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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)

## INSIDE INFORMATION RESULTS ESTIMATION FOR THE YEAR 2022

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

### I. Results estimation for the current period

1. Period of the results estimation: 1 January 2022 - 31 December 2022
2. Results estimation:  Expected negative net profit

Item	Current reporting period	Corresponding period of last year
Net profit attributable to shareholders of listed company (RMB)	Loss: 340 – 370 million	Loss: 368.0178 million
Net profits after extraordinary gains or losses (RMB)	Loss: 350 – 380 million	Loss: 369.6137 million
Basic earnings per share (RMB)	Loss: 0.43 / share – 0.46 / share	Loss: 0.46 / share
Operating revenue (RMB)	2,700 – 2,850 million	3,734.4628 million
Operating revenue after deduction amount (RMB) <i>Note</i>	2,600 – 2,750 million	3,628.7365 million

*Note:* Operating income after deduction amount refers to the operating revenue after deducting revenue from non-principal business and revenue with no commercial substance.

### II. Communication with auditors

This results estimation has not been pre-audited by certified public accountant(s). The Company has communicated in advance with the signing certified public accountants of the auditing firm retained to provide annual audit services to the Company on relevant matters in connection with the results estimation, and there is no disagreement between both parties in respect of this results estimation.

### **III. Reasons for changes in results**

During the reporting period, the sales volume of products and the operating income decreased due to insufficient orders for a part of the products. As affected by regional epidemic prevention and control, procurement of raw materials and sales and transportation of products were restrained, part of the production lines was not operating at full capacity; the rise in the price of major raw materials (coal) has led to an increase in cost and a decrease in the comprehensive gross margin of products. The above-mentioned factors resulted in a loss in the Company's operational results.

### **IV. Risk Warning**

This results estimation is only a preliminary estimation made by the finance department of the Company and has not been audited by certified public accountants. The actual financial information of the Company is subject to the 2022 annual report to be disclosed by the Company.

**Shareholders and potential investors 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, the PRC  
30 January 2023

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

*\* For identification purposes only*