山東墨龍石油機械股份有限公司
Shandong Molong Petroleum Machinery Company Limited*

(Stock Code: 568)

ANNOUNCEMENT
UNAUDITED 2020 FIRST QUARTERLY REPORT

(《深圳證券交易所股票上市規則》)

PART 1 IMPORTANT NOTICE

PART 2 BASIC INFORMATION OF THE COMPANY

I. KEY FINANCIAL DATA AND FINANCIAL INDICATORS

□ ✓

	The current reporting period		
( )	**526,079,581.62**		%
( )	**–74,046,605.73**		%
( )	**–73,949,340.08**		%
( )	**–121,768,899.10**		%
( )			%
( )	**–0.0928**		%
	–4.33%	%	%

	At the end of the current reporting period		
( )	**5,564,065,751.77**		%
( )	**1,673,222,019.62**		%

✓ □

Items	From the beginning of the year to the end of the reporting period	Note
( )		
L ( )		
		—

— L (《公開發行證券的公司信息披露解釋性公告第 號 — 非經常性損益》)

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II. TOTAL NUMBER OF SHAREHOLDERS AND TOP TEN SHAREHOLDERS AS AT THE END OF THE REPORTING PERIOD

1. Total number of ordinary shareholders, number of preferred shareholders restored by voting rights and top ten shareholders

Top ten shareholders

Name of shareholder	Nature of shareholder	Percentage of Shareholding	Number of shares	Number of shares with sale restriction	Pledged or frozen Status of shares	Pledged or frozen Quantity
		%				
		%				
		%				
		%				
		%				
		%				
(深圳前海經緯融和資產管理有限公司) —						
		%				
		%				
		%				
		%				

Top ten holders of shares not subject to lock-up

Name of shareholder	Number of shares not subject to lock-up	Stock class	
		Class	Quantity
(深圳前海經緯融和資產管理有限公司) —			
( )			

□ ✓

2. Total number of preferred shareholders and top ten preferred shareholders

□ ✓

PART 3 MATERIAL MATTERS

I. CHANGES IN MAJOR FINANCIAL STATEMENTS AND FINANCIAL INDICATORS DURING THE REPORTING PERIOD AND THE REASONS THEREFOR

✓ □

(I) The explanation for major changes of the Company's assets and liabilities structure during the reporting period

Items	31 March 2020 (Unaudited)		Change (%)	Reason for difference
	128,311,569.99		%	( )
	59,719,346.05		%	( )
	174,737,922.15		%	( )
	44,799,468.47		%	( )
	48,428,824.30		%	( )
	3,051,264.99		%	( )

( ) % ( ) ( ) % ( ) ( ) % ( ) ( ) % ( ) ( ) % ( ) ( ) % ( )

(II) The explanation for major changes of profit or loss indicators year on year during the reporting period

Items	January to March 2020 (Unaudited)		Change (%)	Reason for difference
	526,079,581.62		%	( )
	475,063,948.93		%	( )
	14,358,309.92		%	( )
	58,132,503.25		%	( )
(–)	**–2,068,041.57**			( )
(–)	**–3,836,940.14**			( )
	30,107.74		%	( )
			%	( )
	46,389.96		%	( )
	222,851.14		%	( )
	367,744.50		%	( )
	1,432,996.79		%	( )

( ) % .

( ) % .

( ) % .

( ) % .

( )

( )

( ) %

(III) The explanation for changes of cash flow statement year on year during the reporting period

Items	January to March 2020 (Unaudited)		Change (%)	Reason for difference
	–121,768,899.10		%	( )
	–11,021,698.76		%	( )
	73,991,695.09		%	( )

( ) % ( )

( ) % ( )

( ) % ( )

II. THE PROGRESS OF SIGNIFICANT EVENTS, THEIR IMPACT AND THE ANALYSIS OF SOLUTIONS

V. ENTRUSTED WEALTH MANAGEMENT

□ [illegible] ✓ [illegible]

[illegible]

VI. INFORMATION ON DERIVATIVES INVESTMENT

□ [illegible] ✓ [illegible]

[illegible]

VII. CONDITION OF VIOLATION OF EXTERNAL GUARANTEES

□ [illegible] ✓ [illegible]

[illegible]

VIII. NON-OPERATING OCCUPATION OF FUNDS BY THE CONTROLLING SHAREHOLDER AND ITS RELATED PARTIES

□ [illegible] ✓ [illegible]

