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(Stock Code: 568)

PROFIT WARNING
ESTIMATED RESULTS FOR THE FIRST QUARTER OF 2020

This announcement is made by Shandong Molong Petroleum Machinery Company Limited (the **Company** of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited **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 forecast for the period

1. Reporting period of the estimated results: 1 January 2020 to 31 March 2020

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 Company	Loss (RMB): 65 million -80 million	Gain (RMB): 7.4337 million

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

In light of the impact resulted from the COVID-19 pandemic, the resumption of work and production of the Company and its subsidiaries has been suspended, which has led to an increase in the loss arising from suspension of work in the first quarter of 2020. A certain proportion of the downstream customers have their resumption of work and production suspended due to the epidemic, and vehicles and sales personnel were not allowed to enter their premises. The

delivery of products has been substantially affected and the revenue from sales of the Company has decreased by approximately 50% in the first quarter of 2020 as compared to the same period last year.

IV. Other relevant information

The estimated results set out herein are results of the estimation of the finance department of the Company and have not been preliminarily audited by any certified public accountants. Finalised financial data will be disclosed in detail in the 2020 first quarterly report of the Company.

Shareholders of the Company 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
Liu Yunlong
Chairman

Shandong, PRC
14 April 2020

As at the date of this announcement, the Board comprises the executive Directors, namely Mr. Liu Yun Long, Mr. Liu Min, Mr. Zhang Yu Zhi 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