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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)

THE THIRD QUARTER REPORT IN 2023

This announcement is made by Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) pursuant to 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 2023 third quarterly report of the Company has not been audited, and has been prepared in accordance with the China Accounting Standards for Business Enterprises. Unless otherwise specified, the amounts in this announcement are presented in Renminbi (“**RMB**”).

The Company and all members of the board (“**Board**”) of directors (“**Director(s)**”) of the Company guarantee that the information disclosed is authentic, accurate and complete, and contains no false records, misleading statements or material omissions.

HINT OF IMPORTANT CONTENTS:

1. The Board of Directors, the Supervisory Committee, Directors, supervisors, and senior executives of the Company shall guarantee the truthfulness, accuracy and completeness of the content of the quarterly report, without any false records, misleading statements or material omissions, and also assume several and joint legal liabilities.
2. The head of the Company, person in charge of accounting and person in charge of accounting department (accounting supervisor) hereby declare that: the financial information disclosed in the quarterly report is true, accurate and complete.
3. Whether the Third Quarter Report has been audited?

Yes No

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indexes

Whether the Company needs to retrospectively adjust or restate previous annual accounting data?

Yes No

Unit: RMB

	Current reporting period	Increase or decrease in the current reporting period compared to the same period last year	From the beginning of the year to the end of the reporting period	Increase or decrease from the beginning of the year to the end of the reporting period compared to the same period last year
Operating revenue (<i>RMB</i>)	203,704,216.55	-68.66%	1,002,123,231.65	-54.88%
Net profits attributable to shareholders of the listed company (<i>RMB</i>)	(88,667,654.68)	4.89%	(246,910,051.81)	7.16%
Net profits attributable to shareholders of the listed company after deducting non-recurring profits and losses (<i>RMB</i>)	(88,792,097.28)	5.75%	(248,507,678.71)	9.82%
Net amount of cash flows from operating activities (<i>RMB</i>)	-	-	20,395,954.15	-19.79%
Basic earnings per share (<i>RMB/share</i>)	(0.1112)	4.79%	(0.3095)	7.14%
Diluted earnings per share (<i>RMB/share</i>)	(0.1112)	4.79%	(0.3095)	7.14%
Weighted average return on equity	-11.15%	-3.38%	-28.57%	-7.78%
	At the end of the current reporting period		At the end of last year	Increase or decrease at the end of the current reporting period compared to the end of last year
Total assets (<i>RMB</i>)	3,305,574,889.93		4,038,605,559.51	-18.15%
Owner's equities attributable to shareholders of the listed company (<i>RMB</i>)	742,586,010.04		987,960,842.88	-24.84%

(II) Items and amounts of non-recurring profits or losses

Applicable Not Applicable

Unit: RMB

Item	Amount in the current reporting period	Amount from the beginning of the year to the end of the reporting period	Description
Profits and losses on disposal of non-current assets (including the write-off of provision for asset impairment)	(132.99)	(131,426.76)	Mainly due to the losses incurred by the Company's disposal and scrapping of certain assets.
Government subsidies included in the current profits and losses (except those that are closely related to the Company's normal business operations, comply with national policies and regulations and are continuously available in accordance with certain standard quota or quantity)	-	132,723.59	Mainly due to the refund of individual income tax withholding and remitting fees received by the Company.
Non-operating revenues and expenditures other than those mentioned above	153,908.41	1,913,117.39	Mainly due to the transfer of accounts payable that are not repayable in the current period.
Minus: Influenced amount of income tax	26,274.51	112,088.12	
Influenced amount of minority shareholders' equities (after-tax)	3,058.31	204,699.20	
Total	<u>124,442.60</u>	<u>1,597,626.90</u>	

Specific situations of other profit and loss items complying with the definition of non-recurring profits or losses:

Applicable Not Applicable

There are no specific situations of other profit and loss items complying with the definition of non-recurring profits or losses.

Description on situations for defining non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Disclosure of the Information of Companies Offering Their Securities to the Public – Non-recurring Profits and Losses* as recurring profits and losses.

Applicable Not Applicable

There are no situations for defining non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Disclosure of the Information of Companies Offering Their Securities to the Public – Non-recurring Profits and Losses* as recurring profits and losses.

