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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)

UNAUDITED 2026 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The following is the first quarterly report of Shandong Molong Petroleum Machinery Company Limited* (the “Company”) for the financial year of 2026:

The Company and all members of the Board warrant that the information disclosed herein is true, accurate and complete, and that there is no false representation or misleading statement or material omission.

IMPORTANT NOTICE:

1. The Board and the Directors and senior management warrant that this quarterly report is true, accurate, and complete without any false information, misleading statements or material omissions, and individually and jointly accept legal responsibility.
2. The person-in-charge of the Company, the person-in-charge of the accounting and the person-in-charge of the accounting department (head of accounting) declare that: the financial information contained in this quarterly report is true, accurate and complete.
3. Whether the First Quarterly Financial and Accounting Report has been audited

Yes No

I. KEY FINANCIAL DATA

(I) KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Whether the Company made retroactive adjustment or restated accounting data in previous years

Yes No

		The corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year (%)
Operating revenue (RMB)	665,909,838.52	291,392,171.76	128.53%
Net profit attributable to shareholders of listed company (RMB)	5,583,952.25	5,423,201.01	2.96%
Net profit/(loss) after extraordinary gains or losses attributable to shareholders of listed company (RMB)	3,470,014.63	(4,913,149.53)	170.63%
Net cash flows generated from operating activities (RMB)	91,377,793.81	381,004,412.19	-76.02%
Basic earnings per Share (RMB/share)	0.0070	0.0068	2.94%
Diluted earnings per Share (RMB/share)	0.0070	0.0068	2.94%
Weighted average return on net assets	1.11%	1.10%	0.01%
			Increase/decrease at the end of the reporting period as compared with the end of last year (%)
	As at the end of the current reporting period	As at the end of last year	
Total assets (RMB)	2,791,537,971.59	2,682,126,082.65	4.08%
Total owners' equity attributable to shareholders of the listed company (RMB)	503,731,871.32	497,875,233.09	1.18%

(II) NON-RECURRING GAIN OR LOSS ITEMS AND AMOUNTS

Applicable Not applicable

Unit: RMB

Item	Amount for the current reporting period	Explanation
Profits and losses on disposal of non-current assets (including the write-off part of provision for asset impairment)	(4,829.71)	Mainly refer to the loss generated from the disposal and retirement of some assets of the Company.
Government grants recognised in profit or loss for the current period (except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, entitled to under established standards and having a continuous impact on the Company's profit or loss)	10,200.00	Mainly refer to the cross-border e-commerce policy incentive funds received in the current period.
Write-back of provision for receivables subject to individual impairment test	1,800,000.00	Mainly refer to the recovery of receivables for which impairment provisions were separately made.
Other non-operating income and expenses except for the above items	297,733.73	Mainly refer to the payables that no longer need to be paid arising in the current period, etc.
Other gain or loss items that fall within the definition of non-recurring gains or losses	11,944.00	Mainly refer to the refund of individual income tax withholding and remittance handling fees received in the current period.
Influenced amount of minority stockholder's interest (after-tax)	1,110.40	—
Total	2,113,937.62	—

Details of other gain or loss items that fall within the definition of non-recurring gains or losses

Applicable Not applicable

The Company did not have any extraordinary profit and loss items that fall within the definition of extraordinary gain or loss.

Explanation for defining the non-recurring gain or loss items listed in the Interpretation No. 1 on Information Disclosure for Companies Offering their Securities to the Public - Extraordinary Profit and Loss as extraordinary gain and loss items

Applicable Not applicable

The Company did not define any non-recurring gain or loss items listed in the Interpretation No. 1 on Information Disclosure for Companies Offering their Securities to the Public - Non-recurring Gains and Loss as extraordinary profit and loss items.

