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If you are in doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shandong Molong Petroleum Machinery Company Limited*, you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) PROPOSED APPLICATION FOR THE INTEGRATED BANKING
CREDIT FACILITY FOR THE YEAR OF 2022**

**(2) PROPOSED RE-APPOINTMENT OF THE AUDITOR
FOR THE YEAR OF 2022**

**(3) PROPOSED CHANGE OF COMPANY ADDRESS AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND**

(4) NOTICE OF AGM

Unless the context otherwise requires, the capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 6 of this circular.

The notice of the annual general meeting of the Company (the "AGM") to be convened and held on Thursday, 19 May 2022 at 2:00 p.m. at the conference room at No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China is set out on pages 17 to 19 of this circular.

Shareholders who are entitled to attend and vote at the AGM should appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company. Whether or not you are able to attend the AGM, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event by not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). In order to be valid, the proxy form for the AGM must be deposited by hand or post, for holders of H Shares of the Company, to the H Share registrar of the Company, Tricor Investor Services Ltd at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and, for holders of A Shares of the Company, to the Company's registered address at No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China for taking the poll. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM should you so wish.

* For identification purposes only

30 March 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	Ordinary domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the SZSE and traded in RMB
“AGM”	The annual general meeting of the Company to be convened and held at 2:00 p.m. on Thursday, 19 May 2022, or any adjournment thereof
“Articles of Association”	The articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	The board of Directors
“Company”	山東墨龍石油機械股份有限公司 (Shandong Molong Petroleum Machinery Company Limited*)
“Company Law”	Company law of the People’s Republic of China
“Director(s)”	The director(s) of the Company
“ShineWing CPA”	ShineWing Certified Public Accountants (Special General Partnership), the auditor of the Company
“H Share(s)”	Ordinary overseas listed foreign invested share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in HKD
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Ministry of Finance”	Ministry of Finance of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	Holder(s) of Share(s) of the Company
“Shenzhen Listing Rules”	The Rules governing the listing of securities on the SZSE
“SZSE”	Shenzhen Stock Exchange

For ease of reference, the names of the PRC incorporated companies and entities have been included in this circular in both Chinese and English language. In the event of any inconsistency, the Chinese name shall prevail.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yang Yun Long (*Chairman*)
Mr. Yuan Rui (*Deputy Chairman*)
Mr. Li Zhi Xin
Mr. Yao You Ling

Registered Office:

No. 999 Wensheng Street
Shouguang City
Shandong Province
The PRC

Non-Executive Directors:

Mr. Wang Quan Hong
Mr. Liu Ji Lu

*Principal place of business
in Hong Kong:*

5/F., Kam Sang Buildin
257 Des Voeux Road
Sheung Wan
Hong Kong

Independent Non-Executive Directors:

Mr. Tang Qing Bin
Mr. Song Zhi Wang
Mr. Cai Zhong Jie

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED APPLICATION FOR THE INTEGRATED BANKING
CREDIT FACILITY FOR THE YEAR OF 2022**
- (2) PROPOSED RE-APPOINTMENT OF THE AUDITOR
FOR THE YEAR OF 2022**
- (3) PROPOSED CHANGE OF COMPANY ADDRESS AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND**
- (4) NOTICE OF AGM**

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding the ordinary resolutions and the special resolution to be proposed at the AGM, including, among others, ordinary resolutions on the proposed application for the integrated banking credit facility for the year of 2022, the proposed re-appointment of the auditor for the year of 2022, and special resolution on the proposed change of company address and amendments to the Articles of Association. This circular gives all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against those resolutions at the AGM.

* For identification purpose only

LETTER FROM THE BOARD

2. PROPOSED APPLICATION FOR THE INTEGRATED BANKING CREDIT FACILITY FOR THE YEAR OF 2022

The Company proposes to apply to various financial institutions in the PRC (all are independent third parties) for a maximum of RMB4.35 billion integrated banking credit facility for the year of 2022. The final amount of the 2022 integrated banking credit facility shall be subject to the total amount approved by each of the banks.

The term of the 2022 integrated banking credit facility shall be one year commencing from the date of approval at the AGM. The Company is not required to provide securities in respect of the 2022 integrated banking credit facility. Any interest on such banking credit facility included in the 2022 integrated banking credit facility shall be subject to the benchmark rate adjusted by the People's Bank of China from time to time.

