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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)

UNAUDITED 2023 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The following is the first quarterly report of Shandong Molong Petroleum Machinery Company Limited* (the “Company”) for the financial year of 2023.

The Company and all members of the board (“Board”) of directors of the Company (“Director(s)”) warrant that the information disclosed herein are true, accurate and complete, and that there is no false representation or misleading statement contained in or material omission from this quarterly report.

IMPORTANT NOTICE:

Whether the directors, supervisors or senior management have disagreed with the contents of the quarterly report or are unable to guarantee its truthfulness, accuracy or completeness

Yes No

1. The board of directors, the supervisory committee and the directors, supervisors and senior management warrant that this quarterly report is true, accurate, and complete without any false information, misleading statements or material omissions, and individually and jointly accept legal responsibility for the contents of this report.
2. The person-in-charge of the Company, the person-in-charge of the accounting affairs and the person-in-charge of the accounting department (head of accounting) declare: that the financial information contained in this quarterly report is true, accurate and complete.
3. Whether the First Quarterly Report has been audited

Yes No

I. KEY FINANCIAL DATA

(I) KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Whether the Company made retroactive adjustment or restated accounting data in previous years

Yes No

	The reporting period	The corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year
Operating revenue (RMB)	408,037,331.85	560,910,297.59	-27.25%
Net loss attributable to shareholders of listed company (RMB)	(87,097,310.59)	(67,308,447.89)	-29.40%
Net loss after extraordinary gains or losses attributable to shareholders of listed company (RMB)	(87,328,973.96)	(70,441,437.90)	-23.97%
Net cash flows generated from operating activities (RMB)	34,975,015.23	(79,690,821.17)	143.89%
Basic loss per Share (RMB/share)	(0.1092)	(0.0844)	-29.38%
Diluted loss per Share (RMB/share)	(0.1092)	(0.0844)	-29.38%
Weighted average rate of return on net assets	-9.22%	-4.88%	Decreased by 4.34%
	As at the end of the current reporting period	As at the end of last year	Increase/decrease at the end of the reporting period as compared with the end of last year
Total assets (RMB)	3,977,502,521.86	4,038,605,559.51	-1.51%
Net profit attributable to shareholders of the listed company (RMB)	901,139,920.26	987,960,842.88	-8.79%

(II) NON-RECURRING GAIN OR LOSS ITEMS AND AMOUNTS

Applicable Not applicable

Unit: RMB

Item	Amount for the current reporting period	Explanation
Gains or losses arising from the disposal of noncurrent assets (including the written-offs that have been provided for impairment of assets)	(373,879.90)	Mainly composed of the losses on disposal and retirement of certain equipment of the Company.
Government grant recognised in current profit and loss (excluding those grants that are closely related to the Company's normal business operation, that met the requirements of national policy, and that were continuously granted in accordance with the certain standard amount or volume prescribed by the State)	34,823.59	Mainly composed of the refunds of handling fees for withholding and remitting of individual income tax.
Non-operating income and expenses other than the above items	654,917.53	Mainly comprised of the break fee income received during the current period.
Less: Effect on income tax	27,938.38	—
Effect on minority interests (after tax)	<u>56,259.47</u>	—
Total	<u>231,663.37</u>	—

Details of other gain or loss items that are in conformity with the definition of non-recurring gains or losses:

Applicable Not applicable

The Company did not have any extraordinary profit and loss items that fall within the definition of extraordinary gain or loss.

Explanation for defining the non-extraordinary gain or loss items listed in the Interpretation No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Extraordinary Profit and Loss as extraordinary gain and loss items.

Applicable Not applicable

The Company did not define any non-recurring gain or loss items listed in the Interpretation No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Gains and Loss as extraordinary profit and loss items.