(III) Details and reasons of changes of major accounting data and financial indexes

Applicable Not Applicable

(I) Analysis of significant changes in the composition of the Company's assets and liabilities during the reporting period

Unit: RMB

Item	30 September 2023 (Unaudited)	31 December 2022 (Audited)	Amount of variation (%)	Reasons for changes
Monetary funds	174,457,621.41	459,657,822.57	-62.05%	Mainly due to the decrease in the margin of the current period and the increase in the repayment of financing funds.
Notes receivable	75,751,946.69	171,547,752.98	-55.84%	Mainly due to the decrease in the amount of unexpired commercial acceptances received in the current period compared to the end of the last year.
Advance payment	8,938,168.47	35,450,700.83	-74.79%	Mainly due to the decrease in the material prepayments at the end of the current period.
Other current assets	1,865,899.15	5,790,675.91	-67.78%	Mainly due to the decrease in tax deductions at the end of the current period.
Construction in progress	6,323,500.82	298,971.19	2,015.09%	Mainly due to the incomplete installation of some equipment purchased in the current period and the incomplete renovation of some production lines.
Notes payable	4,609,424.65	64,855,401.04	-92.89%	Mainly due to the decrease in the payment for goods settled using bank acceptance bills in the current period.
Contractual liabilities	63,476,974.12	107,582,152.10	-41.00%	Mainly due to the decrease in advance payments for goods received in the current period.
Payroll payable	68,469,708.68	42,790,646.48	60.01%	Mainly due to the increase in unpaid payroll at the end of the current period.
Non-current liabilities due within one year	49,397,835.69	87,329,367.25	-43.44%	Mainly due to the repayment of long-term borrowings due within one year of the current period.
Other current liabilities	29,644,190.98	48,192,008.81	-38.49%	Mainly due to the decrease in commercial acceptance bills that have been endorsed but have not yet matured at the end of the current period.
Long-term payables	23,427,732.00	65,461,963.55	-64.21%	Mainly due to the repayment of the financing funds for the after-sales and leaseback financing business in the current period.

(II) Analysis of significant year-on-year changes in profits and losses during the reporting period

Unit: RMB

Item	January– September 2023 (Unaudited)	January– September 2022 (Unaudited)	Amount of variation (%)	Reasons for changes
Operating revenue	1,002,123,231.65	2,220,897,730.20	-54.88%	Mainly due to the decrease in sales of ordinary pipes and cast & forged products in the current period.
Operating cost	929,267,750.89	2,135,736,337.65	-56.49%	Mainly due to the decrease in sales of ordinary pipes and cast & forged products in the current period.
Asset impairment losses	(2,738,868.07)	(28,968,110.01)	90.55%	Mainly due to the decrease in the provision for impairment losses on inventory during the current period through impairment test.
Credit impairment losses	(1,713,385.47)	3,641,035.54	-147.06%	Mainly due to the increase in impairment provisions made in accordance with the impairment provision policy for assets such as accounts receivable in the current period.
Other incomes	132,723.59	752,905.98	-82.37%	Mainly due to the decrease in subsidies received in the current period.
Income from asset disposal	325,712.98	1,123.89	28,880.86%	Mainly due to the increase in incomes from the disposal of some waste equipment in the current period.
Non-operating revenue	2,199,852.89	5,547,153.97	-60.34%	Mainly due to the revenue from default claims received in the current period, while in the same period last year, mainly due to the recovery of previously written off assets.
Non-operating expenditure	743,875.24	1,148,867.91	-35.25%	Mainly due to losses on disposal of some assets in the current period, while in the same period last year, mainly due to the payment of compensation for termination of lease of assets.

(III) Analysis of year-on-year changes in the Company's cash flow during the reporting period

Unit: RMB

Item	January- September 2023 (Unaudited)	January- September 2022 (Unaudited)	Amount of variation (%)	Reasons for changes
Net amount of cash flows from investing activities	(4,413,963.35)	(8,584,655.77)	48.58%	Mainly due to the decrease in the payment for engineering equipment in the current period.
Net amount of cash flows from financing activities	(292,004,557.16)	(47,143,640.15)	-519.39%	Mainly due to the increase in debt repayment compared to the same period last year.