[illegible]

IX. ACTIVITY REGISTRATION FORM OF RECEPTION INVESTIGATION, COMMUNICATION, INTERVIEWS AND OTHER ACTIVITIES DURING THE REPORTING PERIOD

□ [illegible] ✓ [illegible]

[illegible]

PART 4 FINANCIAL STATEMENT

I. FINANCIAL STATEMENT

1. Consolidated balance sheet

Items	31 March 2020	
Current assets:		
	636,335,958.89	
	128,311,569.99	
	536,963,822.33	
	59,719,346.05	
	17,046,915.97	
	46,713,355.91	
	28,393,609.97	
	1,703,347.49	
	858,775,151.46	
	31,480,159.25	
Total current assets	**2,343,739,889.82**	

Items	31 March 2020	
Non-current assets:		
	2,557,061.01	
	2,670,542,926.27	
	54,773,592.40	
	438,493,210.24	
	4,974,182.34	
	38,733,853.40	
	10,251,036.29	
Total non-current assets	**3,220,325,861.95**	
Total assets	**5,564,065,751.77**	

Items	31 March 2020	
Current liabilities:		
	2,070,411,474.22	
	174,737,922.15	
	856,004,502.36	
	44,799,468.47	
	62,173,760.51	
	13,620,288.16	
	54,339,796.05	
	10,539,403.34	
	467,236,355.68	
	48,428,824.30	
Total current liabilities	**3,791,752,391.90**	

Items	31 March 2020	
Non-current liabilities:		
[illegible]	**47,572,425.54**	[illegible]
[illegible]	**3,051,264.99**	[illegible]
[illegible]	**7,386,306.54**	[illegible]
[illegible]	**5,689,244.66**	[illegible]
Total non-current liabilities	**63,699,241.73**	[illegible]
Total liabilities	**3,855,451,633.63**	[illegible]

Items	31 March 2020	
Total owners' equity:		
	797,848,400.00	
	863,169,158.42	
	–3,305,406.08	
	187,753,923.88	
	11,236.91	
	–172,255,293.51	
Total equity attributable to owners of the parent company	**1,673,222,019.62**	
	35,392,098.52	
Total owners' equity	**1,708,614,118.14**	
Total liabilities and owners' equity	**5,564,065,751.77**	

Liu Yun Long **Liu Min** **Ding Zhi Shui**

2. Balance sheet of the parent company

Items	31 March 2020	
Current assets:		
	611,557,557.01	
	128,311,569.99	
	651,985,863.21	
	10,859,012.80	
	505,052,829.63	
	655,248,245.33	
	1,703,347.49	
	592,796,392.87	
Total current assets	3,155,811,470.84	

Items	31 March 2020	
Non-current assets:		
	1,144,019,921.73	
	1,030,083,968.22	
	577,820.97	
	129,554,769.19	
	4,974,182.34	
	36,430,354.72	
Total non-current asset	**2,345,641,017.17**	
Total assets	**5,501,452,488.01**	

Items	31 March 2020	
Current liabilities:		
	1,576,811,474.22	
	554,073,922.15	
	291,833,961.43	
	32,660,173.81	
	42,013,475.10	
	10,712,735.92	
	254,222,875.83	
	5,785,016.58	
	314,296,857.14	
	48,428,824.30	
Total current liabilities	3,125,054,299.90	

Items	31 March 2020	
Non-current liabilities:		
	47,572,425.54	
	3,051,264.99	
Total non-current liabilities	**50,623,690.53**	
Total liabilities	**3,175,677,990.43**	
Owners' equity:		
	797,848,400.00	
	863,150,490.92	
	187,753,923.88	
	477,021,682.78	
Total owners' equity	**2,325,774,497.58**	
Total liabilities and owners' equity	**5,501,452,488.01**	

3. Consolidated income statement

Items	Amount for the period	
I. Total revenue from operations	**526,079,581.62**	
	526,079,581.62	
II. Total cost of operations	**598,740,436.26**	
	475,063,948.93	
	6,111,171.52	
	14,358,309.92	
	58,132,503.25	
	2,591,581.91	
	42,482,920.73	
	45,123,737.26	
	1,343,525.86	
	30,107.74	
	–3,836,940.14	
	–2,068,041.57	
	46,389.96	

