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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 2021,  
(2) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR THE YEAR  
OF 2021  
AND  
(3) NOTICE OF AGM**

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A letter from the Board is set out on pages 3 to 5 of this circular.

The notice of the annual general meeting of the Company (the "AGM") to be convened and held on Friday, 21 May 2021 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 6 to 7 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, Tricolor 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 purpose only

31 March 2021

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## DEFINITIONS

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*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 Friday, 21 May 2021, 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 Hong Kong Dollar
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollar”	Hong Kong dollars, 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
“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

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## DEFINITIONS

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“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.*

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Yang Yun Long (*Chairman*)  
Mr. Yuan Rui (*Deputy Chairman*)  
Mr. Liu Min  
Mr. Li Zhi Xin

*Registered Office:*

No. 999 Wensheng Street  
Shouguang City  
Shandong Province  
The PRC

*Non-Executive Director:*

Mr. Yao You Ling  
Mr. Wang Quan Hong

*Principal place of business  
in Hong Kong:*

Suite A, 11th Floor  
Ho Lee Commercial Building  
38-44 D'Aguilar Street  
Central, 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 2021,  
(2) PROPOSED RE-APPOINTMENT OF THE  
AUDITOR FOR THE YEAR OF 2021  
AND  
(3) 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 certain ordinary resolutions 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 2021 and the proposed re-appointment of the auditor for the year of 2021. 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

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## **LETTER FROM THE BOARD**

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### **2. PROPOSED APPLICATION FOR THE INTEGRATED BANKING CREDIT FACILITY FOR THE YEAR OF 2021**

The Company proposes to apply to various banks and other 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 2021. The final actual amount, term, purposes and banking credit conditions of the 2021 integrated banking credit facility shall be subject to the final approval from each of the banks.

The term of the 2021 integrated banking credit facility shall commence from the date of approval at the AGM and end on the date of approval of the proposal in relation to the application for integrated banking credit facility for the year of 2022 at the 2021 annual general meeting. The Company is not required to provide securities in respect of the 2021 integrated banking credit facility. Any interest accrued on such banking credit facility included in the 2021 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 2021 and thereby authorises the legal representative of the Company or any person authorised by the Legal Representative to complete relevant procedures and sign relevant contracts, vouchers and other legal documents in relation to the abovementioned 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 2021**

In view of the good cooperation with ShineWing CPA, the Board proposes to re-appoint Shine Wing CPA as the Company's auditor for the year of 2021, subject to Shareholders' approval at the AGM.

### **4. AGM**

The notice of the AGM is set out on pages 6 to 7 of this circular. The Company will convene the AGM on Friday, 21 May 2021 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 2021 and re-appointment of the auditor for the year of 2021.

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.

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## LETTER FROM THE BOARD

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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.

### 5. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17 May 2021 to Friday, 21 May 2021, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), for registration no later than 4:30 p.m. on Friday, 14 May 2021. The Company will publish specific announcement on the SZSE setting out details of the eligibility of holders of A Shares to attend the AGM.

### 6. 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.

### 7. 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 2021 and the proposed re-appointment of the auditor for the year of 2021, 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  
31 March 2021

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## NOTICE OF AGM

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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)**

## 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 Friday, 21 May 2021 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 for the year of 2020;
2. To consider and, if thought fit, approve the report of the supervisory committee for the year of 2020;
3. To consider and, if thought fit, approve the annual report and its abstract for the year of 2020;
4. To consider and, if thought fit, approve the profit distribution plan for the year of 2020;
5. To consider and, if thought fit, to approve the remuneration plan of the directors, supervisors and senior management for the year of 2021;
6. To consider and, if thought fit, to approve the proposal regarding the application of integrated banking credit facility;
7. To consider and, if thought fit, approve the proposal regarding the utilisation of idle proprietary capital of the Company for cash management;
8. To consider and, if thought fit, approve the proposal regarding the re-appointment of the auditor for the year of 2021;

\* For identification purpose only



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## NOTICE OF AGM

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

**Shandong Molong Petroleum Machinery Company Limited\***

**Yang Yun Long**

*Chairman*

Shandong, the PRC

31 March 2021

*Notes:*

- (A) The register of members of the Company for H Shares will be closed from Monday, 17 May 2021 to Friday, 21 May 2021, 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, 14 May 2021.

The 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 of Hong Kong Limited 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.