II. INFORMATION OF SHAREHOLDERS

(I) Table of Total Number of Ordinary Shareholders and Preferred Shareholders Recovering Voting Rights and Shareholdings of Top Ten Shareholders

Unit: Share

Total number of Ordinary shareholders at the end of the reporting period	35,609 (including 35,565 A-share shareholders and 44 H-share shareholders)
Sum of preferred shareholders recovering voting rights at the end of reporting period (if any)	0

Unit: Share

Shareholding of the top 10 shareholders

Name of shareholders	Nature of shareholders	Shareholding ratio	Number of shares held	Number of shares held with restricted conditions	Pledge, marking or freezing information	
					Share status	Quantity
Shouguang Molong Holding Co., Ltd.	State-owned legal person	29.53%	235,617,000	0	-	-
HKSCC Nominees Limited	Overseas legal person	13.19%	105,222,080	0	-	-
Shandong Zhimeng Holding Co., Ltd.	Domestic non-state-owned legal person	8.23%	65,640,000	0	-	-
Shouguang Hongsen Logistics Co., Ltd.	Domestic non-state-owned legal person	3.99%	31,800,000	0	-	-
Shouguang Panjin Real Estate Co., Ltd.	Domestic non-state-owned legal person	3.86%	30,800,000	0	-	-
Shouguang Ruisen New Building Materials Co., Ltd.	Domestic non-state-owned legal person	2.93%	23,374,800	0	-	-
Zhang Yunsan	Domestic natural person	2.27%	18,108,000	0	-	-
Fan Xisheng	Domestic natural person	0.98%	7,835,000	0	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.89%	7,135,227	0	-	-
Ma Like	Domestic natural person	0.81%	6,491,070	0	-	-

Unit: Share

Shareholding of the top 10 shareholders with no selling restrictions

Name of shareholders	Number of shares held with no selling restrictions	Type and quantity of shares	
		Type of share	Quantity
Shouguang Molong Holding Co., Ltd.	235,617,000	RMB ordinary share	235,617,000
HKSCC Nominees Limited	105,222,080	Overseas listed foreign share	105,222,080
Shandong Zhimeng Holding Co., Ltd.	65,640,000	RMB ordinary share	900,000
		Overseas listed foreign share	64,740,000
Shouguang Hongsen Logistics Co., Ltd.	31,800,000	Overseas listed foreign share	31,800,000
Shouguang Panjin Real Estate Co., Ltd.	30,800,000	Overseas listed foreign share	30,800,000
Shouguang Ruisen New Building Materials Co., Ltd.	23,374,800	Overseas listed foreign share	23,374,800
Zhang Yunsan	18,108,000	RMB ordinary share	18,108,000
Fan Xisheng	7,835,000	RMB ordinary share	7,835,000
Hong Kong Securities Clearing Company Limited	7,135,227	RMB ordinary share	7,135,227
Ma Like	6,491,070	RMB ordinary share	6,491,070

Description of associated relationships or concerted actions of the above shareholders

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. have established an acting-in-concert relationship through the signing of an acting-in-concert agreement, and have no control relationship with each other. Except for the above situations, the Company is not aware of any connection among other shareholders or whether they are parties acting in concert.

(II) Table of Total Number of the Preferred Shareholders and Shareholdings of Top 10 Preferred Shareholders of the Company

Applicable Not Applicable

III. OTHER MAJOR EVENTS

✓ Applicable Not Applicable

1. Cumulative litigation and arbitration

On 22 August 2023, the Company disclosed the *Announcement on Cumulative Litigation and Arbitration* (Announcement No. 2023-034). According to the relevant provisions of the *Stock Listing Rules of Shenzhen Stock Exchange*, the litigation and arbitration within twelve consecutive months of a listed company should follow the principle of cumulative calculation. The Company and its controlling subsidiaries have accumulated a total of 78 litigation and arbitration cases for twelve consecutive months, with a total amount of approximately RMB147,948,600, accounting for 14.98% of the Company's latest audited absolute net assets. For specific details, please refer to the information disclosure website CNINFO (<http://www.cninfo.com.cn>).

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Shandong Molong Petroleum Machinery Co., Ltd

Unit: RMB

Item	30 September 2023	1 January 2023
Current assets:		
Monetary funds	174,457,621.41	459,657,822.57
Deposit reservation for balance	–	–
Lending funds	–	–
Trading financial assets	–	–
Derivative financial assets	–	–
Notes receivable	75,751,946.69	171,547,752.98
Accounts receivable	272,558,670.16	294,399,562.75
Receivable financing	5,919,985.59	5,371,855.71
Advance payment	8,938,168.47	35,450,700.83
Premium receivable	–	–
Reinsurance accounts receivable	–	–
Reserves for reinsurance contract receivable	–	–
Other receivables	6,383,149.39	5,626,830.61
Including: Interests receivable	–	–
Dividends receivable	–	–
Redemptory monetary capital for sale	–	–
Inventories	522,125,202.92	670,217,844.40
Contract assets	–	–
Held-for-sale assets	–	–
Non-current assets due within one year	–	–
Other current assets	1,865,899.15	5,790,675.91
Total current assets	<u>1,068,000,643.78</u>	<u>1,648,063,045.76</u>

