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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 2021

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 2021 - 31 December 2021
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: 350 – 400 million	Profit: 32,178,600
Net profits after extraordinary gains or losses (RMB)	Loss: 352 – 402 million	Loss: 266,995,800
Basic earnings per share (RMB)	Loss: 0.44 / share – 0.50 / share	Profit: 0.04 / share
Operating revenue (RMB)	3,650– 3,850 million	3,009,719,000
Operating revenue after deduction amount (RMB)	3,550 – 3,750 million	2,945,891,200

Note: The 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 the two parties in respect of this results estimation.

III. Reasons for changes in results

1. During the reporting period, the purchase price of coal and mineral powder, bring major raw materials of the Company, increased significantly, resulting in an increase in production costs and a declined profitability for products.

2. During the reporting period, the main subsidiaries of the Company, Shouguang Maolong New Materials Technology Development Co., Ltd.* (壽光懋隆新材料技術開發有限公司) and Shouguang Baolong Petroleum Equipment Co., Ltd.* (壽光寶隆石油器材有限公司) suspended production for inspection and maintenance, resulting in insufficient supply of a part of the raw materials and increased procurement costs. At the same time, the suspension of production resulted in an increase in related costs.

3. At the end of the reporting period, the Company conducted a comprehensive review of various assets as at the end of the year. The Company intends to make provision for asset impairment for relevant assets with indication of impairment in accordance with standards and relevant accounting policies. According to preliminary estimation, it is estimated that provision for impairment of certain fixed assets will be approximately RMB96 million for the year 2021, and the provision for impairment of other assets will be approximately RMB3 million.

IV. Risk Warning

1. 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 2021 annual report by the Company to be disclosed by the Company.

2. The specific amount of provision for impairment of assets is subject to the annual audit results prepared by the Company's auditors.

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
28 January 2022

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*