(III) DETAILS OF AND REASONS FOR CHANGES IN KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

✓Applicable □Not applicable

1. Analysis of and explanation for significant changes in the Company's asset and liability structure during the reporting period

Unit: RMB

Items	31 March 2026 (Unaudited)	31 December 2025 (Audited)	Change	Reason for difference
Accounts receivable	19,124,164.23	—	—	Mainly due to the increase in the number of outstanding bank acceptances received at the end of the current period.
Prepayment	157,326,781.16	112,468,236.53	39.89%	Mainly due to the increase in the advance payment for materials in the current period.
Other receivables	253,568,624.02	646,926,136.76	-60.80%	Mainly due to the use of relevant assets to offset debts under a tripartite agreement in the current period.
Other current assets	30,481,755.04	2,143,508.70	1,322.05%	Mainly due to the increase in the amount of input tax to be deducted at the end of the current period.
Investments in other equity instruments	33,403,349.84	3,403,349.84	881.48%	Mainly due to the external investment made in the current period.
Fixed assets	467,815,335.71	297,484,473.82	57.26%	Mainly due to the acquisition of relevant assets under a tripartite agreement in the current period.
Intangible assets	348,623,032.81	190,074,048.99	83.41%	Mainly due to the acquisition of relevant land under a tripartite agreement in the current period.
Development expenditures	6,406,298.83	—	—	Mainly due to the incompleteness of the R&D projects in the current period.
Other non-current assets	48,286,959.20	3,058,459.20	1,478.80%	Mainly due to the increase in prepayments for engineering equipment in the current period.
Notes payable	90,034,649.29	66,591,079.41	35.21%	Mainly due to the increase in payments settled by bills in the current period.
Contract liabilities	93,815,924.51	138,946,640.35	-32.48%	Mainly due to the shipment of goods for which advances were received as at the end of the current period.
Non-current liabilities due within one year	61,264,668.87	38,215,100.73	60.32%	Mainly due to the increase in financing amounts due within one year.
Other current liabilities	24,922,729.87	39,971,720.36	-37.65%	Mainly due to the increase in the output tax to be written off.

2. Analysis of and explanation for significant year-on-year changes in gain or loss indicators for the reporting period

Unit: RMB

Item	January to March 2026 (Unaudited)	January to March 2025 (Unaudited)	Change	Reason for difference
Operating incomes	665,909,838.52	291,392,171.76	128.53%	Mainly due to sufficient orders in the current period, resulting in a significant increase in product production and sales volume.
Operating costs	597,677,995.84	264,196,824.05	126.22%	Mainly due to sufficient orders in the current period, resulting in a significant increase in product production and sales volume.
Sales tax and surcharges	3,862,134.21	1,551,944.43	148.86%	Mainly due to the increase in relevant taxes realised in the current period.
Selling expenses	3,932,650.64	2,961,218.08	32.81%	Mainly due to the increase in revenue in the current period, leading to a corresponding increase in selling expenses.
Management expenses	12,457,539.31	8,030,225.66	55.13%	Mainly due to the increase in revenue, the increase in corresponding expenses, and the increase in depreciation and amortisation of relevant assets acquired under a tripartite agreement in the current period.
R&D expenses	8,807,446.20	2,314,906.67	280.47%	Mainly due to the increase in investment related to the research and development of new products in the current period.
Financial expenses	34,324,497.70	19,518,703.99	75.85%	Mainly due to the increase in exchange losses and financing amounts in the current period.
Assets impairment Loss	(3,864,675.80)	1,953,051.65	-297.88%	Mainly due to the impairment test on inventories conducted pursuant to the requirements of the enterprise accounting standards in the current period, resulting in the provision for inventory impairment losses.
Credit impairment Loss	3,647,458.86	16,870.97	21,519.73%	Mainly due to the recovery of accounts receivable for which credit impairment had been provided in the current period.
Other incomes	690,317.10	311,243.72	121.79%	Mainly due to the increase in income recognised under the value-added tax additional deduction policy in the current period.

