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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 venture limited by shares incorporated in the People's Republic of China)*

**(Stock Code: 568)**

- (1) UNCOVERED LOSSES EXCEEDING ONE-THIRD OF  
THE TOTAL PAID-UP SHARE CAPITAL**
- (2) PROPOSED APPLICATION FOR THE INTEGRATED BANKING  
CREDIT FACILITIES FOR YEAR 2026**
- (3) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR YEAR 2026**
- (4) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE H SHARES  
AND**
- (5) NOTICE OF AGM**

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Unless the context otherwise requires, capitalized 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 7 of this circular.

The Company will convene the AGM on Tuesday, 30 June 2026 at 2:00 p.m. at the Conference Room at No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China. The notice of the meeting is set out on pages AGM-1 to AGM-3 of this circular.

Shareholders who are entitled to attend and vote at the AGM can appoint one or more proxies to attend and vote on their behalf. 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 forms 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 forms 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 Limited at 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 at the conference room 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 forms will not preclude you from attending and voting in person at the AGM should you so wish.

\* *For identification purposes only*

29 April 2026

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
1. Introduction .....	3
2. Uncovered Losses Exceeding One-third of the Total Paid-up Share Capital .....	4
3. Proposed Application for the Integrated Banking Credit Facilities for Year 2026 .....	4
4. Proposed Re-appointment of the Auditor for Year 2026 .....	4
5. Proposed Grant of General Mandate to Issue H Shares .....	5
6. AGM .....	6
7. Closure of Register of Members .....	7
8. Responsibility Statement .....	7
9. Recommendation .....	7
<b>NOTICE OF AGM</b> .....	AGM-1

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below:*

“A Share(s)”	ordinary domestic share(s) listed on the SZSE with a par value of RMB1.00 per share in the Company’s share capital and traded in RMB
“AGM”	the annual general meeting of the Company to be convened and held at 2:00 p.m. on Tuesday, 30 June 2026, 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”	Shandong Molong Petroleum Machinery Company Limited* (山東墨龍石油機械股份有限公司)
“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	the director(s) of the Company
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the power to allot, issue or otherwise deal with H Shares (including any sale or transfer of treasury shares) of up to a maximum of 20% of the total number of Shares in issue (excluding any treasury shares) as at the date of passing of the relevant resolution granting such mandate
“H Share(s)”	ordinary overseas listed foreign share(s) listed on the Hong Kong Stock Exchange with a par value of RMB1.00 per share in the Company’s share capital and traded in HKD
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Latest Practicable Date”	29 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“PRC”	the People’s Republic of China

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Shares
“SZSE Listing Rules”	the Rules Governing the Listing of Shares on SZSE
“SZSE”	Shenzhen Stock Exchange
“Grant Thornton”	Grant Thornton Zhitong Certified Public Accountants LLP

*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 venture limited by shares incorporated in the People's Republic of China)*

**(Stock Code: 568)**

*Executive Directors:*

Mr. Han Gao Gui (*Chairman*)

Mr. Yuan Rui

Mr. Wang Tao

Mr. Song Guang Jie

*Registered office:*

No. 99 Xingshang Road

Gucheng Street

Shouguang City

Shandong Province

PRC

*Non-Executive Directors:*

Mr. Huang Bing De

Ms. Zhang Min

*Principal Place of business in Hong Kong:*

5/F, Kam Sang Building

257 Des Voeux Road Central

*Independent Non-Executive Directors:*

Mr. Zhang Zhen Quan

Mr. Dong Shao Hua

Mr. Zhang Bing Gang

Sheung Wan

Hong Kong

*To the Shareholders*

Dear Sir/Madam,

- (1) UNCOVERED LOSSES EXCEEDING ONE-THIRD OF  
THE TOTAL PAID-UP SHARE CAPITAL**
- (2) PROPOSED APPLICATION FOR THE INTEGRATED BANKING  
CREDIT FACILITIES FOR YEAR 2026**
- (3) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR YEAR 2026**
- (4) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE H SHARES  
AND**
- (5) 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 relevant resolutions to be proposed at the AGM, including, among others, (1) uncovered losses exceeding one-third of the total paid-up share capital; (2) proposed application for the integrated banking credit facilities for year 2026; (3) proposed re-appointment of the auditor for year 2026; and (4) proposed grant of general mandate. 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.

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## LETTER FROM THE BOARD

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### **2. UNCOVERED LOSSES EXCEEDING ONE-THIRD OF THE TOTAL PAID-UP SHARE CAPITAL**

In the Company's 2025 audited consolidated financial statements, undistributed profits of RMB-1,464.4233 million, uncovered losses of RMB1,464.4233 million and paid-in share capital of RMB797.8484 million were recorded. Therefore, the Company's uncovered loss exceeded one-third of the total paid-up share capital. According to the relevant provisions of the Company Law and the Articles of Association, such matter is required to be proposed at a general meeting of the Company's for consideration and approval.