(III) VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

✓ Applicable □ Not applicable

(I) Analysis of and explanation for significant changes in the Company's asset and liability structure during the reporting period

Unit: RMB

Items	31 March 2023 (Unaudited)	31 December 2022 (Audited)	Change (%)	Reason for difference
Bills receivables	90,510,893.55	171,547,752.98	-47.24%	Mainly attributable to the decrease in settlement amount of trade acceptance bills before maturity during the current period as compared to the end of last year.
Financing receivables	11,391,581.42	5,371,855.71	112.06%	Mainly attributable to the increase in the amount of goods settled by bank acceptances and not transferred.
Other receivables	10,833,578.18	5,626,830.61	92.53%	Mainly attributable to the increase in the payment of tender deposit during the current period.
Other current assets	3,878,017.25	5,790,675.91	-33.03%	Mainly attributable to decrease in tax allowance at the end of the current period.
Construction-in-progress	2,179,539.60	298,971.19	629.01%	Mainly attributable to the upgrade of certain equipment during the current period.
Bills payable	91,992,647.29	64,855,401.04	41.84%	Mainly attributable to the increase in the amount of loans settled by bank acceptance in the current period.
Taxes payable	18,064,552.32	11,279,406.47	60.16%	Mainly attributable to an increase of taxes realized at the end of the current period.

(II) Analysis of and explanation for significant year-on-year changes in gain or loss indicators for the reporting period

Unit: RMB

Item	January to March 2023 (Unaudited)	January to March 2022 (Unaudited)	Change (%)	Reason for difference
Asset impairment loss	(1,382,196.59)	(2,414,929.00)	42.76%	Mainly attributable to the provision for impairment loss on inventories after performing impairment test on inventories during the current period.
Credit impairment loss	1,253,764.98	46,606.72	2,590.09%	Mainly attributable to the provision for impairment loss on accounts receivable based on the policy of provision for impairment loss on accounts receivable during the current period.
Non-operating income	684,421.68	4,478,592.40	-84.72%	Mainly attributable to liquidated damages received in the current period and the recovery of assets written off as compared with the corresponding period of last year.
Non-operating expenses	486,983.93	240,618.06	102.39%	Mainly attributable to the increase in the net losses of retirement of certain equipment in the current period.

(III) Analysis of and explanation for year-on-year changes in the Company's cash flows during the reporting period

Unit: RMB

Item	January to March 2023 (Unaudited)	January to March 2022 (Unaudited)	Change (%)	Reason for difference
Net cash flows from operating activities	34,975,015.23	(79,690,821.17)	143.89%	Mainly attributable to the decrease of trade payments made during the current period.
Net cash flows generated from investing activities	(4,053,463.91)	(4,591,358.94)	11.72%	—
Net cash flow generated from financing activities	(165,815,321.89)	(20,818,987.33)	-696.46%	Mainly attributable to the increase in settlement of debts during the current period as compared to the same period of last year.

II. INFORMATION OF THE SHAREHOLDERS

(I) Total Number Of Ordinary Shareholders And Number Of Preferred Shareholders With Resumed Voting Rights And Shareholding Of Top Ten Shareholders

Unit: Share

Total number of ordinary shareholders by the end of the Reporting Period	40,510 (including 40,467 A-share holders and 43 H-share holders)	Total number of preferred shareholders whose voting powers have been restored by the end of the Reporting Period (if any)	0
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Shareholding of Top ten shareholders

Name of Shareholders	Nature of Shareholders	Shareholding Percentage	Number of shares held	Number of shares with sale restriction	Pledged, marked or frozen status	Share Status	Quantity
Shouguang Molong Holdings Co., Ltd.	State-owned legal person	29.53%	235,617,000	—	—	—	—
HKSCC Nominees Limited	Overseas Legal Person	13.19%	105,215,330	—	—	—	—
Shandong Zhimeng Holdings Co., Ltd.	Domestic non-state-owned legal person	8.23%	65,640,000	—	—	—	—
Shouguang Hongsen Logistics Co., Ltd.	Domestic non-state-owned legal person	3.99%	31,800,000	—	—	—	—

Shouguang Panjin Property Co., Ltd.	Domestic non-state-owned legal person	3.86%	30,800,000	—	—	—
Shouguang Ruisen New Building Materials Co., Ltd.	Domestic non-state-owned legal person	2.93%	23,374,800	—	—	—
Zhang Yun San	Natural Person in China	2.90%	23,108,000	—	—	—
Fan Xi Sheng	Natural Person in China	0.92%	7,365,000	—	—	—
Ma Li Ke	Natural Person in China	0.85%	6,764,770	—	—	—
Hong Kong Securities Clearing Company Limited	Overseas Legal Person	0.46%	3,696,461	—	—	—