Investment incomes/ (loss)	—	(42,472.54)	—	Mainly due to the decrease in discount interest on bank acceptances that are derecognized after discounting in the current period.
Income from asset disposal	75,402.00	3,052,789.96	-97.53%	Mainly due to the decrease in the disposal of relevant assets in the current period.
Non-operating incomes	371,851.09	7,700,620.42	-95.17%	For the current period, it was mainly due to payables that no longer need to be paid; for the previous period, it was mainly due to the receipt of litigation compensation.
Non-operating expenditures	154,349.07	418,511.46	-63.12%	For the current period, it was mainly due to losses arising from the scrapping of some equipment; for the previous period, it was mainly due to the payment of relevant overdue fines.
Income tax expenses	28,601.23	42,045.51	-31.98%	Mainly due to the decrease in income tax expenses realised by the subsidiary in the current period.

3. Analysis of and explanation for year-on-year changes in the Company's cash flows during the reporting period

Unit: RMB

Item	January to March 2026 (Unaudited)	January to March 2025 (Unaudited)	Change	Reason for difference
Net cash flows from operating activities	91,377,793.81	381,004,412.19	-76.02%	Mainly due to the decrease in passive financial assistance funds received in the current period as compared with the same period last year.
Net cash flows generated from investment activities	(75,942,800.00)	7,182,408.00	-1,157.34%	Mainly due to the increase in expenditures for the construction and purchase of fixed assets and payments for investments in the current period.
Net cash flows generated from financing activities	17,510,248.90	(113,135,419.35)	115.48%	Mainly due to the increase in borrowings obtained in the current period.
Net Accrual of Cash and Cash Equivalents	35,974,494.27	274,145,154.37	-86.88%	Mainly due to the combined effect of net cash flows generated from operating, investing and financing activities.

II. INFORMATION OF THE SHAREHOLDERS

(I) Total Number of Ordinary Shareholders and Number Of Preferred Shareholders with Restored Voting Rights and Shareholding of Top Ten Shareholders

Unit: Share

Total number of ordinary shareholders by the end of the Reporting Period	81,330 (including 81,294 A-share shareholders and 36 H-share shareholders)	Total number of preferred shareholders whose voting powers have been restored by the end of the Reporting Period (if any)	0
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Shareholding of Top ten shareholders (Not inclusive of stock borrowing through refinancing)

Name of Shareholders	Nature of Shareholders	Shareholding Percentage	Number of shares held	Number of Shares with sale restriction	Pledged, marked or frozen status	Quantity
HKSCC Nominees Limited	Overseas Legal Person	32.08%	255,986,180	0	Not applicable	0
Shouguang Molong Holdings Co., Ltd.	State-owned legal person	29.53%	235,617,000	0	Pledged	99,355,556
Zhang Yun San	Domestic Natural Person	2.02%	16,108,000	0	Not applicable	0
Hong Kong Securities Clearing Company Limited	Overseas Legal Person	0.79%	6,302,684	0	Not applicable	0
Shanghai Shenchen Private Equity Fund Management Partnership (Limited Partnership) - Shanghai Shenchen Huiyao Private Securities Investment Fund (上海申宸私募基金管理合夥企業(有限合夥)-上海申宸輝耀私募證券投資基金)	Others	0.32%	2,583,300	0	Not applicable	0
MORGAN STANLEY & CO. INTERNATIONAL PLC.	Overseas Legal Person	0.20%	1,582,351	0	Not applicable	0
UBS AG	Overseas Legal Person	0.15%	1,158,821	0	Not applicable	0
Bank of Communications Co., Ltd. – Universal China Securities Oil and Gas Resources-traded Open-end Index Securities Investment Fund (交通銀行股份有限公司-匯添富中證油氣資源交易型開放式指數證券投資基金)	Others	0.13%	1,019,900	0	Not applicable	0
BARCLAYS BANK PLC	Overseas Legal Person	0.13%	1,013,400	0	Not applicable	0
Sun Life Everbright Asset Management - Industrial Bank - Sun Life Everbright Asset Juyou Steady No.53 Equity Asset Management Product (光大永明資管-興業銀行-光大永明資產聚優穩健53號權益類資產管理產品)	Others	0.13%	1,003,200	0	Not applicable	0