A resolution will be proposed by the Board at the AGM regarding the proposed application for a maximum of RMB4.35 billion integrated banking credit facility from PRC banks and other financial institutions for the year of 2022 and thereby authorises the legal representative of the Company or any person authorised by the Legal Representative to sign, execute and deliver all credit agreements, facility agreements and other documents in relation to the 2022 integrated banking credit facility and may in his discretion approve such amendments as he sees fit and to do all such acts and things as he deems necessary or appropriate in connection with or to carry out the actions contemplated by such resolution.

3. PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR THE YEAR OF 2022

In view of the good cooperation with ShineWing CPA, the Board proposes to re-appoint ShineWing CPA as the Company's auditor for the year of 2022, subject to Shareholders' approval at the AGM.

4. PROPOSED CHANGE OF COMPANY ADDRESS AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 30 March 2022.

According to the actual situation and the operation and management needs of the Company, it is proposed to change the Company's address from "No. 999 Wen Sheng Street, Shouguang City, Shandong Province" to "No. 99 Xing Shang Road, Gucheng Subdistrict, Shouguang City, Shandong Province". The above proposed change shall become effective upon approval for the amendments to the Articles of Association by the shareholders of the Company and completion of the relevant industrial and commercial registration.

Due to the proposed change of address of the Company and according to the requirements under the State Council's Reply on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (Guo Xin [2019] No. 97), the Company Law of the People's Republic of China (Revised in 2018), China Securities Regulatory

LETTER FROM THE BOARD

Commission's Code of Corporate Governance for Listed Companies (Revised in 2018) and Guidelines for Articles of Association of Listed Companies (Revised in 2019), the Board intends to seek approval for the proposed amendments to the Articles of Association from the shareholders at the AGM. Details of the proposed amendments to the Articles of Association are set out in Appendix I of this circular.

As advised by the legal advisers of the Company as to the law of Hong Kong and the law of the PRC, the proposed amendments to the Articles of Association are not in violation of the respective requirements under the Listing Rules and the law of the PRC. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles of Association in the context of listed companies on the Stock Exchange.

5. AGM

The notice of the AGM is set out on pages 17 to 19 of this circular. The Company will convene the AGM on Thursday, 19 May 2022 for the purpose of seeking Shareholders' approval for the resolutions, including but not limited to the proposed application for integrated banking credit facility from banks for the year of 2022, and proposed re-appointment of the auditor for the year of 2022, and the proposed change of company address and amendments to the Articles of Association.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. The proxy form should be returned to the registrar for H Shares of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), and to the Company's registered address at No. 999 Wensheng Street, Shouguang City, Shandong Province, the PRC (for holders of A Shares) no later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

In accordance with the Rule 13.39 of the Hong Kong Listing Rules, except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all of the proposed resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 16 May 2022 to Thursday, 19 May 2022, both days inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, all instruments of transfer must be lodged with the registrar for H Shares, Tricor Investor Services Limited at Level 22, Hopewell

LETTER FROM THE BOARD

Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), for registration no later than 4:30 p.m. on Friday, 13 May 2022. The Company will publish specific announcement on the SZSE setting out details of the eligibility of holders of A Shares to attend the AGM.

7. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other facts the omission of which would make any statement herein misleading.

8. RECOMMENDATION

The Directors are of the view that all resolutions proposed for consideration and approval by the Shareholders at the AGM, including but not limited to the proposed application for integrated banking credit facility for the year 2022, the proposed re-appointment of the auditor for the year of 2022 and the proposed change of company address and amendments to the Articles of the Association, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions as set out in the notice of the AGM.

Yours faithfully,
Shandong Molong Petroleum Machinery Company Limited*
Yang Yun Long
Chairman

Shandong, the PRC, 30 March 2022

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Below are the proposed amendments to the existing Articles of Association:

