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延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00346)

INSIDE INFORMATION
SUSPECTED MISAPPROPRIATION OF INVENTORIES
OF A SUBSIDIARY OF THE COMPANY

This announcement is made by Yanchang Petroleum International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Board had recently received a report dated 21 August 2026 from the management of a subsidiary of the Company, which reported a sales staff of the subsidiary and an independent third party (together the “**Suspected Persons**”) were suspected of committing conspiracy to defraud and misappropriation of inventories with an estimated amount of approximately RMB19.24 million (equivalent to approximately HK\$22.32 million) (the “**Suspected Misappropriation**”).

After discovering the Suspected Misappropriation and having conducted preliminary internal investigation, the management of the subsidiary has reported the Suspected Misappropriation to the public security bureau in the PRC. The Company has been informed that the Suspected Persons have been criminally detained by the public security bureau in the PRC. Based on the information currently available to the Company, the Suspected Persons had produced false documents to illegally obtain inventories. The Group is in cooperation with the public security bureau in the PRC with an aim to fully recover the misappropriated inventories or illicit funds.

Due to final recoverability of the misappropriated inventories or illicit funds is pending investigation by the public security bureau in the PRC and non-disclosure of information in criminal cases pursuant to the PRC laws, the Company currently is unable to grasp the details of progress of the case. At this stage, the actual financial impact of the Suspected Misappropriation on the Group's financial performance and position has yet to be confirmed. While assessing the financial impact, the Group is also in discussion with its PRC legal adviser on the legal impact of the Suspected Misappropriation under the circumstances of conspiracy to defraud committed by the Suspected Persons. As of the date of this announcement, the Company is still unable to ascertain the actual financial impact of the Suspected Misappropriation on the Group. The Company will update the Shareholders accordingly once the relevant financial impact from the Suspected Misappropriation can be ascertained.

In addition, the Board would also like to draw attention to the Shareholders that the financial impact of the Suspected Misappropriation was not included in the announcement of the Company dated 4 August 2026 regarding the profit warning of the Group's financial results for the six months ended 30 June 2026, given that the Board was only informed after the said announcement. The formal interim results announcement of the Group for the six months ended 30 June 2026 shall be published on or about 27 August 2026 and the Board will update (if any) the Shareholders for the financial impact of the Suspected Misappropriation for the Group's financial results for the six months ended 30 June 2026.

In light of the Suspected Misappropriation, the Company plans to engage third party appropriate professional advisers to conduct an independent investigation of the Suspected Misappropriation, review the risk management and internal control systems of the Group and make rectification and improvement recommendations, if any, to the Board.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Suspected Misappropriation does not impact on the Group's day-to-day business operations. The Company will make further announcements in relation to the progress of the Suspected Misappropriation as and when appropriate.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.16 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged, at this or any other rates.

By Order of the Board
Yanchang Petroleum International Limited
Feng Yinguo
Chairman

Hong Kong, 25 August 2026

Executive Directors:

Mr. Feng Yinguo (*Chairman*)
Ms. Wang Haining
Mr. Ding Jiasheng

Independent Non-Executive Directors:

Mr. Ng Wing Ka
Mr. Leung Ting Yuk
Mr. Sun Liming
Dr. Mu Guodong

Non-Executive Director:

Ms. Lu Yiwen