**Shareholding of Top Ten Shareholders not subject to Selling Restrictions
(excluding shares lent through refinancing business and executive lock-in shares)**

Name of Shareholders	Number of shares not subject to lock-up held	Categories of Shares	Quantity
HKSCC Nominees Limited	255,986,180	Overseas listed foreign shares	255,986,180
Shouguang Molong Holdings Co., Ltd.	235,617,000	RMB ordinary shares	235,617,000
Zhang Yun San	16,108,000	RMB ordinary shares	16,108,000
Hong Kong Securities Clearing Company Limited	6,302,684	RMB ordinary shares	6,302,684
Shanghai Shenchen Private Equity Fund Management Partnership (Limited Partnership) - Shanghai Shenchen Huiyao Private Securities Investment Fund (上海申宸私募基金管理 合夥企業(有限合夥)-上海申宸輝耀私募 證券投資基金)	2,583,300	RMB ordinary shares	2,583,300
MORGAN STANLEY & CO. INTERNATIONAL PLC.	1,582,351	RMB ordinary shares	1,582,351
UBS AG	1,158,821	RMB ordinary shares	1,158,821
Bank of Communications Co., Ltd. – Universal China Securities Oil and Gas Resources-traded Open-end Index Securities Investment Fund (交通銀行股份有限公司-匯添富中證油氣資源 交易型開放式指數證券投資基金)	1,019,900	RMB ordinary shares	1,019,900
BARCLAYS BANK PLC	1,013,400	RMB ordinary shares	1,013,400
Sun Life Everbright Asset Management - Industrial Bank - Sun Life Everbright Asset Juyou Steady No.53 Equity Asset Management Product (光大永明資管-興業銀行-光大永明資產聚優 穩健53號權益類資產管理產品)	1,003,200	RMB ordinary shares	1,003,200
Description of the abovementioned shareholders' association or concertedness	Not applicable		
Description of the participation of the top 10 ordinary shareholders in margin financing and securities lending business (if any)	Not applicable		

Status of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted circulated shares participating in the refinancing business and lending shares

Applicable Not applicable

Changes of top 10 shareholders and the top 10 shareholders of unrestricted circulated shares from the previous period due to refinancing lending/returning

Applicable Not applicable

(II) TOTAL NUMBER OF PREFERRED SHAREHOLDERS AND TABLE OF STATUS OF SHAREHOLDINGS OF TOP 10 PREFERRED SHAREHOLDERS

Applicable Not applicable

III. OTHER IMPORTANT MATTERS

Applicable Not applicable

1. Progress on the recovery of passive financial assistance

On 9 January 2024, the Company held the seventh extraordinary meeting of the seventh session of the Board of Directors. On 25 January 2024, the first extraordinary general meeting in 2024 was held, and the Proposal on “Passively Forming Financial Assistance after Selling the Equity of the Subsidiary” was considered and approved. The Company’s amount of claim against Shouguang Baolong Petroleum Equipment Co., Ltd. (hereinafter referred to as “Shouguang Baolong”) was RMB461.7095 million, which represented the fund transactions between the Company and its subsidiary during the period when Shouguang Baolong was a subsidiary of the Company. As of the disclosure date of this report, the balance of financial assistance of Shouguang Baolong was RMB292 million. In February 2025, as Shouguang Baolong failed to repay its due debts, the court ruled to accept its liquidation application. At present, the second creditors’ meeting has been organized and held, and the specific plan for liquidation has not yet been issued.