Article no.	Existing article	Amended article (showing changes to the existing article)
Article 3	Company Address: No. 999 Wensheng Street, Shouguang City, Shandong Province Tel: 86.536.5101565 Fax: 86.536.5100888 Postal Code: 262700	Company Address: No. 999 Wensheng Street No. 99 Xing Shang Road, Gucheng Subdistrict , Shouguang City, Shandong Province Tel: 86.536.5101565 Fax: 86.536.5100888 Postal Code: 262700
Article 38	<p>.....</p> <p>Shares repurchased by the Company in accordance with clause (3), (5) and (6) of Article 35 shall not exceed 10% of the Company's total issued capital. The fund used for repurchase shall be made out from the Company's after-tax profit. All the repurchased shares shall be transferred to incentive scheme participants or shall be cancelled within three years. The registered capital of the Company shall be reduced by the amount of the total nominal value of the shares so cancelled.</p>	<p>.....</p> <p>Shares repurchased by the Company in accordance with clause (3), (5) and (6) of Article 35 shall not exceed 10% of the Company's total issued capital. The fund used for repurchase shall be made out from the Company's after-tax profit. All the repurchased shares shall be transferred to incentive scheme participants or shall be cancelled within three years. The registered capital of the Company shall be reduced by the amount of the total nominal value of the shares so cancelled.</p> <p>Where the laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchanges on which the Company's shares are listed have provisions on the aforesaid relevant matters in respect of share repurchase, such provisions shall prevail.</p> <p>If the Company acquires its own shares, it shall fulfil its information disclosure obligation as required under the Securities Law.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
Article 71	<p>Upon the occurrence of any of the following events, the board of directors shall convene an extraordinary general meeting within two months thereof:</p> <p>(1) The number of directors is less than six persons;</p> <p>(2) The aggregate losses of the Company which have not been made up amount to one-third of the total share capital of the Company;</p> <p>(3) Shareholders holding an aggregate of 10% or more of the issued shares of the Company which carry the rights to vote request in writing the convening of an extraordinary general meeting;</p> <p>(4) Whenever the board of directors considers necessary or the supervisory committee proposes to convene the same.</p> <p>(5) Whenever two or more independent directors request.</p>	<p>Upon the occurrence of any of the following events, the board of directors shall convene an extraordinary general meeting within two months thereof:</p> <p>(1) The number of directors is less than six persons;</p> <p>(2) The aggregate losses of the Company which have not been made up amount to one-third of the total share capital of the Company;</p> <p>(3) Shareholders holding an aggregate of 10% or more of the issued shares of the Company which carry the rights to vote request in writing the convening of an extraordinary general meeting;</p> <p>(4) Whenever the board of directors considers necessary or the supervisory committee proposes to convene the same.</p> <p>(5) Whenever two or more independent directors request;</p> <p>(6) Other circumstances as provided by the law, administrative regulations, departmental rules and these Articles.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
Article 72	<p>The general meetings are convened at the domicile address of the Company or a place specified in the notice of a general meeting.</p> <p>Meeting places will be arranged for the convention of the general meetings. The Company will provide the means of online voting to help shareholders to participate in the general meetings. Shareholders will be regarded as attendees of the general meetings when they participate via the above-mentioned methods.</p>	<p>The general meetings are convened at the domicile address of the Company or a place specified in the notice of a general meeting.</p> <p>Meeting places will be arranged for the convention of the general meetings. For the convenience of shareholders, the Company shall provide secure, cost-efficient and accessible online and other channels for participation in shareholders’ general meetings in accordance with the laws, administrative regulations and rules of the securities regulatory institution under the State Council or the Articles of Association. The Company will provide the means of online voting to help shareholders to participate in the general meetings. Shareholders will be regarded as attendees of the general meetings when they participate via the above-mentioned methods.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
<p>Article 92</p>	<p>The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:</p> <ul style="list-style-type: none"> (1) Name of the proxy; (2) Indication of whether voting power is granted; (3) Instruction of voting “for”, “against” or “abstain” for each resolution proposed at any general meeting; (4) Date of signing the proxy form and the effective period for such appointment; (5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed. <p>The proxy form shall specify that, in the absence of instructions from the shareholder, the proxy may vote as he thinks fit.</p>	<p>The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:</p> <ul style="list-style-type: none"> (1) Name of the proxy; (2) Indication of whether voting power is granted; (3) Instruction of voting “for”, “against” or “abstain” for each resolution proposed at any general meeting; (4) Date of signing the proxy form and the effective period for such appointment; (5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed. <p>The proxy form shall specify that, in the absence of instructions from the shareholder, the proxy may vote as he thinks fit.</p> <p>The Company has the right to investigate the written proxy form, and has the right to deny or decline any written proxy form not in compliance with the provisions of these Articles and this Article.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