Items	Amount for the period	
III. Operating profit (loss expressed with "–")	**–78,489,338.65**	
	222,851.14	
	367,744.50	
IV. Total profit (total loss expressed with "–")	**–78,634,232.01**	
	1,432,996.79	
V. Net profit (net loss expressed with "–")	**–80,067,228.80**	
	–80,067,228.80	
	–74,046,605.73	
	–6,020,623.07	
VI. The net after-tax of other comprehensive income	**–278,161.67**	
	–250,345.51	

Items	Amount for the period	
(...)	–250,345.51	
	–250,345.51	
	–27,816.16	
VII. Total comprehensive income	–80,345,390.47	
	–74,296,951.24	
	–6,048,439.23	
VIII. Earnings per share:		
(...)	–0.0928	
(...)	–0.0928	

Liu Yun Long Liu Min Ding Zhi Shui

4. Income statement of the parent company

Items	Amount for the period
I. Operating income	**464,193,684.53**
	419,046,230.31
	4,752,890.37
	11,175,804.94
	23,473,938.87
	2,591,581.91
	27,344,167.61
	29,867,294.04
	1,373,123.92
	25,983.64
	–3,930,744.20
	–2,068,041.57

II. Less: profit of assets (loss expressed with "–")

5. Consolidated Cash Flow Statement

Items	Amount for the period	
I. Cash flows from operating activities:		
	622,939,983.78	
	6,810,368.90	
	11,173,995.56	
Sub-total of cash inflow from operating activities	**640,924,348.24**	

Items	Amount for the period
	524,263,205.81
	–145,974.85
	41,431,460.65
	6,601,164.50
	190,543,391.23
Sub-total of cash outflow from operating activities	**762,693,247.34**
Net cash flows from operating activities	**–121,768,899.10**

II. Cash flows from investing activities:

Sub-total of cash inflow from investing activities	
	11,021,698.76
Sub-total of cash outflow from investing activities	**11,021,698.76**
Net cash flows from investing activities	**–11,021,698.76**

Items	Amount for the period	
III. Cash flows from financing activities:		
	1,218,151,500.00	
Sub-total of cash inflow from financing activities	**1,218,151,500.00**	
	1,103,736,783.31	
	40,423,021.60	
Sub-total of cash outflow from financing activities	**1,144,159,804.91**	
Net cash flows from financing activities	**73,991,695.09**	
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate	**–3,401,974.52**	
V. Net increase in cash and cash equivalents	**–62,200,877.29**	
	496,256,836.18	
VI. Balance of cash and cash equivalents at the end of the period	**434,055,958.89**	

6. Cash Flow Statement of the Parent Company

Items	Amount for the period
I. Cash flows from operating activities:	
	551,853,857.37
	6,722,591.72
	1,857,741.03
Sub-total of cash inflow from operating activities	560,434,190.12
	169,508,007.03
	26,146,448.77
	4,941,242.62
	175,624,282.78
Sub-total of cash outflow from operating activities	376,219,981.20
Net cash flows from operating activities	184,214,208.92
II. Cash flows from investing activities:	
Sub-total of cash inflow from investing activities	
	161,000.00
Sub-total of cash outflow from investing activities	161,000.00
Net cash flows from investing activities	–161,000.00

Items	Amount for the period	
III. Cash flows from financing activities:		
	762,551,500.00	
Sub-total of cash inflow from financing activities	**762,551,500.00**	
	978,136,783.31	
	27,464,641.02	
Sub-total of cash outflow from financing activities	**1,005,601,424.33**	
Net cash flows from financing activities	**–243,049,924.33**	
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate	**–3,459,799.67**	
V. Net increase in cash and cash equivalents	**–62,456,515.08**	
	471,734,072.09	
VI. Balance of cash and cash equivalents at the end of the period	**409,277,557.01**	

II. DESCRIPTION OF FINANCIAL STATEMENT ADJUSTMENT

1. Adjusting to the first implementation of the financial statements at the beginning of the year via the first implementation of new income standards and new lease standards since 2020

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2. Description of the first implementation of new income standards and new lease standards on the retrospective adjustment of comparative figures for the previous period since 2020

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III. AUDITORS' REPORT

Whether the first quarterly report has been audited

□ ✓

Shandong Molong Petroleum Machinery Company Limited*
Liu Yun Long