Shareholding of Top Ten Shareholders not Subject to Selling Restrictions

Name of Shareholders	Number of shares not subject to lock-up held	Categories of Shares	Quantity
Shouguang Molong Holdings Co., Ltd.	235,617,000	RMB ordinary shares	235,617,000
HKSCC Nominees Limited	105,215,330	Overseas listed foreign shares	105,215,330
Shandong Zhimeng Holdings Co., Ltd.	65,640,000	RMB ordinary shares	900,000
		Overseas listed foreign shares	64,740,000
Shouguang Hongsen Logistics Co., Ltd.	31,800,000	Overseas listed foreign shares	31,800,000
Shouguang Panjin Property Co., Ltd.	30,800,000	Overseas listed foreign shares	30,800,000
Shouguang Ruisen New Building Materials Co., Ltd.	23,374,800	Overseas listed foreign shares	23,374,800
Zhang Yun San	23,108,000	RMB ordinary shares	23,108,000
Fan Xi Sheng	7,365,000	RMB ordinary shares	7,365,000
Ma Li Ke	6,764,770	RMB ordinary shares	6,764,770
Hong Kong Securities Clearing Company Limited	3,696,461	RMB ordinary shares	3,696,461
Description of the above-mentioned shareholders' association or concerted action	Among the above shareholders, Shandong Zhimeng Holding Co., Ltd., Shouguang Hongsen Logistics Co., Ltd., Shouguang Panjin Real Estate Co., Ltd. and Shouguang Ruisen New Building Materials Co., Ltd. reached a concerted action relationship by signing a concerted action agreement, without controlling each other. In addition to the above circumstances, the Company does not know whether there is any relationship or concerted action between other shareholders.		
Description of the participation of the top 10 ordinary shareholders in margin financing and securities lending business (if any)	Not applicable		

(II) TOTAL NUMBER OF PREFERRED SHAREHOLDERS AND DESCRIPTION OF THE PARTICIPATION OF TOP TEN SHAREHOLDERS IN THE MARGIN FINANCING AND SECURITIES LENDING BUSINESS

Applicable Not applicable

III. OTHER IMPORTANT MATTERS

Applicable Not applicable

1. Selection of the Chairman of the Seventh Board of Directors

The Company held the Fourth Extraordinary Meeting of the seventh Board of Directors on 24 February 2023, deliberated on and approved the Proposal for Selecting the Chairman of the Seventh Board of Directors, and agreed to select Mr. Yuan Rui as the Chairman of the Seventh Board of Directors with the term from the date of approval by the Board of Directors till the expiration of the seventh Board of Directors. Specific contents are available on the information disclosure website (<http://www.cninfo.com.cn>) by referring to Announcement on Selecting Chairman and Adjusting Members of Specialized Committee of Board of Directors (Announcement No.: 2023-007). In accordance with Articles of Association, the Chairman is the legal representative of the Company; on 10 April 2023, the Company completed the registration formalities to alter registration particulars for industry and commerce, and received the renewed business licence from Weifang Municipal Administration for Market Regulation.

IV. QUARTERLY FINANCIAL STATEMENT

(I) FINANCIAL STATEMENT

1. Consolidated Balance Sheet

Prepared by: Shandong Molong Petroleum Machinery Company Limited

Unit: RMB

Item	Closing balance	Opening balance
Current assets:	—	—
Monetary funds	568,186,059.25	459,657,822.57
Settlement deposits	—	—
Lending funds	—	—
Financial assets held for trading	—	—
Derivative financial assets	—	—
Bills receivables	90,510,893.55	171,547,752.98
Accounts receivables	323,716,814.28	294,399,562.75
Financing receivables	11,391,581.42	5,371,855.71
Advances	39,607,774.22	35,450,700.83
Insurance receivables	—	—
Reinsurance receivables	—	—
Reinsurance contract reserves receivable	—	—
Other receivables	10,833,578.18	5,626,830.61
Including: Interest receivable	—	—
Dividends receivable	—	—
Purchases of sell-back financial assets	—	—
Inventories	586,837,156.68	670,217,844.40
Contract assets	—	—
Assets held for sale	—	—
Non-current assets due within one year	—	—
Other current assets	3,878,017.25	5,790,675.91
Total current assets	1,634,961,874.83	1,648,063,045.76

