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2. Type of company: Other limited liability company
3. Unified Social Credit Code: 913707836613984230
4. Registered address: East of Xingze Road, Shouguang City (Southwest corner of Shangjia Village, Gucheng Street)
5. Legal representative: Zhang Jingbo* ( )
6. Registered capital: RMB150 million
7. Date of establishment: 30 April 2007
8. Scope of business: Manufacture and sales of: pure oxygen, pure ammonia, pure nitrogen (validity period subject to license); manufacture and sale of: petroleum equipment, castings and forgings (To comply with the law, business activities of certain projects which are subjected to the approval from relevant department can only be carried out after obtaining such approval) ***
9. Shareholding ratio: Shandong Molong holds 70% shares and Weifang Shengcheng Investment Company Limited* ( ) holds 30% shares.
10. Major financial data for the latest year and period:

    As of 31 December 2020, the total assets, total liabilities and net assets of Shouguang Baolong amounted to RMB792.2307 million, RMB899.4309 million and RMB-107.2002 million, respectively. For the year of 2020, the revenue realized and net profit of Shouguang Baolong amounted to RMB1,686.4415 million and RMB-66.5568 million, respectively. (The above financial data has been audited)

    As of 31 March 2020, the total assets, total liabilities and net assets of Shouguang Baolong amounted to RMB824.1609 million, RMB936.8542 million and RMB-112.6933 million, respectively. In the first quarter of 2021, the revenue realized and net profit of Shouguang Baolong amounted to RMB546.9063 million and RMB-5.4931 million, respectively. (The above financial data has not been audited)

It is expected the suspension of production for inspection and maintenance as well as the modification and upgrade of Shouguang Baolong will lead to an increase in the related costs and expenses of the Company, which will have an adverse impact on the operating results of the Company in the second half of 2021. However, in the long run, the completion of the suspension of production for inspection and maintenance as well as the modification of Shouguang Baolong will facilitate stability of the equipment of the production lines, further enhance product competitiveness and improve overall efficiency.

The Company will closely monitor the progress of the suspension of production for inspection

and maintenance as well as the modification of Shouguang Baolong, and fulfill its information disclosure obligations in a timely manner in accordance with the relevant regulations. Investors are advised to pay attention to investment risks.

Further announcements will be issued as and when required under the Listing Rules.

By order of the Board

Shandong, the PRC
14 July 2021

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