Unit: RMB

Item	30 September 2023	1 January 2023
Non-current assets:		
Loan and advance payment issuance	–	–
Creditors' investments	–	–
Other creditors' investments	–	–
Long-term receivables	–	–
Long-term equity investments	1,857,463.06	1,857,463.06
Other equity instrument investments	–	–
Other non-current financial assets	–	–
Investment real estate	–	–
Fixed assets	1,856,189,554.60	2,003,871,030.19
Construction in progress	6,323,500.82	298,971.19
Productive biological assets	–	–
Oil-gas assets	–	–
Right-of-use assets	–	–
Intangible assets	346,623,073.29	357,278,042.57
Development expenditures	1,708,772.15	–
Goodwill	–	–
Long-term unamortized expenses	–	–
Deferred income tax assets	24,121,882.23	26,108,899.14
Other non-current assets	750,000.00	1,128,107.60
	<hr/>	<hr/>
Total non-current assets	2,237,574,246.15	2,390,542,513.75
	<hr/> <hr/>	<hr/> <hr/>
Total assets	3,305,574,889.93	4,038,605,559.51
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Unit: RMB

Item	30 September 2023	1 January 2023
Current liabilities:		
Short-term borrowings	1,762,400,787.08	1,962,936,789.90
Borrowings from the central bank	–	–
Borrowing funds	–	–
Trading financial liabilities	–	–
Derivative financial liabilities	–	–
Notes payable	4,609,424.65	64,855,401.04
Accounts payable	516,780,358.74	611,264,285.51
Advance receipt	–	–
Contractual liabilities	63,476,974.12	107,582,152.10
Financial assets sold for repurchase	–	–
Deposits from customers and interbank	–	–
Acting trading securities	–	–
Acting underwriting securities	–	–
Payroll payable	68,469,708.68	42,790,646.48
Taxes and dues payable	12,016,996.67	11,279,406.47
Other payables	28,539,387.65	36,765,356.32
Including: Interests payable	–	–
Dividends payable	–	–
Fees and commissions payable	–	–
Reinsurance accounts payable	–	–
Held-for-sale liabilities	–	–
Non-current liabilities due within one year	49,397,835.69	87,329,367.25
Other current liabilities	29,644,190.98	48,192,008.81
Total current liabilities	<u>2,535,335,664.26</u>	<u>2,972,995,413.88</u>

Unit: RMB

Item	30 September 2023	1 January 2023
Non-current liabilities:		
Reserves for insurance contract	–	–
Long-term borrowings	–	–
Bonds payables	–	–
Including: Preferred shares	–	–
Perpetual bonds	–	–
Lease liabilities	–	–
Long-term payables	23,427,732.00	65,461,963.55
Long-term employee remuneration payable	–	–
Estimated liabilities	77,771,212.05	77,771,212.05
Deferred incomes	6,756,829.50	6,756,829.50
Deferred income tax liabilities	5,118,094.15	5,266,932.29
Other non-current liabilities	–	–
Total non-current liabilities	113,073,867.70	155,256,937.39
Total liabilities	2,648,409,531.96	3,128,252,351.27
Owners' equities:		
Share capital	797,848,400.00	797,848,400.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual bonds	–	–
Capital reserves	866,307,763.97	864,405,329.26
Minus: Treasury shares	–	–
Other comprehensive incomes	(3,396,475.49)	(3,029,259.75)
Special reserves	–	–
Surplus reserves	187,753,923.88	187,753,923.88
General risk reserves	–	–
Undistributed profits	(1,105,927,602.32)	(859,017,550.51)
Total owners' equities attributable to the parent company	742,586,010.04	987,960,842.88
Minority shareholders' equities	(85,420,652.07)	(77,607,634.64)
Total owners' equities	657,165,357.97	910,353,208.24
Total liabilities and owners' equities	3,305,574,889.93	4,038,605,559.51

Legal representative:

Yuan Rui

Person in charge of
accounting:

Hao Yunfeng

Person in charge of
accounting department:

Zhu Lin

2. *Consolidated Income Statement from the Beginning of the Year to the End of the Reporting Period*