Item	Closing balance	Opening balance
Non-current assets:		
Granted loans and advances	—	—
Debt investments	—	—
Other debt investments	—	—
Long-term receivables	—	—
Long-term equity investments	1,857,463.06	1,857,463.06
Investments in other equity instruments	—	—
Other non-current financial assets	—	—
Investment properties	—	—
Fixed assets	1,953,985,451.85	2,003,871,030.19
Construction-in-progress	2,179,539.60	298,971.19
Productive biological assets	—	—
Oil and gas assets	—	—
Right-of-use assets	—	—
Intangible assets	353,724,448.70	357,278,042.57
Development expenditures	4,986,213.44	
Goodwill	—	—
Long-term deferred expenses	—	—
Deferred income tax assets	24,679,422.78	26,108,899.14
Other non-current assets	1,128,107.60	1,128,107.60
Total non-current assets	2,342,540,647.03	2,390,542,513.75
Total Assets	3,977,502,521.86	4,038,605,559.51

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	2,072,534,129.22	1,962,936,789.90
Borrowings from the central bank	—	—
Borrowing funds	—	—
Financial liabilities held for trading	—	—
Derivative financial liabilities	—	—
Bills payable	91,992,647.29	64,855,401.04
Accounts payable	538,344,801.43	611,264,285.51
Receipts in advance	—	—
Contract liabilities	86,878,818.62	107,582,152.10
Proceeds from disposal of buy-back financial assets	—	—
Customer bank deposits and due to banks and other financial institutions	—	—
Securities brokerage deposits	—	—
Securities underwriting brokerage deposits	—	—
Salaries payable	45,529,257.51	42,790,646.48
Taxes payable	18,064,552.32	11,279,406.47
Other payables	28,481,289.03	36,765,356.32
Including: Interest payable	—	—
Dividends payable	—	—
Brokerage and commission payables	—	—
Reinsurance payables	—	—
Liabilities held for sale	—	—
Non-current liabilities due within one year	89,477,517.20	87,329,367.25
Other current assets	47,653,936.71	48,192,008.81
Total current liabilities	3,018,956,949.33	2,972,995,413.88

Item	Closing balance	Opening balance
Non-current liabilities:		
Insurance contract reserves	—	—
Long-term borrowings	—	—
Bonds payable	—	—
Including: Preferred shares	—	—
Perpetual bonds	—	—
Lease liabilities	—	—
Long-term payables	47,405,819.55	65,461,963.55
Long-term salaries payable	—	—
Estimated liabilities	77,771,212.05	77,771,212.05
Deferred revenue	6,756,829.50	6,756,829.50
Deferred income tax liabilities	5,217,319.58	5,266,932.29
Other non-current liabilities	—	—
Total non-current liabilities	137,151,180.68	155,256,937.39
Total Liabilities	3,156,108,130.01	3,128,252,351.27

Item	Closing balance	Opening balance
Owners' equity:		
Share capital	797,848,400.00	797,848,400.00
Other equity instruments	—	—
Including: Preferred shares	—	—
Perpetual bonds	—	—
Capital reserve	864,467,357.03	864,405,329.26
Less: Treasury shares	—	—
Other comprehensive income	(2,814,899.55)	(3,029,259.75)
Special reserve	—	—
Surplus reserve	187,753,923.88	187,753,923.88
General risk reserve	—	—
Undistributed profits	(946,114,861.10)	(859,017,550.51)
Total equity attributable to owners of the parent company	901,139,920.26	987,960,842.88
Minority equity	(79,745,528.41)	(77,607,634.64)
Total owners' equity	821,394,391.85	910,353,208.24
Total liabilities and owners' equity	3,977,502,521.86	4,038,605,559.51

