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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)**

## **PROPOSED CHANGE OF REGISTERED ADDRESS AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

This announcement is made by Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) pursuant to the disclosure obligations under Rule 13.51 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors of the Company hereby announces that it is proposed to change the domicile of the Company from “s: No. 999 Wensheng Street, Shouguang City, Shandong Province” to “No. 99 Xingshang Road, Gucheng Street, Shouguang City, Shandong Province” in the light of the actual situation and operational management needs of the Company. [The above proposed change is subject to the approval by the shareholders of the Company of the relevant amendments to the Articles of Association of the Company (the “**Articles of Association**”) and the completion of the relevant industrial and commercial changes].

In addition, in order to further improve the governance of the Company, the Company proposes to make certain amendments to the Articles of Association of the Company in accordance with the relevant provisions of the , the “Reply from the State Council on Adjusting Provisions on Notice Period of General Meeting and Other Relevant Matters Applicable to Overseas Listed Companies” (Guo Han[2019] No.97) (《關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批復》(國函〔2019〕97號)), “the Company Law of the People’s Republic of China” (2018 Revision), the Code of Corporate Governance for Listed Companies (2018 Revision) and the Guidelines for the Articles of Association of Listed Companies (2019 Revision) etc.issued by the China Securities Regulatory Commission. Details of the proposed amendments (the “**Proposed Amendments**”) are as follows:

<b>Article No.</b>	<b>The existing Articles of Association</b>	<b>The amended Articles of Association (showing changes to the existing Articles of Association)</b>
Article 3	<p>Company Address: No. 999 Wensheng Street, Shouguang City, Shandong Province  TEL: +86-536-5101565  Fax: +86-536-5100888  Postal Code: 262700</p>	<p>Company Address: <b>No. 999 Wensheng Street No. 99 Xingshang Road, Gucheng Street, Shouguang City, Shandong Province</b>  TEL: +86-536-5101565  Fax: +86-536-5100888  Postal Code: 2627000</p>
Article 38	<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>.....  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><b>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.</b></p> <p>If the Company acquires its own shares, it shall fulfil its information disclosure obligation as required under the Securities Law.</p>

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><b>(6) Other circumstances as provided by the law, administrative regulations, departmental rules and these Articles.</b></p>
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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>The general meetings are convened at the domicile address of the Company or a place specified in the notice of a general meeting.</p>
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<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</p>	<p>Meeting places will be arranged for the convention of the general meetings. <b>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</b></p>
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meetings when they participate via the above mentioned methods.

**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.

Article  
92

The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:

- (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.

The proxy form shall specify that, in the absence of instructions from the shareholder, the proxy may vote as he thinks fit.

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- (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. ~~The proxy form shall specify that, in the absence of instructions from the shareholder, the proxy may vote as he thinks fit.~~

**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.**

Article  
143

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.

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).

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).

Article  
144

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.

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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).

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.**

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.**

**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.**

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Article  
212

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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.

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.

Article  
231

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

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

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.

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 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

(1) a resolution for dissolution is passed by shareholders' general meeting;

(2) dissolution is necessary due to a merger or division of the Company;

(3) the Company is legally declared insolvent due to its failure to repay debts as they become due; and

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

(1) a resolution for dissolution is passed by shareholders' general meeting;

(2) dissolution is necessary due to a merger or division of the Company;

(3) the Company is legally declared insolvent due to its failure to repay debts as they become due; and



(4) the Company is ordered to close down because of its violation of laws and administrative regulations.

**(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.**

**(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.**

Article  
257

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.

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.

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.

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.



Article  
271

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.

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.

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~~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.~~

**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.**

Save for the Proposed Amendments, contents of other provisions of the Articles of Association remain unchanged. The Proposed Amendments are subject to the approval by the shareholders of the Company by way of a special resolution at an annual general meeting. The resolution to the Proposed Amendments to the Articles of Association will be proposed as a special resolution for consideration at the annual general meeting of the Company scheduled to be held on 19 May 2022 (the “**Annual General Meeting**”).

The Articles of Association are prepared in Chinese with no official English version. Any English translation is for reference only. In the event of any inconsistency, the Chinese version shall prevail.

## **GENERAL**

The Company will convene an Annual General Meeting for the shareholders of the Company to consider and, if thought fit, approve the Proposed Amendments. A circular containing, among others, details of abovementioned proposal and notice of the Annual General Meeting, will be dispatched to the shareholders of the Company in due course.

By order of the Board  
**Shandong Molong Petroleum Machinery Company Limited\***  
**Yang Yun Long**  
*Chairman*

Shandong, the PRC  
30 March 2022

*As at the date of this announcement, the board of directors of the Company comprises the executive Directors, namely Mr. Yang Yun Long, Mr. Yuan Rui, Mr. Li Zhi Xin and Mr. Yao You Ling; the non-executive Directors, namely Mr. Wang Quan Hong and Mr. Liu Ji Lu; and the independent non-executive Directors, namely Mr. Tang Qing Bin, Mr. Song Zhi Wang and Mr. Cai Zhong Jie.*

*\* For identification purposes only*