2. Matters concerning the implementation of debt restructuring and recovery of passive financial assistance

On 14 October 2024, the Company held the 14th extraordinary meeting of the seventh session of the Board of Directors. On 21 November 2024, the fifth extraordinary general meeting in 2024 was held, and the “Proposal on Passively Forming Financial Assistance after the Sale of Assets” was considered and approved. The Company’s amount of claim against Shouguang Maolong New Material Technology Development Co., Ltd. (hereinafter referred to as “Shouguang Maolong”) was RMB714.1417 million, which represented the fund transactions between the Company and its subsidiary during the period when Shouguang Maolong was a subsidiary of the Company. The Company, Shouguang Maolong and Shouguang Huarong Agriculture Science and Technology Co., Ltd. (hereinafter referred to as “Huarong Agriculture”) entered into a Repayment Agreement, stipulating that Huarong Agriculture would assume the outstanding payables owed by Shouguang Maolong to the Company while simultaneously acquiring the equity of Shouguang Maolong. Upon negotiation, Huarong Agriculture agreed to repay all the above debts on behalf of Shouguang Maolong to the Company within twelve months from the date of completion of the equity transfer (i.e., completion of the industrial and commercial registration change).

On 29 December 2025, the Company held the tenth extraordinary meeting of the eighth session of the Board of Directors. On 23 January 2026, the Company held the first extraordinary general meeting in 2026, which reviewed and approved the *Proposal on Implementing Debt Restructuring*, agreeing that the Company, Shandong Shouguang Vegetable Wholesale Market Co., Ltd. (hereinafter referred to as the “Vegetable Wholesale Company”) and Huarong Agriculture would sign the *Tripartite Agreement*, stipulating that the Vegetable Wholesale Company would repay the outstanding amount of RMB361.00 million owed by Huarong Agriculture to the Company by using the land use rights, buildings (structures), machinery and equipment, etc. held by it located at Shouguang Science and Technology Industrial Park, with an appraised value of RMB361.8502 million. As of the disclosure date of this report, the transfer of the above assets has been completed.

Following active communication with Huarong Agriculture, the Company received a cash repayment of RMB30 million from Huarong Agriculture in March 2026. As of the disclosure date of this report, the amount of financial assistance unpaid by Huarong Agriculture was RMB61.4534 million.

IV. QUARTERLY FINANCIAL STATEMENT

(I) FINANCIAL STATEMENT

1. Consolidated Balance Sheet

Prepared by: Shandong Molong Petroleum Machinery Company Limited*

31 March 2026

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary capital	306,461,191.40	273,493,158.99
Settlement deposits	—	—
Lending funds	—	—
Financial assets held for trading	—	—
Derivative financial assets	—	—
Bills receivables	75,761,733.95	77,020,624.57
Accounts receivables	387,427,755.59	464,170,047.25
Financing receivables	19,124,164.23	—
Prepayments	157,326,781.16	112,468,236.53
Insurance receivables	—	—
Reinsurance receivables	—	—
Reinsurance contract reserves receivable	—	—
Other receivables	253,568,624.02	646,926,136.76
Including: Interest receivable	—	—
Dividends receivable	—	—
Purchases of sell-back financial assets	—	—
Inventories	609,601,571.61	564,595,771.94
Including: Data resources	—	—
Contract assets	—	—
Assets held for sale	—	—
Non-current assets due within one year	—	—
Other current assets	30,481,755.04	2,143,508.70
Total current assets	1,839,753,577.00	2,140,817,484.74

Item	Closing balance	Opening balance
Non-current assets:		
Granted loans and advances	—	—
Debt investments	—	—
Other debt investments	—	—
Long-term receivables	—	—
Long-term equity investments	46,340,865.68	46,340,865.68
Investments in other equity instruments	33,403,349.84	3,403,349.84
Other non-current financial assets	476,475.45	476,475.45
Investment properties	—	—
Fixed assets	467,815,335.71	297,484,473.82
Construction-in-progress	147,836.04	139,310.39
Productive biological assets	—	—
Oil and gas assets	—	—
Right-of-use assets	284,241.03	331,614.54
Intangible assets	348,623,032.81	190,074,048.99
Including: Data resources	—	—
Development expenditures	6,406,298.83	—
Including: Data resources	—	—
Goodwill	—	—
Long-term deferred expenses	—	—
Deferred income tax assets	—	—
Other non-current assets	48,286,959.20	3,058,459.20
Total non-current assets	951,784,394.59	541,308,597.91
Total Assets	2,791,537,971.59	2,682,126,082.65