Legal representative:
Yuan Rui

Chief financial officer:
Hao Yun Feng

Head of finance section:
Zhu Lin

2. Consolidated Income Statement

Unit: RMB

Item	Amount for the current period	Amount of the previous period
I. Total Operating Income	408,037,331.85	560,910,297.59
Including: Operating revenue	408,037,331.85	560,910,297.59
Interest income	—	—
Insurance premium earned	—	—
Brokerage and commission income	—	—
II. Total operating cost	496,103,919.95	632,464,298.39
Including: Operating cost	384,212,165.48	522,887,806.73
Interest expenses	—	—
Brokerage and commission expenses	—	—
Surrenders	—	—
Net compensation expenses	—	—
Net charge of insurance liability reserve	—	—
Policyholder dividend expenses	—	—
Reinsurance premiums	—	—
Tax and surcharges	4,389,101.36	4,135,133.17
Selling expenses	3,888,273.91	4,013,064.67
Administrative expenses	67,997,495.48	57,962,517.66
Research and development expenditures	4,542,237.38	5,471,566.75
Finance expenses	31,074,646.34	37,994,209.41
Including: Interest expenses	26,500,795.85	37,096,120.95
Interest income	1,115,938.93	1,335,276.81

Item	Amount for the current period	Amount of the previous period
Add: Other income	34,823.59	49,128.67
Return on investment	—	—
Including: Gain on investment in associates and joint ventures	—	—
Gain on derecognition of financial assets measured at amortised cost	—	—
Profit on exchange	—	—
Profit/loss on net exposure hedging	—	—
Gain on change of fair value	—	—
Credit impairment loss	1,253,764.98	46,606.72
Asset impairment loss	(1,382,196.59)	(2,414,929.00)
Return on asset disposition	83,599.88	—
III. Operating revenue	(88,076,596.24)	(73,873,194.41)
Add: Non-operating income	684,421.68	4,478,592.40
Less: Non-operating expenses	486,983.93	240,618.06
IV. Total profit	(87,879,158.49)	(69,635,220.07)
Less: Income tax expenses	1,379,863.65	1,148,489.82
V. Net profit	(89,259,022.14)	(70,783,709.89)
(I) Classified by continued operation		
1. Net profit of continuous operation	(89,259,022.14)	(70,783,709.89)
2. Net profit of terminated operation	—	—
(II) Classified by attributable ownership		
1. Net profit attributable to the shareholders of the parent company	(87,097,310.59)	(67,308,447.89)
2. Loss or profit attributable to minority interests	(2,161,711.55)	(3,475,262.00)

Item	Amount for the current period	Amount of the previous period
VI. Other comprehensive income, net of tax	238,177.98	70,442.43
Other comprehensive income attributable to owners of the parent company, net of tax	214,360.20	63,398.20
(I) Other comprehensive income that may not be reclassified to profit or loss	—	—
1.Changes on remeasurement of defined benefit plans	—	—
2.Other comprehensive income that may not be transferred to profit or loss under equity accounting	—	—
3.Fair value changes in investments in other equity instruments	—	—
4.Fair value changes in credit risk of the Company	—	—
5.Others	—	—
(II) Other comprehensive income that will be reclassified to profit or loss	214,360.20	63,398.20
1.Other comprehensive income that may be transferred to profit or loss under equity accounting	—	—
2.Fair value changes in other debt investments	—	—
3.Reclassification of financial assets to other comprehensive income	—	—
4.Credit-impaired provision for other debt investments	—	—
5.Cash flow hedge reserve	—	—
6.Exchange differences on translation of foreign financial statements	214,360.20	63,398.20
7.Others	—	—
Other comprehensive income attributable to minority shareholders, net of tax	23,817.78	7,044.23
VII.Total comprehensive income	(89,020,844.16)	(70,713,267.46)
Total comprehensive income attributable to owners of the parent company	(86,882,950.39)	(67,245,049.69)
Total comprehensive income attributable to minority interests	(2,137,893.77)	(3,468,217.77)
VIII.Earnings per share (EPS):		
(I) Basic earnings per share	(0.1092)	(0.0844)
(II) Diluted earnings per share	(0.1092)	(0.0844)
Legal representative: Yuan Rui	Chief financial officer: Hao Yun Feng	Head of finance section: Zhu Lin

