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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)**

## **UPDATE ON ACCOUNT RECEIVABLES PAYABLE TO THE COMPANY UNDER THE REPAYMENT AGREEMENT**

References are made to (i) the announcements of Shandong Molong Petroleum Machinery Company Limited\* (the “**Company**”) dated 29 December 2025 and 23 January 2026 (the “**Announcements**”); and (ii) the circular of the Company dated 31 December 2025 in relation to the Debt Settlement Agreement and the transactions contemplated thereunder. Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements, unless the context requires otherwise.

As stated in the Announcements, after the completion of the Settlement, the balance of the account receivables payable by Huarong Agricultural to the Company under the Repayment Agreement is RMB91,453,400.

Following proactive communications with Huarong Agricultural, the Company has recently received cash payment in the amount of RMB30,000,000 made by Huarong Agricultural for the account receivables payable by Huarong Agricultural to the Company under the Repayment Agreement. As at the date of this announcement, the balance of the account receivables payable to the Company under the Repayment Agreement is RMB61,453,400, representing approximately 12.34% of the Company’s audited net asset attributable to shareholders of the listed company for year 2025.

Huarong Agricultural is a company wholly-owned by Finance Bureau of Shouguang City (壽光市財政局) through Shouguang Shengjing Ocean Development Group Co., Ltd.\* (壽光市昇景海洋發展集團有限公司), which has good creditability. The Company expects that the risk of loss in respect of the outstanding amount is relatively low, and the default in debt has no material impact on the production and operations of the Company. The Company will continue to proactively negotiate with Huarong Agricultural for the repayment, monitor and urge Huarong Agricultural to raise funds as its best effort for the repayment of the balance of the account receivables payable by Huarong Agricultural to the Company under the Repayment Agreement.

Currently, the production and operations of the Company are normal with sufficient orders on hand. Accounting treatment will be applied by the Company to the outstanding payments in accordance with the relevant accounting standards.

Further announcement(s) will be made by the Company in relation to the account receivables payable by Huarong Agricultural to the Company under the Repayment Agreement as and when appropriate.

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

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

Shandong, the PRC  
31 March 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*