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	1,364,019,681.99	1,351,121,751.47
Borrowings from the central bank	—	—
Borrowing funds	—	—
Financial liabilities held for trading	—	—
Derivative financial liabilities	—	—
Bills payable	90,034,649.29	66,591,079.41
Accounts payable	489,612,093.98	397,985,748.47
Receipts in advance	—	—
Contract liabilities	93,815,924.51	138,946,640.35
Proceeds from disposal of buy-back financial assets	—	—
Customer bank deposits and due to banks and other financial institutions	—	—
Securities brokerage deposits	—	—
Securities underwriting brokerage deposits	—	—
Salaries payable	31,195,931.02	33,499,464.98
Taxes payable	13,832,375.89	12,885,662.22
Other payables	39,520,417.77	41,087,652.71
Including: Interest payable	—	—
Dividends payable	—	—
Brokerage and commission payables	—	—
Reinsurance payables	—	—
Liabilities held for sale	—	—
Non-current liabilities due within one year	61,264,668.87	38,215,100.73
Other current assets	24,922,729.87	39,971,720.36
Total current liabilities	2,208,218,473.19	2,120,304,820.70

Item	Closing balance	Opening balance
Non-current liabilities:		
Insurance contract reserves	—	—
Long-term borrowings	—	—
Bonds payable	—	—
Including: Preferred shares	—	—
Perpetual bonds	—	—
Lease liabilities	—	—
Long-term payables	68,308,649.60	52,698,375.15
Long-term salaries payable	—	—
Estimated liabilities	5,058,038.23	5,058,038.23
Deferred revenue	6,461,626.72	6,461,626.72
Deferred income tax liabilities	48,939.72	48,939.72
Other non-current liabilities	—	—
Total non-current liabilities	79,877,254.27	64,266,979.82
Total Liabilities	2,288,095,727.46	2,184,571,800.52

Item	Closing balance	Opening balance
Owners' equity:		
Share capital	797,848,400.00	797,848,400.00
Other equity instruments	—	—
Including: Preferred shares	—	—
Perpetual bonds	—	—
Capital reserve	979,798,749.43	979,798,749.43
Less: Treasury shares	—	—
Other comprehensive income/(loss)	(2,829,862.31)	(3,102,548.29)
Special reserve	—	—
Surplus reserve	187,753,923.88	187,753,923.88
General risk reserve	—	—
Undistributed profits/(loss)	(1,458,839,339.68)	(1,464,423,291.93)
Total equity attributable to owners of the parent company	503,731,871.32	497,875,233.09
Minority equity	(289,627.19)	(320,950.96)
Total owners' equity	503,442,244.13	497,554,282.13
Total liabilities and owners' equity	2,791,537,971.59	2,682,126,082.65
Legal representative:	Chief financial officer:	Head of accounting section:
Han Gao Gui	Zhu Lin	Zhu Lin

2. Consolidated Income Statement

Item	Unit: RMB	
	Amount for the current period	Amount of the previous period
I. Total Operating Income	665,909,838.52	291,392,171.76
Including: Operating income	665,909,838.52	291,392,171.76
Interest income	—	—
Insurance premium earned	—	—
Brokerage and commission income	—	—
II. Total operating cost	661,062,263.90	298,573,822.88
Including: Operating cost	597,677,995.84	264,196,824.05
Interest expenses	—	—
Brokerage and commission expenses	—	—
Surrenders	—	—
Net compensation expenses	—	—
Net charge of insurance liability reserve	—	—
Policyholder dividend expenses	—	—
Reinsurance premiums	—	—
Tax and surcharges	3,862,134.21	1,551,944.43
Selling expenses	3,932,650.64	2,961,218.08
Administrative expenses	12,457,539.31	8,030,225.66
Research and development expenditures	8,807,446.20	2,314,906.67
Finance expenses	34,324,497.70	19,518,703.99
Including: Interest expenses	27,481,335.44	20,477,649.72
Interest income	539,158.46	303,435.88

