**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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 械股份有限公司
Shandong Molong Petroleum Machi d*

(A S -f e i c ed c a c a ed e Pe e' Re b c f C, a ed ab )
**(Stock Code: 568)**

# (1) PROPOSED BY-ELECTION OF SUPERVISORS AND (2) NOTICE OF THE EGM

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

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

The notice of the EGM of the Company to be convened and held on Wednesday, 21 September 2022 at 2:00 p.m. at the Conference Room, No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China is set out on pages 7 to 8 of this circular.

Shareholders who are entitled to attend and vote at the EGM are entitled to 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 EGM, 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 EGM or any adjournment thereof (as the case may be). In order to be valid, the proxy form for the EGM must be deposited by hand or post, for holders of H Shares of the Company, to the H Share registrar of the Company, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong and, for holders of A Shares of the Company, to the Company's registered address in the PRC at No. 99 Xingshang Road, Gucheng Street, Shouguang City, Shandong Province for taking the poll. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

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30 August 2022

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**LETTER FROM THE BOARD**

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

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| "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 |
| "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" | the Company Law of the People's Republic of China (中華人民共和國公司法) |
| "Director(s)" | director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Company to be held at 2:00 p.m. on Wednesday, 21 September 2022 at the Conference Room, No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China, or any adjournment thereof (as the case may be) for the Shareholders to consider and if thought fit, to approve the proposed by-election of Supervisors |
| "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 Hong Kong dollar |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "HK$" | Hong Kong dollar, the lawful currency of Hong Kong |
| "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 |
| "Latest Practicable Date" | 30 August 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |

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| "PRC" | the People's Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "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) |
| "SZSE Listing Rules" | the Rules Governing the Listing of Shares on SZSE |
| "SZSE" | Shenzhen Stock Exchange |
| "Supervisor(s)" | supervisor(s) of the Company |
| "Supervisory Committee" | the supervisory committee |

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## 2. PROPOSED BY-ELECTION OF SUPERVISORS

As nominated by the Company, it was resolved at the fourth meeting of the seventh session of the Supervisory Committee on 30 August 2022 to propose Mr. Li Jingwei to be by-elected as a candidate for non-employee representative Supervisor of the seventh session of the Supervisory Committee for a term commencing from the date on which the resolution is considered and approved at the 2022 first EGM of the Company to the expiration date of the seventh session of the Supervisory Committee of the Company.

Brief biographies of the candidates for Supervisors proposed to be by-elected at the EGM are as follows:

**Mr. Li Jingwei**, male, Chinese, Han ethnicity, born in August 1982, aged 40, is a member of the Chinese Communist Party and graduated from Shandong University with a Bachelor's degree in Finance. Mr. Li Jingwei is a PRC certified public accountants. He was awarded as an Excellent Certified Public Accountant in Shandong Province, an Outstanding Party Affairs Worker in Certified Public Accountant Industry in Weifang City and an Excellent Young and Middle-aged Expert in Kuiwen District, Weifang City. He is currently a partner of Yongtuo Accounting Firm and deputy general manager of the Shandong branch.

In accordance with the Company Law and the Articles of Association, Mr. Li Jingwei shall have a term of service commencing from the date on which the resolution is considered and approved at the 2022 first EGM of the Company to the expiration date of the seventh session of the Supervisory Committee of the Company. The Company will enter into a service contract with Mr. Li Jingwei, subject to his election at the EGM. The remuneration (if any) of Mr. Li Jingwei will be determined by the Board at the recommendation of the remuneration committee of the Company with reference to his responsibilities in the Company and the prevailing market rate of remuneration. The Company will make relevant disclosures on the remuneration in the annual report of the Company for the financial year ending 31 December 2022.

Save as disclosed above, as at the Latest Practicable Date, Mr. Li Jingwei (i) do not have any interest in the Shares of the Company or its associated companies within the meaning of Part XV of the SFO (Chapter 571 of the Laws); (ii) do not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) have not held any other position in the Company and/or any of its subsidiaries; and (iv) have not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, there are no other matters relating to the by-election of Mr. Li Jingwei that need to be brought to the attention of the Shareholders, and there is no other information which is discloseable under Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

## 3. THE EGM

The notice of the EGM is set out on pages 7 to 8 of this circular. The Company will convene the EGM on Wednesday, 21 September 2022 at the Conference Room, No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China for the purpose of seeking Shareholders' approval for the resolution in relation to the proposed by-election of Supervisors.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares), and to the Company's registered address in the PRC at No. 99 Xingshang Road, Gucheng Street, Shouguang City, Shandong Province (for holders of A Shares) no later than 24 hours before the time appointed for the holding of the EGM 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 EGM should you so wish.

In accordance with Rule 13.39 of the Hong Kong Listing Rules, except where the chairman of the EGM, 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 the EGM must be taken by poll. Accordingly, the resolution will be put to vote by way of poll at the EGM. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

## 4. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 15 September 2022 to Wednesday, 21 September 2022, both days inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the EGM, all transfer documents must be lodged with the registrar for H Shares of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares), for registration no later than 4:30 p.m. on Wednesday, 14 September 2022. The Company will publish specific announcement on SZSE setting out details of the eligibility of holders of A Shares to attend the EGM.

## 5. 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.

## 6. RECOMMENDATION

The Directors are of the view that the resolution proposed for consideration and approval by the Shareholders at the EGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution as set out in the notice of the EGM.

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

Shandong, the PRC, 30 August 2022



(B) The holders of H Shares whose names appear on the register of members of the Company at 4:30 pm on Wednesday, 14 September 2022 will be eligible to attend and vote at the EGM.

(C) A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the websites of the Hong Kong Stock Exchange and the Company. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the H Share registrar of the Company, Tricor Investor Services Ltd at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person if you so wish.

(D) If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her proof of identity and the instrument signed by the proxy or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person Shareholder attends the EGM, such legal representative should produce his/her proof of identity and valid documents evidencing his/her capacity as such legal representative. If a legal person Shareholder appoints a representative of a company other than its legal representative to attend the EGM, such representative should produce his/her proof of identity and an authorisation instrument affixed with the seal of the legal person Shareholder and duly signed by its legal representative.

(E) The EGM is expected to last for an hour. Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.