

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibilities for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)*

INSIDE INFORMATION ESTIMATED RESULTS FOR THE FIRST QUARTER OF 2021

This announcement is made by Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) pursuant to 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).

I. Results estimation for the period

1. Reporting period of the estimated results: 1 January 2021 to 31 March 2021

2. Estimated results: Loss From Loss to Profit Increase Decrease

Item	Current reporting period	Corresponding period of last year
Net profit attributable to the shareholders of the listed company	Loss (RMB): 95 million -115 million	Loss (RMB): 74.0466 million
Basic earnings per share	Loss (RMB/share): 0.12 - 0.14	Loss (RMB/share): 0.09

II. Preliminary audit of the estimated results

The estimated results have not been preliminarily audited by any certified public accountants.

III. Reasons for changes in results

1. Compared with the same period of last year, the orders for the Company’s oilfield market products in the first quarter of 2021 decreased significantly year-on-year and the procurement price of raw materials continued to rise (among which, the procurement price of ore powder

increased by approximately 65% year-on-year, the procurement price of coal powder increased by approximately 25% year-on-year, the procurement price of scrap steel increased by approximately 24% year-on-year), resulting in a substantial increase in product costs and a significant decline in sales volume and gross profit;

2. Affected by the novel coronavirus disease pandemic overseas, the Company's export orders for the first quarter of 2021 decreased by approximately 50% compared with the same period last year;

3. Affected by the decrease in orders for oilfield market products, the utilisation rate of some of the Company's production lines was low, resulting in an increase in production costs and management expenses.

IV. Other relevant information

The estimated results set out herein are results of the preliminary estimation conducted by the finance department of the Company and have not been preliminarily audited by any certified public accountants. The actual financial information of the Company is subject to the 2021 first quarterly report to be disclosed by the Company.

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*
Yang Yun Long
Chairman

Shandong, PRC
14 April 2021

As at the date of this announcement, the Board comprises the executive Directors, namely Mr. Yang Yun Long, Mr. Yuan Rui, Mr. Liu Min and Mr. Li Zhi Xin; the non-executive Directors, namely Mr. Yao You Ling and Mr. Wang Quan Hong; and the independent non-executive Directors, namely Mr. Tang Qing Bin, Mr. Song Zhi Wang and Mr. Cai Zhong Jie.

** For identification purposes only*