Item	Amount for the current period	Amount of the previous period
Add: Other income	690,317.10	311,243.72
Return/(loss) on investment	—	(42,472.54)
Including: Gain on investment in associates and joint ventures		
Gain on derecognition of inancial assets measured at amortised cost	—	—
Profit on exchange	—	—
Incomes from net exposure hedging	—	—
Gains from changes in fair value	—	—
Losses from credit impairment	3,647,458.86	16,870.97
Losses from asset impairment	(3,864,675.80)	1,953,051.65
Gains from asset disposal	75,402.00	3,052,789.96
III. Operating revenue/(loss)	5,396,076.78	(1,890,167.36)
Add: Non-operating income	371,851.09	7,700,620.42
Less: Non-operating expenses	154,349.07	418,511.46
IV. Total profit	5,613,578.80	5,391,941.60
Less: Income tax expenses	28,601.23	42,045.51
V. Net profit	5,584,977.57	5,349,896.09
(I) Classified by continued operation		
1. Net profit of continuous operation	5,584,977.57	5,349,896.09
2. Net profit of terminated operation	—	—
(II) Classified by attributable ownership		
1. Net profit attributable to the shareholders of the parent company	5,583,952.25	5,423,201.01
2. Loss or profit attributable to minority interests	1,025.32	(73,304.92)

Item	Amount for the current period	Amount of the previous period
VI. Other comprehensive income, net of tax	302,984.43	26,178.79
Other comprehensive income attributable to owners of the parent company, net of tax	272,685.98	23,560.91
(I) Other comprehensive income that may not be reclassified to profit or loss	—	—
1. Changes on remeasurement of defined benefit plans	—	—
2. Other comprehensive income that may not be transferred to profit or loss under equity accounting	—	—
3. Fair value changes in investments in other equity instruments	—	—
4. Fair value changes in credit risk of the Company	—	—
5. Others	—	—
(II) Other comprehensive income that will be reclassified to profit or loss	272,685.98	23,560.91
1. Other comprehensive income that may be transferred to profit or loss under equity accounting	—	—
2. Fair value changes in other debt investments	—	—
3. Reclassification of financial assets to other comprehensive income	—	—
4. Credit-impaired provision for other debt investments	—	—
5. Cash flow hedge reserve	—	—
6. Exchange differences on translation of foreign financial statements	272,685.98	23,560.91
7. Others	—	—
Other comprehensive income attributable to minority shareholders, net of tax	30,298.45	2,617.88
VII. Total comprehensive income	5,887,962.00	5,376,074.88
Total comprehensive income attributable to owners of the parent company	5,856,638.23	5,446,761.92
Total comprehensive income/(loss) attributable to minority interests	31,323.77	(70,687.04)
VIII. Earnings per share (EPS):		
(I) Basic earnings per share	0.0070	0.0068
(II) Diluted earnings per share	0.0070	0.0068
Legal representative: Han Gao Gui	Chief financial officer: Zhu Lin	Head of accounting section: Zhu Lin

3. Consolidated Statement of Cash Flows

Item	Unit: RMB	
	Amount for the current period	Amount of the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	759,819,888.35	268,783,533.13
Net increase in customer bank deposits and due to banks and other financial institutions	—	—
Net increase in borrowings from the central bank	—	—
Net increase in placements from other financial institutions	—	—
Cash received from receiving insurance premium of original insurance contract	—	—
Net cash received from reinsurance business	—	—
Net increase in deposits from policyholders and investments	—	—
Cash received of interests, fees and commissions	—	—
Net increase in inter-bank borrowings	—	—
Net increase in repurchase business capital	—	—
Net cash proceeds from securities brokerage	—	—
Receipts of tax refunds	—	109,063.43
Other cash received relating to operating activities	31,894,014.41	458,953,347.93
Subtotal of cash inflows from operating activities	791,713,902.76	727,845,944.49

