

This announcement is made by Shandong Molong Petroleum Machinery Company Limited* (the "") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "") and the Inside Information Provisions (as defined in the (the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1. The Company's net profits before and after deducting non-recurring gains and losses in the past three financial years (whichever is lower) were negative, and the 2023 audit report shows that there is uncertainty in the Company's ability to continue as a going concern, and the Company's A Shares stock trading has fallen into situations of other risk warnings.

2. Trading in the Company's A Shares will be suspended for one day on 29 March 2024 (Friday), and trading will resume on 1 April 2024 (Monday);

3. After the imposition of other risk warnings, the stock abbreviation is changed from "Shandong Molong" to "ST Molong";

4. After the imposition of other risk warnings, the daily limit in respect of the decrease or increase in the stock price is 5%.

1. Category of Shares: RMB Ordinary Shares (A Shares)

2. Stock Abbreviation: Changed from "Shandong Molong" to "ST Molong";

3. [redacted]

4. Date of Imposition of Other Risk Warning: 1 April 2024 (Monday)

The Company's net profits before and after deducting non-recurring gains and losses (whichever is lower) in 2021, 2022, and 2023 were RMB-369,613,746.87, RMB -424,969,725.59 and RMB-566,861,510.82, respectively. The lower of the Company's net profits before and after non- deducting recurring gains and losses for the last three consecutive financial years were negative; and ShineWing Certified Public Accountants (Special General Partnership) issued an unqualified audit report (XYZH/2024JNAA3B0050) to the Company for 2023 with a paragraph on significant uncertainty in continuing its operations as a going concern.

According to Rule 9.8.1(7) of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, the Company's net profits before and after deducting non-recurring gains and losses in the past three financial years (whichever is lower) were negative, and the audit report for the most recent year shows that there is uncertainty as to the Company's ability in continuing its operations as a going concern; the Company's A Share stock trading has fallen into situations of other risk warnings.

According to the relevant requirements under Rule 9.8.1 of the Rules Governing the Listing of Shares

1. Disposal of inefficient assets and optimize the asset-liability structure. On 9 January 2024, the Company convened the seventh interim meeting of the seventh session of the board of directors, at which the “Resolution on disposal of equity interest in subsidiaries” was passed. The disposal of Shouguang Baolong Petroleum Equipment Co., Ltd.* ( ) and Weihai City Baolong Petroleum Special Equipment Co., Ltd.* ( ) were approved. It was also agreed to optimize the Company's asset allocation, recover funds, enhance the liquidity of assets, and improve the Company's profitability, which will have a positive impact on the Company's production, operations and financial position, and are in line with the long-term development plan. As at 13 March 2024, changes in industrial and commercial registration were completed in respect of the two subsidiaries and renewed business licenses issued by the Market Supervision Administration have been obtained.

2. Strengthen marketing work and optimize sales strategies, to adjust sales strategies in a timely manner based on market conditions. In 2024, the Company is to carry out a good job in the market, especially new markets and new customer development, sales and customer service, and adhere to the business strategy of "export first, oil pipelines as the focus, and general management as strong", continue to optimize product and customer structure. Business marketing shall focus on key markets, focusing on large customers, and doing a good job in bidding and tendering in major oilfield markets; giving full play to industry advantages, actively expanding marketing channels, increasing the order volume and production capacity of high value-added products, and promoting the formation of a diversified product structure, which is expected to effectively increase market share, gradually restore market confidence, boost performance growth, and strive to improve operating conditions.

3. Consolidate basic management and promote quality and efficiency improvement. Strengthen production management and seek benefits from the production site. Effectively control the production process and improve various economic and technical indicators; consolidate basic management, pay attention to product quality, and continuously improve product quality; improve cost control awareness, reduce costs in many aspects, tap potential, effectively do a good job in cost reduction and efficiency improvement, and strive to derive efficiency in positions, machineries, every ton of products, so as to improve profitability.

4. Enhance financing efforts and ensure fund security. Strengthening communication between banks and us, enhance communication and exchanges with banks and other financial institutions to ensure the safety and continuity of the capital chain. The security of the capital chain is related to the survival and development of enterprises. To focus on the five major banks, use commercial banks as support, and quasi-financial institutions as the supplementation to ensure stable corporate financing and normal production and

operations, strive to optimize the liability structure, vigorously reduce high-interest debt ratios, and reduce corporate financial costs. Further strengthen the management of accounts receivable, speed up the turnover rate of accounts receivable, reduce the occurrence of bad debts, and ensure the security of funds.

5. Strengthen exchanges and cooperation and continue to promote the application and promotion of HIsmelt. According to the Company's technology promotion plan, we will use our full effort to complete all preparatory work. Strengthen communication and exchanges with design institutes and user companies to ensure that all work is implemented accurately and timely; maintain close contact with units in the same industry, keep up with the forefront of technological development, and continuously improve work efficiency and service levels. The promotion of HIsmelt technology and project implementation will become the Company's new focal point of profit growth and help to continuously improve the Company's operating capabilities.

By order of the Board

Shandong, the PRC
28 March 2024