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山東墨龍石油機械股份有限公司

Shandong Molong Petroleum Machinery Company Limited

(A Sino-foreign joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 568)

UNUSUAL PRICE MOVEMENT OF A SHARES OF THE COMPANY

A. Particulars of the Unusual Price Movement of A-Shares

The decrease of the closing prices of the A Shares of Shandong Molong Petroleum Machinery Company Limited* (山東墨龍石油機械股份有限公司, the “**Company**”) deviated by more than 12% for three consecutive trading days (24 March 2025, 25 March 2025 and 26 March 2025) on a cumulative basis, which constitutes unusual movements in shares trading according to the requirements under the Trading Rules of the Shenzhen Stock Exchange.

B. Relevant Information Noted and Verified by the Company

The board of directors of the Company has conducted a verification in respect of relevant issues through making enquiry(ies) etc. to the controlling shareholder(s) and de-facto controller(s) of the Company with regard to the unusual movements in its shares trading, the details of which are set out as follows:

1. No correction or supplementation is required for the information previously disclosed by the Company;
2. The Company is not aware of any public media reports in respect of any undisclosed material information which may have or have had a material effect on the stock trading prices of the Company;
3. The recent production and operation conditions of the Company remain to be normal, and there is no material change to internal or external operating environment;
4. There is no material event in respect of the Company which is disclosable but undisclosed by the Company, its controlling shareholder(s) and de facto controller(s), and there is no material event in the planning stage; and

5. The controlling shareholder(s) and de facto controller(s) of the Company have not dealt in the shares of the Company during the period of unusual movements in shares trading.

C. Relevant Information as to whether there is any Discloseable but Undisclosed Information

The board of directors of the Company confirms that the Company has no discloseable but undisclosed events according to the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange. The board of directors of the Company is also not aware of any information which might materially affect the trading prices of the shares and derivative products of the Company and which should be disclosed according the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange but remains undisclosed. There is nothing in the information previously disclosed by the Company that needs to be corrected or supplemented.

D. Risk Warnings

1. After self-investigation, the Company has no contravention of fair disclosure of information.
2. The Company has published the “Announcement on the Revision of Results Estimation for the Year 2024” (announcement no.: 2025-008) on 25 March 2025 on the CNINFO website (<http://www.cninfo.com.cn>). After revision, it is estimated that the net loss for 2024 would be RMB35 million to RMB45 million. During 2024, the Company has disposed of its 100% equity interest in Shouguang Maolong New Material Technology Development Co., Ltd.* (壽光懋隆新材料技術開發有限公司) (“**Shouguang Maolong**”). The investment gains arising from such transfers were accounted for as non-recurring gains and losses. In the annual audit, the auditor, based on the principle of prudence, is of the view that the disposal of equity interest in Shouguang Maolong should be recognized as an equity transaction and should be recognised and accounted for as capital reserve, resulting in the net profit and related information in the results estimation being over-estimated. Therefore, the Company had to revise the results estimation for year 2024. The revision of results estimation arose from the impact of the aforementioned matters on the non-recurring gains and losses of the Company, the impact on the non-recurring gains and losses was estimated to be approximately RMB111.50 million and the impact on the net profit was estimated to be approximately RMB111.50 million. The Company has communicated with and reached consensus with the audit firm in respect of the revision of the relevant financial indicators in the results estimation for year 2024. This revision of results estimation is a preliminary estimation made by the finance department of the Company. The actual audited financial information will be disclosed in detail in the annual results announcement and report for year 2024; and

3. The board of directors of the Company reminds public investors that: China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the CNINFO website (<http://www.cninfo.com.cn>) are the Company's designated platforms for information disclosure and all publicly disclosed information of the Company shall be subject to the announcements issued on the above-mentioned designated platforms. The Company will strictly fulfil its information disclosure obligations in a timely fashion pursuant to the provisions and requirements of relevant laws and regulations. Investors are advised to invest cautiously and be aware of investment risks.

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

By order of the Board
Shandong Molong Petroleum Machinery Company Limited*
Han Gao Gui
Chairman

Shandong, the PRC
26 March 2025

As at the date of this announcement, the board of directors of the Company comprises the executive Directors, namely Mr. Han Gao Gui, Mr. Yuan Rui, Mr. Zhang Zhi Yong and Mr. Wang Tao; the non-executive Directors, namely Ms. Zhang Min and Mr. Ma Qing Wen; and the independent non-executive Directors, namely Mr. Zhang Zhen Quan, Mr. Dong Shao Hua and Mr. Zhang Bing Gang.

** For identification purposes only*