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
I. Total Operating Revenues	1,002,123,231.65	2,220,897,730.20
Including: Operating revenue	1,002,123,231.65	2,220,897,730.20
Interest revenues	-	-
Earned premiums	-	-
Revenues from fees and commissions	-	-
II. Total Operating Costs	1,252,362,184.16	2,482,341,068.96
Including: Operating cost	929,267,750.89	2,135,736,337.65
Interest expenses	-	-
Fee and commission expenses	-	-
Surrender value	-	-
Net payment for insurance claims	-	-
Net amount of reserve fund for insurance liabilities	-	-
Policy dividend payment	-	-
Reinsurance costs	-	-
Taxes and surcharges	12,206,170.96	9,917,303.59
Sales expenses	13,899,674.95	11,224,906.87
Management expenses	197,032,430.30	224,812,059.70
R&D expenses	25,649,206.19	33,698,402.11
Financial expenses	74,306,950.87	66,952,059.04
Including: Interest expenses	77,885,762.55	82,077,733.46
Interest revenues	4,211,799.31	6,691,085.64

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
Plus: Other incomes	132,723.59	752,905.98
Investment incomes	–	–
Including: Investment income of joint-venture and partnership	–	–
Income from derecognition of financial assets measured by amortized cost	–	–
Exchange gain	–	–
Income from net exposure hedging	–	–
Income from changes in fair value	–	–
Credit impairment losses	(1,713,385.47)	3,641,035.54
Asset impairment losses	(2,738,868.07)	(28,968,110.01)
Income from asset disposal	325,712.98	1,123.89
III. Operating Profits	(254,232,769.48)	(286,016,383.36)
Plus: Non-operating revenue	2,199,852.89	5,547,153.97
Minus: Non-operating expenditure	743,875.24	1,148,867.91
IV. Total Profits	(252,776,791.83)	(281,618,097.30)
Minus: Income tax expenses	1,905,475.64	1,759,524.85
V. Net Profits	(254,682,267.47)	(283,377,622.15)
(I) Classification by operation continuity	–	–
1. Net profits from continuing operation	(254,682,267.47)	(283,377,622.15)
2. Net profits from discontinuing operation	–	–
(II) Classification by ownership	–	–
1. Net profit attributable to the shareholders of parent company	(246,910,051.81)	(265,948,560.19)
2. Minority shareholders' profit and loss	(7,772,215.66)	(17,429,061.96)

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
VI. Net After-tax Amount of Other Comprehensive Incomes	(408,017.51)	(1,855,315.59)
After-tax net amount of other comprehensive incomes attributable to the owners of the parent company	(367,215.74)	(1,669,784.03)
(I) Other comprehensive incomes that cannot be reclassified into profits and losses	–	–
1. Re-measurement of changed amount in the defined benefit plan	–	–
2. Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method	–	–
3. Changes in fair value of other equity instrument investments	–	–
4. Changes in fair value of enterprise credit risk	–	–
5. Others	–	–

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
(II) Other comprehensive incomes that will be reclassified into profits and losses	(367,215.74)	(1,669,784.03)
1. Other comprehensive incomes that can be transferred into the profits and losses under the equity method	-	-
2. Changes in fair value of other creditor's investments	-	-
3. Amounts of financial assets reclassified into other comprehensive incomes	-	-
4. Credit impairment provision of other debt investments	-	-
5. Cash flow hedging reserves	-	-
6. Converted difference in foreign currency financial statement	(367,215.74)	(1,669,784.03)
7. Others	-	-
Net after-tax amount of other comprehensive revenues attributable to the minority shareholders	(40,801.77)	(185,531.56)
VII. Total Comprehensive Incomes	(255,090,284.98)	(285,232,937.74)
(I) Total comprehensive incomes attributable to the owners of the parent company	(247,277,267.55)	(267,618,344.22)
(II) Total comprehensive incomes attributable to minority shareholders	(7,813,017.43)	(17,614,593.52)
VIII. Earnings per Share:	-	-
(I) Basic earnings per share	(0.3095)	(0.3333)
(II) Diluted earnings per share	(0.3095)	(0.3333)

Legal representative:

Yuan Rui

Person in charge of accounting:

Hao Yunfeng

Person in charge of accounting department:

Zhu Lin

3. *Consolidated Cash Flow Statement from the Beginning of the Year to the End of the Reporting Period*