<p>Article 143</p>	<p>The Company shall have a board of directors. The board of directors shall comprise nine directors. The board of directors shall have one chairman and one vice chairman. The chairman and vice chairman shall be elected by over half of the total number of directors.</p> <p>The board of directors shall be independent of the controlling entity (which refers hereinafter to the controlling shareholder of the Company which is a company or business enterprise having legal person status).</p> <p>The board of directors shall have at least half of external directors (which refers hereinafter to directors not working in the Company), and independent directors shall comprise at least one-third of all directors (which refers hereinafter to directors independent of the Company’s shareholders and not working in the Company).</p>	<p>The Company shall have a board of directors. The board of directors shall comprise nine directors. The board of directors shall have one chairman and one vice chairman. The chairman and vice chairman shall be elected by over half of the total number of directors.</p> <p>The board of directors shall be independent of the controlling entity (which refers hereinafter to the controlling shareholder of the Company which is a company or business enterprise having legal person status).</p> <p>The board of directors shall have at least half of external directors (which refers hereinafter to directors not working in the Company), and independent directors shall comprise at least one-third of all directors (which refers hereinafter to directors independent of the Company’s shareholders and not working in the Company). At least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
Article 144	<p>Directors shall be elected or replaced at shareholders’ general meeting, and could be dismissed by general meetings before the expiry of his or her term of office. The term of office for directors shall be three years. Upon the expiry of the term of office, a director shall be eligible for re-election and re-appointment.</p> <p>.....</p>	<p>Directors shall be elected or replaced at shareholders’ general meeting, and could be dismissed by general meetings before the expiry of his or her term of office. The term of office for directors shall be three years. Upon the expiry of the term of office, a director shall be eligible for re-election and re-appointment. However, independent directors may only remain in offer for a maximum of six consecutive years.</p> <p>When the term of office of any Director is expired, in the event that the new Director is not elected in time, the incumbent Director shall continue to perform Director’s duties in accordance with the relevant laws, administrative regulations, departmental rules, the listing rules of the stock exchanges on which the Company’s shares are listed and the Articles of Association until the new Director elected assumes office.</p> <p>.....</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
Article 212	<p>The Company should submit the Company’s annual financial report, within three months after the end of a financial year, to China Securities Regulatory Commission and the stock exchange. The Company should submit the interim financial report, within two months from the end of the first six months of a financial year, to the relevant authorities authorized by China Securities Regulatory Commission and the stock exchange. The Company should submit the Company’s quarterly financial report, within one month from the end of the first three months and first nine months of a financial year, to the relevant authorities authorized by China Securities Regulatory Commission and the stock exchange. The above financial reports shall be prepared in accordance with laws, administrative regulations and the provisions of departmental regulations.</p>	<p>The Company should submit the Company’s annual financial report, within four—three months after the end of a financial year, to China Securities Regulatory Commission and the stock exchange. The Company should submit the interim financial report, within two months from the end of the first six months of a financial year, to the relevant authorities authorized by China Securities Regulatory Commission and the stock exchange. The Company should submit the Company’s quarterly financial report, within one month from the end of the first three months and first nine months of a financial year, to the relevant authorities authorized by China Securities Regulatory Commission and the stock exchange. The above financial reports shall be prepared in accordance with laws, administrative regulations and the provisions of departmental regulations.</p>
Article 231	<p>Dividends or other payments declared by the Company to be payable to holders of domestic shares shall be declared, calculated, and paid in Renminbi within two months after the declaring date. Dividends or other payments payable to holders of overseas listed foreign shares shall be declared and calculated in Renminbi, and paid in in the local currency of the place in which such overseas listed foreign shares are listed (if such shares are listed in more than one place, then the currency of the principal place on which such shares are listed as determined by the board of directors) within two months after the declaring date. Holders of shares that have been paid up before payment calls by the Company are entitled to dividends, but holders of prepaid shares are not entitled to dividends declared thereafter.</p>	<p>Dividends or other payments declared by the Company to be payable to holders of domestic shares shall be declared, calculated, and paid in Renminbi within two months after the declaring date. Dividends or other payments payable to holders of overseas listed foreign shares shall be declared and calculated in Renminbi, and paid in in the local currency of the place in which such overseas listed foreign shares are listed (if such shares are listed in more than one place, then the currency of the principal place on which such shares are listed as determined by the board of directors) within two months after the declaring date. Holders of shares that have been paid up before payment calls by the Company are entitled to dividends, but holders of prepaid shares are not entitled to dividends declared thereafter.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