3. Consolidated Statement of Cash Flows

Unit: RMB

Item	Amount for the current period	Amount of the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	491,729,819.37	581,933,290.15
Net increase in customer bank deposits and due to banks and other financial institutions	—	—
Net increase in borrowings from the central bank	—	—
Net increase in placements from other financial institutions	—	—
Cash received from receiving insurance premium of original insurance contract	—	—
Net cash received from reinsurance business	—	—
Net increase in deposits from policyholders and investments	—	—
Cash received of interests, fees and commissions	—	—
Net increase in inter-bank borrowings	—	—
Net increase in repurchase business capital	—	—
Net cash proceeds from securities brokerage	—	—
Receipts of tax refunds	237,314.84	342,410.37
Other cash received relating to operating activities	1,848,360.02	5,992,548.93
Subtotal of cash inflows from operating activities	493,815,494.23	588,268,249.45

Item	Amount for the current period	Amount of the previous period
Cash paid for purchasing goods and receiving services	353,684,552.60	547,608,024.11
Net increase in loans and advances to customers	—	—
Net increase in deposits with central bank and other financial institutions	—	—
Cash paid for compensation of original insurance contract	—	—
Net increase in lending funds	—	—
Cash paid for interests, fees and commissions	—	—
Cash paid for policy dividends	—	—
Cash paid to and on behalf of employees	53,011,145.35	74,681,372.84
Cash paid for taxes	13,117,704.72	29,991,155.58
Other cash paid relating to operating activities	39,027,076.33	15,678,518.09
Subtotal of cash outflows from operating activities	458,840,479.00	667,959,070.62
Net cash flows from operating activities	34,975,015.23	(79,690,821.17)
 II. Cash Flow from Investment Activities:		
Cash received from disposal of investments	—	—
Cash received from gains on investments	—	—
Net cash from disposal of fixed assets, intangible assets and other long-term assets	85,500.00	—
Net cash received from disposal of subsidiaries and other business units	—	—
Other cash received relating to investing activities	—	—
Subtotal of cash inflows from investing activities	85,500.00	—
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	4,138,963.91	4,591,358.94
Cash paid for acquisition of investments	—	—
Net increase in pledged loans	—	—
Net cash paid for acquisition of subsidiaries and other business units	—	—
Other cash paid relating to investing activities	—	—
Subtotal of cash outflows from investing activities	4,138,963.91	4,591,358.94
Net cash flows generated from investing activities	(4,053,463.91)	(4,591,358.94)

Item	Amount for the current period	Amount of the previous period
III. Cash Flow from Financing Activities:		
Cash received from capital contributions	—	—
Including: Cash received from minority shareholder investment by subsidiaries	—	—
Borrowings received	1,341,474,137.44	1,946,324,321.45
Other cash received relating to financing activities	—	—
Subtotal of cash inflows from financing activities	1,341,474,137.44	1,946,324,321.45
Cash repayments of amounts borrowed	1,243,499,538.32	1,586,039,400.96
Cash paid for dividend and profit distribution or interest payment	25,838,421.01	34,593,907.82
Including: Dividends and profits paid to minority shareholders by subsidiaries	—	—
Other cash paid relating to financing activities	237,951,500.00	346,510,000.00
Subtotal of cash outflows from financing activities	1,507,289,459.33	1,967,143,308.78
Net cash flow generated from financing activities	(165,815,321.89)	(20,818,987.33)
IV. Effect of Foreign Exchange Rate Change on Cash and Cash Equivalents	(3,329,563.41)	(333,145.74)
V. Net Accrual of Cash and Cash Equivalents	(138,223,333.98)	(105,434,313.18)
Add: Balance of cash and cash equivalents at the beginning of the period	358,672,243.57	414,209,197.66
VI. Closing Balance of Cash and Cash Equivalents	220,448,909.59	308,774,884.48

(II) AUDITOR'S REPORT

Whether the First Quarterly Report been audited

Yes No

The First Quarterly Report of the Company has not been audited.

By order of the Board
Shandong Molong Petroleum Machinery Company Limited*
Yuan Rui
Chairman

Shandong, the PRC
28 April 2023

As at the date of this announcement, the board of directors of the Company comprises the executive Directors, namely Mr. Yuan Rui, Mr. Li Zhi Xin and Mr. Yao You Ling; the non-executive Director, namely 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*