 2026 Renewed Beijing Huashi Tenancy Agreements" in the "Letter from the Board" contained in the circular dated 22 December 2025 (the "**Circular**") of the Company of which this notice forms part and the transactions contemplated thereunder and the proposed annual cap, be and are hereby approved, confirmed and ratified; and

   (b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she/they consider, necessary or expedient or desirable to implement and/or give effect to the above agreements and the transactions contemplated thereunder and the proposed annual cap, and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

* *For identification purpose only*

2. "**THAT**:

(a) the 2026 Renewed Shine New Materials Tenancy Agreement dated 15 December 2025 referred to in the sub-section headed "2. I.(B) 2026 Renewed Shine New Materials Tenancy Agreement" in the "Letter from the Board" contained in the Circular of which this notice forms part and the transactions contemplated thereunder and the proposed annual cap, be and are hereby approved, confirmed and ratified; and

(b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she/they consider, necessary or expedient or desirable to implement and/or give effect to the above agreement and the transactions contemplated thereunder and the proposed annual cap, and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

3. "**THAT**:

(a) the 2026 Renewed Pipeline Tenancy Agreements dated 15 December 2025 referred to in the sub-section headed "2. I.(C) 2026 Renewed Pipeline Tenancy Agreements" in the "Letter from the Board" contained in the Circular of which this notice forms part and the transactions contemplated thereunder and the proposed annual cap, be and are hereby approved, confirmed and ratified; and

(b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she/they consider, necessary or expedient or desirable to implement and/or give effect to the above agreements and the transactions contemplated thereunder and the proposed annual cap, and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

4. "**THAT**:

(a) the 2026 Longdi Management Agreements dated 15 December 2025 referred to in the sub-section headed "2. I.(D) 2026 Longdi Management Agreements" in the "Letter from the Board" contained in the Circular of which this notice forms part and the transactions contemplated thereunder and the proposed annual cap, be and are hereby approved, confirmed and ratified; and

(b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she/they consider, necessary or expedient or desirable to implement and/or give effect to the above agreements and the transactions contemplated thereunder and the proposed annual cap, and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

5. "**THAT**:

(a) the 2026 Hilong Energy Products and Services Procurement Agreement dated 15 December 2025 referred to in the sub-section headed "2. II.(E) 2026 Hilong Energy Products and Services Procurement Agreement" in the "Letter from the Board" contained in the Circular of which this notice forms part and the transactions contemplated thereunder and the proposed annual cap, be and are hereby approved, confirmed and ratified; and

(b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she/they consider, necessary or expedient or desirable to implement and/or give effect to the above agreement and the transactions contemplated thereunder and the proposed annual cap, and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

6. "**THAT**:

(a) the 2026 Welding Wire Supply Agreement dated 15 December 2025 referred to in the sub-section headed "2. II.(F) 2026 Welding Wire Supply Agreement" in the "Letter from the Board" contained in the Circular of which this notice forms part and the transactions contemplated thereunder and the proposed annual cap, be and are hereby approved, confirmed and ratified; and

(b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she/they consider, necessary or expedient or desirable to implement and/or give effect to the above agreement and the transactions contemplated thereunder and the proposed annual cap, and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

7. **"THAT:**

(a) the Longshi Investment Amendment Agreements dated 15 December 2025 referred to in the sub-section headed "3. Longshi Investment Amendment Agreements" in the "Letter from the Board" contained in the Circular of which this notice forms part and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

(b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she/they consider, necessary or expedient or desirable to implement and/or give effect to the above agreements and the transactions contemplated thereunder, and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company."

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

Hong Kong, 22 December 2025

Notes:

(1) All resolutions at the EGM will be taken by poll pursuant to article 66 of the articles of association of the Company. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(2) A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to represent him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.

(3) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the EGM (i.e. not later than 10:00 a.m. on Wednesday, 7 January 2026 (Hong Kong time)) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the EGM and at any adjournment thereof and, in such event, the form of proxy will be deemed to be revoked.

(4) For the purpose of determining the qualification as shareholders of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 6 January 2026 to Friday, 9 January 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 January 2026.

As of the date of this notice, the executive director of the Company is Mr. ZHANG Jun; the non-executive directors of the Company are Ms. ZHANG Shuman, Dr. YANG Qingli, Mr. CAO Hongbo and Dr. FAN Ren Da Anthony; and the independent non-executive directors of the Company are Mr. WANG Tao, Mr. WONG Man Chung Francis and Mr. SHI Zheyan.