Item	Amount for the current period	Amount of the previous period
Cash paid for purchasing goods and receiving services	587,378,875.54	299,083,175.60
Net increase in loans and advances to customers	—	—
Net increase in deposits with central bank and other financial institutions	—	—
Cash paid for compensation of original insurance contract	—	—
Net increase in lending funds	—	—
Cash paid for interests, fees and commissions	—	—
Cash paid for policy dividends	—	—
Cash paid to and on behalf of employees	39,895,385.64	24,853,936.62
Cash paid for taxes	28,042,092.55	10,070,540.45
Other cash paid relating to operating activities	45,019,755.22	12,833,879.63
Subtotal of cash outflows from operating activities	700,336,108.95	346,841,532.30
Net cash flows from operating activities	91,377,793.81	381,004,412.19
II. Cash Flow from Investment Activities:	—	—
Cash received from disposal of investments	—	—
Cash received from gains on investments	—	—
Net cash from disposal of fixed assets, intangible assets and other long-term assets	105,700.00	7,196,100.00
Net cash received from disposal of subsidiaries and other business units	—	—
Other cash received relating to investing activities	—	—
Subtotal of cash inflows from investing activities	105,700.00	7,196,100.00
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	46,048,500.00	13,692.00
Cash paid for acquisition of investments	30,000,000.00	—
Net increase in pledged loans	—	—
Net cash paid for acquisition of subsidiaries and other business units	—	—
Other cash paid relating to investing activities	—	—
Subtotal of cash outflows from investing activities	76,048,500.00	13,692.00
Net cash flows generated from investing activities	(75,942,800.00)	7,182,408.00

Item	Amount for the current period	Amount of the previous period
III. Cash Flow from Financing Activities:		
Cash received from capital contributions	—	240,000.00
Including: Cash received from minority shareholder investment by subsidiaries	—	—
Borrowings received	608,270,000.00	231,605,750.70
Other cash received relating to financing activities	48,000,000.00	—
Subtotal of cash inflows from financing activities	656,270,000.00	231,845,750.70
Cash repayments of amounts borrowed	602,750,000.00	248,942,868.31
Cash paid for dividend and profit distribution or interest payment	27,299,842.84	26,038,301.74
Including: Dividends and profits paid to minority shareholders by subsidiaries	—	—
Other cash paid relating to financing activities	8,709,908.26	70,000,000.00
Subtotal of cash outflows from financing activities	638,759,751.10	344,981,170.05
Net cash flow generated from financing activities	17,510,248.90	(113,135,419.35)
IV. Effect of Foreign Exchange Rate Change on Cash and Cash Equivalents	3,029,251.56	(906,246.47)
V. Net Accrual of Cash and Cash Equivalents	35,974,494.27	274,145,154.37
Add: Balance of cash and cash equivalents at the beginning of the period	185,905,663.41	85,328,121.79
VI. Closing Balance of Cash and Cash Equivalents	221,880,157.68	359,473,276.16

(II) CONDITION OF FIRST IMPLEMENTATION OF RELEVANT ADJUSTMENT ITEMS AT THE BEGINNING OF THE YEAR ON WHICH NEW ACCOUNTING STANDARDS WERE IMPLEMENTED FOR THE FIRST TIME IN 2026

Applicable Not applicable

(III) AUDITOR'S REPORT

Whether the First Quarterly Financial and Accounting Report has been audited

Yes No

The First Quarterly Financial and Accounting Report of the Company has not been audited.

By order of the Board

Shandong Molong Petroleum Machinery Company Limited*

Han Gao Gui

Chairman

Shandong, the PRC

21 April 2026

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. Wang Tao and Mr. Song Guang Jie; the non-executive Directors, namely Mr. Huang Bing De and Ms. Zhang Min; and the independent non-executive Directors, namely Mr. Zhang Zhen Quan, Mr. Dong Shao Hua and Mr. Zhang Bing Gang.

* For identification purposes only