Article 250	When employees have established a trade union according to laws, the Company shall appropriate 2% of total monthly wage for employees to a trade union fund. The fund shall be used by the trade union of the Company in accordance with the Way of Using Labour Union Fund of the All-China Federation of Labour Unions.	When employees have established a trade union according to laws, the Company shall appropriate 2% of total monthly wage for employees to a trade union fund. The fund shall be used by the trade union of the Company in accordance with the Way of Using Labour Union Fund of the All-China Federation of Labour Unions Measures for the Management of the Income and Expenditures of Basic-Level Trade Unions.
Article 256	<p>The Company shall be dissolved and liquidated upon the occurrence of any of the following events:</p> <p>(1) a resolution for dissolution is passed by shareholders' general meeting;</p> <p>(2) dissolution is necessary due to a merger or division of the Company;</p> <p>(3) the Company is legally declared insolvent due to its failure to repay debts as they become due; and</p> <p>(4) the Company is ordered to close down because of its violation of laws and administrative regulations.</p>	<p>The Company shall be dissolved and liquidated upon the occurrence of any of the following events:</p> <p>(1) a resolution for dissolution is passed by shareholders' general meeting;</p> <p>(2) dissolution is necessary due to a merger or division of the Company;</p> <p>(3) the Company is legally declared insolvent due to its failure to repay debts as they become due; and</p> <p>(4) the business licence of the Company is cancelled according to the laws, the Company is ordered to close down or deregistered because of its violation of laws and administrative regulations;-</p> <p>(5) The Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
Article 257	<p>A liquidation committee shall be set up within 15 days of the Company being dissolved pursuant to sub-paragraph (1), (2) and (4) of the preceding Article, and the composition of the liquidation committee of the Company shall be determined by an ordinary resolution of shareholders' general meeting. If a liquidation committee is not set up within the specified time limit, the creditors of the Company may apply to the people's court to appoint designated persons to carry out the liquidation.</p> <p>Where the Company is dissolved under sub-paragraph (3) of the preceding Article, the People's Court shall in accordance with the provisions of relevant laws establish a liquidation committee to carry out the liquidation.</p>	<p>A liquidation committee shall be set up within 15 days of the Company being dissolved pursuant to sub-paragraph (1), (2) and (4) and (5) of the preceding Article, and the composition of the liquidation committee of the Company shall be determined by an ordinary resolution of shareholders' general meeting. If a liquidation committee is not set up within the specified time limit, the creditors of the Company may apply to the people's court to appoint designated persons to carry out the liquidation.</p> <p>Where the Company is dissolved under sub-paragraph (3) of the preceding Article, the People's Court shall in accordance with the provisions of relevant laws establish a liquidation committee to carry out the liquidation.</p>
Article 271	<p>Unless otherwise provided herein, the notices, information or written statements issued by the Company to shareholders of the overseas listed foreign shares listed in Hong Kong shall be despatched to such shareholders by hand or by mail to the addresses of such shareholders as shown in the register of shareholders of overseas listed foreign shares. Notices given to the shareholders of overseas listed foreign shares listed in Hong Kong shall, as far as possible, be sent in Hong Kong.</p> <p>A notice sent to holders of the domestic shares shall be published in one or more newspapers or magazines designated by the securities regulatory authority under the State Council. Once such announcement is published, all domestic shareholders shall be deemed to have received the notice.</p>	<p>Unless otherwise provided herein, the notices, information or written statements issued by the Company to shareholders of the overseas listed foreign shares listed in Hong Kong shall be despatched to such shareholders by hand or by mail to the addresses of such shareholders as shown in the register of shareholders of overseas listed foreign shares. Notices given to the shareholders of overseas listed foreign shares listed in Hong Kong shall, as far as possible, be sent in Hong Kong.</p> <p>A notice sent to holders of the domestic shares shall be published in one or more newspapers or magazines designated by the securities regulatory authority under the State Council. Once such announcement is published, all domestic shareholders shall be deemed to have received the notice.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article no.	Existing article	Amended article (showing changes to the existing article)
		<p>Save as provided otherwise in these Articles, notices, documents, information or written declaration by the Company to shareholders can be delivered by hand (including courier) or by post to each of the shareholders according to their respective addresses appearing on the register of members or by public notice on newspapers. If it is sent by post, the address shall be written clearly on the envelope carrying the notice and sent in the form of prepaid mail. Unless otherwise specified in these Articles, the letter of the notice shall be deemed as being received by the shareholders five days after the sending. Notices, documents, information or written declarations delivered by way of public notice should be published in newspapers in public circulation in Hong Kong (or the location of other shareholders) and/or stipulated by securities regulatory authorities of the State or on the designated websites of the stock exchanges, and shall be sufficient to enable shareholders whose registered addresses are in Hong Kong to exercise their rights or comply with the terms of the notice. Upon publication of such notice, all relevant shareholders shall be deemed to have received such notices, documents, information or written declarations.</p>