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
I. Cash Flows from Operating Activities:		
Cash received from the sales of goods or rendering of services	1,059,936,136.21	2,426,990,906.70
Net increase in customer deposits and interbank deposits	-	-
Net increase in borrowings from the central bank	-	-
Net increase in borrowing funds from other financial institutions	-	-
Cash received from the original insurance contract premium	-	-
Net cash received from reinsurance premiums	-	-
Net increase in policy holder deposits and investment funds	-	-
Cash received from interests, fees and commissions	-	-
Net increase in borrowing funds	-	-
Net increase in repurchase business funds	-	-
Net cash received from vicariously traded securities	-	-
Refund of taxes and dues received	466,828.15	651,781.97
Other cash received related to operating activities	5,512,340.24	82,121,176.17
Subtotal of cash inflows from operating activities	<u>1,065,915,304.60</u>	<u>2,509,763,864.84</u>

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
Cash paid for purchasing commodities and receiving labor service	803,038,653.98	2,109,038,730.95
Net increase in customer loans and advances	–	–
Net increase in deposit in the central bank and interbank payments	–	–
Cash paid for the claim payment of the original insurance contract	–	–
Net increase in lending funds	–	–
Cash paid for interests, fees and commissions	–	–
Cash paid for policy dividends	–	–
Cash paid to and for employees	128,485,277.14	204,962,830.55
Various taxes and dues paid	51,532,507.61	60,199,098.74
Other cash paid related to operating activities	62,462,911.72	110,134,628.20
Subtotal of cash outflows from operating activities	1,045,519,350.45	2,484,335,288.44
Net amount of cash flows from operating activities	20,395,954.15	25,428,576.40

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
II. Cash Flows from Investing Activities:		
Cash received from withdrawing investment	–	–
Cash received from obtaining return on investment	–	–
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	357,413.87	–
Net cash received from disposal of subsidiaries and other business units	–	–
Other cash received related to investing activities	–	–
Subtotal of cash inflows from investing activities	357,413.87	–
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	4,771,377.22	8,584,655.77
Cash paid for investment		
Net increase in pledged loans	–	–
Net cash paid for acquisition of subsidiaries and other business units	–	–
Other cash paid related to investing activities	–	–
Subtotal of cash outflows from investing activities	4,771,377.22	8,584,655.77
Net amount of cash flows from investing activities	(4,413,963.35)	(8,584,655.77)

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period
III. Cash Flows from Financing Activities:		
Cash received from attracting investment	–	–
Including: Cash received by subsidiaries from absorbing investments from minority shareholders	–	–
Cash received from obtaining loans	3,235,998,098.33	3,405,619,575.32
Other cash received related to financing activities	20,158,500.00	–
Subtotal of cash inflows from financing activities	3,256,156,598.33	3,405,619,575.32
Cash paid for repaying debts	3,475,876,545.53	3,189,960,998.00
Cash paid for distributing dividends and profits or paying interests	72,284,609.96	83,443,717.47
Including: Dividends and profits paid to minority shareholders by subsidiaries	–	–
Other cash paid related to financing activities	–	179,358,500.00
Subtotal of cash outflows from financing activities	3,548,161,155.49	3,452,763,215.47
Net amount of cash flows from financing activities	(292,004,557.16)	(47,143,640.15)
IV. Effect of Changes in Exchange Rate on Cash and Cash Equivalents	5,629,971.89	(5,076,886.81)
V. Net Increase in Cash and Cash Equivalents	(270,392,594.47)	(35,376,606.33)
Plus: Balance of cash and cash equivalents at the beginning of the period	358,672,243.57	414,209,197.66
VI. Balance of Cash and Cash Equivalents at the End of the Period	88,279,649.10	378,832,591.33

(II) Implementation of the adjustment of new accounting standards, and the financial statement related items at the beginning of the year for the first time from 2023

Applicable Not Applicable

(III) Audit report

Whether the Third Quarter Report has been audited?

Yes No

The Company's Third Quarter Report has not been audited.

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

Shandong, the PRC
30 October 2023

As at the date of this announcement, the board of directors of the Company comprises the executive Directors, namely Mr. Yuan Rui, Mr. Yao You Ling, Mr. Li Zhi Xin and Mr. Zhao Xiao Tong; the non-executive Directors, namely Mr. Ding Yi and Ms. Zhang Min; and the independent non-executive Directors, namely Mr. Tang Qing Bin, Mr. Song Zhi Wang and Mr. Cai Zhong Jie.

* For identification purpose only