The Articles of Association is written in Chinese and have no official English version. Any English translation thereof is for reference only. In case of any discrepancies, the Chinese version shall prevail.

NOTICE OF AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of Shandong Molong Petroleum Machinery Company Limited* (the “Company”) will be convened and held at 2:00 p.m. on Thursday, 19 May 2022 at the conference room at No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China (the “PRC”), to consider and, if thought fit, approve the following resolutions.

ORDINARY RESOLUTIONS

1. To consider and, if thought fit, approve the report of the board of directors of the Company for the year ended 31 December 2021;
2. To consider and, if thought fit, approve the report of the supervisory committee of the Company for the year ended 31 December 2021;
3. To consider and, if thought fit, approve the annual report of the Company and its abstract for the year ended 31 December 2021;
4. To consider and, if thought fit, approve the plan for profit distribution for the year of 2021;
5. To consider and, if thought fit, approve the application for a maximum of RMB4.35 billion integrated banking credit facility from PRC banks and other financial institutions (all of them are independent third parties) for the year of 2022 and to authorise the legal representative of the Company or any person authorised by the Legal Representative to sign, execute and deliver all credit agreements, facility agreements and other documents in relation to the 2022 integrated banking credit facility, and approve such amendments as he sees fit and to do all such acts and things as he deems necessary or appropriate in connection with or to carry out the actions contemplated by this resolution;
6. To consider and, if thought fit, approve the proposal for the provision of guarantee facilities for subsidiaries;
7. To consider and, if thought fit, to approve the remuneration plan of the directors, supervisors and senior management for the year of 2022;

* For identification purposes only

NOTICE OF AGM

8. To consider and, if thought fit, to approve the proposal for the purchase of liability insurance for the Company, directors, supervisors, senior management;
9. To consider and, if thought fit, to approve the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor of the company for the year ended 31 December 2022, and to authorise the board of directors of the Company to fix their remuneration;

SPECIAL RESOLUTION

10. To consider and, if thought fit, to approve the change of company address and the proposed amendments to the Articles of Association as set out in Appendix I to the circular of the Company dated 30 March 2022, and to authorise the board of directors of the Company or the person(s) authorised by it to handle the matters related to the amendments of the Articles of Association.

The above resolution 10 is a special resolution, and shall be passed by more than two-thirds of the votes cast by the shareholders (including proxies) present at the AGM; while the remaining proposals are ordinary resolutions.

In addition, in accordance with the requirements of Listing Rules of Shenzhen Stock Exchange, every independent non-executive Director will report their works on the AGM.

Shandong Molong Petroleum Machinery Company Limited*
Yang Yun Long
Chairman

Shandong, the PRC
30 March 2022

NOTICE OF AGM

Notes:

- (A) The register of members of the Company for H Shares will be closed from Monday, 16 May 2022 to Thursday, 19 May 2022, both days inclusive, during which period no H Share transfer will be effected. In order to qualify for attending the AGM and voting, all instruments of transfer of H shares, accompanied by the relevant share certificates, must be lodged with the registrar for H Shares of the Company no later than 4:30 p.m. on Friday, 13 May 2022.

The Company's address of the registrar for H Shares is as follows:

Tricor Investor Services Limited

Level 54, Hopewell Centre
183 Queen's Road East Hong Kong

The Company will publish specific announcement on the Shenzhen Stock Exchange setting out details of the eligibility of holders of A Shares to attend the AGM.

- (B) A form of proxy for use at the AGM is enclosed with the circular of the Company and such form of proxy is also published on the websites of the Stock Exchange and the Company. Whether or not you intend to attend the AGM, you are required to complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.
- (C) If a proxy attends the AGM on behalf of a Shareholder, he/she should produce his proof of identity and the instrument signed by the proxy or his legal representative, which specifies the date of its issuance. If the legal representative of a legal person Shareholder attends the AGM, such legal representative should produce his/her proof of identity and valid documents evidencing his capacity as such legal representative. If a legal person Shareholder appoints a representative of a company other than its legal representative to attend the AGM, such representative should produce his proof of identity and an authorization instrument affixed with the seal of the legal person Shareholder and duly signed by its legal representative.
- (D) The AGM is expected to last for an hour. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.