### **3. PROPOSED APPLICATION FOR THE INTEGRATED BANKING CREDIT FACILITIES FOR YEAR 2026**

The Company proposes to apply to various financial institutions in the PRC (all independent third parties) for integrated banking credit facilities of no more than RMB4.0 billion for the year 2026. The final amount of the integrated banking credit facilities for year 2026 is subject to the total amount approved by each of the banks.

The term of the integrated banking credit facilities for year 2026 shall commence from the date of approval at the AGM and expire on the date on which the annual general meeting for 2026 considers and approves the application for the integrated banking credit facilities for year 2027. The Company is not required to provide any security for the integrated banking credit facilities for year 2026. The interest rate of any similar credit limit within the integrated banking credit facilities for year 2026 shall be subject to the adjustment of the benchmark interest rate promulgated 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 integrated banking credit facilities for the year of 2026 not exceeding RMB4.0 billion from PRC banks and financial institutions and the authorization to the legal representative of the Company or any person authorized by the legal representative to sign, execute and deliver all credit agreements, financing agreements and other documents in relation to the 2026 integrated banking credit facilities and to at 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.

### **4. PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR YEAR 2026**

In view of the productive cooperation with Grant Thornton, the Board proposes to re-appoint Grant Thornton as the Company's auditor for the year 2026, subject to Shareholders' approval at the AGM.

For the audit of the consolidated financial statements of the Group for the financial year ending 31 December 2026, the estimated audit fee payable to Grant Thornton is expected to be RMB1.30 million. The estimated audit fee was determined on a fair and reasonable basis after taking into account factors such as the complexity of the Group's business, the Group's business plans, the expected audit scope, the audit timetable and the resources required.

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## LETTER FROM THE BOARD

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### 5. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE H SHARES

A special resolution will be proposed at the AGM for the grant of the General Mandate to the Directors, on terms as set out in the special resolution in the Notice of AGM, allowing them to exercise all the powers of the Company to issue, allot and deal with additional H Shares (including any sale and transfer of treasury shares) up to a maximum of 20% of the total number of Shares in issue (excluding treasury shares). The General Mandate will authorize the Board to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary, desirable or expedient in connection with the allotment and issue of any new H Shares (including any sale and transfer of treasury shares) pursuant to the exercise of the General Mandate, including but not limited to the followings:

- (i) to make or grant offers or agreements that might or would require H Shares to be issued or other transferable rights to subscribe for or purchase H Shares including but not limited to the creation and issue of warrants, bonds, debentures or other instruments convertible into H Shares;
- (ii) to formulate and implement specific H Shares issue plans when exercising the General Mandate, including but not limited to the pricing methods, the issue price or price range, number of H Shares to be issued, allottees, use of proceeds, time and/or period of issue, and other matters relating to the issue of H Shares;
- (iii) to engage intermediary institutions for matters in relation to the issue of H Shares, and to approve and execute all the acts, deeds, documents and other matters which are necessary, appropriate, desirable or relevant to the issue of H Shares;
- (iv) to consider and approve and to execute, for and on behalf of the Company, agreements relating to the issuance, including but not limited to placement, subscription and/or underwriting agreement and engagement agreements of intermediary institutions;
- (v) to approve, amend and to execute, for and on behalf of the Company, all statutory documents relating to the issuance of H Shares for submission to the relevant regulatory authorities pursuant to all applicable legal and regulatory requirements, and to undertake and complete all relevant procedures, including but not limited to all necessary registration and filing procedures in the PRC and Hong Kong;
- (vi) to amend the Articles of Association as it thinks fit to reflect the new share capital structure upon the allotment or issue of any additional H Shares pursuant to the General Mandate; and
- (vii) to delegate its authority under the General Mandate, including but not limited to the above, to its authorised persons subject to all applicable laws and regulations.

As at the Latest Practicable Date, the total number of Shares in issue of the Company was 797,848,400 comprising 541,722,000 A Shares and 256,126,400 H Shares, and the Company had no treasury shares. Subject to the passing of the special resolution regarding the General Mandate and assuming that no Shares will be issued prior to the AGM, the Company will be allowed under the General Mandate to issue a maximum of 159,569,680 H Shares.

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## LETTER FROM THE BOARD

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The General Mandate shall not extend beyond the Relevant Period (as elaborated below) save that, during the Relevant Period, the Board may make or grant offers, agreements or options with respect to the issue of H Shares which might be required to be carried out or implemented after the end of the Relevant Period. The “Relevant Period” refers to the period commencing from the passing of the special resolution to grant the General Mandate until the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of twelve (12) months following the passing of the special resolution granting the General Mandate; or
- (iii) the date upon which the General Mandate is revoked or varied by a special resolution of the Shareholders in general meeting.

The Board will only exercise the General Mandate in accordance with the Company Law and the Hong Kong Listing Rules and all applicable laws and rules and regulations of any other governmental or regulatory authorities.

### 6. AGM

The Notice of AGM is set out on pages AGM-1 to AGM-3 of this circular. The Company will hold the AGM on Tuesday, 30 June 2026 for the purpose of seeking Shareholders’ approval for the relevant resolutions, including but not limited to the (1) uncovered losses exceeding one-third of the total paid-up share capital; (2) proposed application for the integrated banking credit facilities for year 2026; (3) proposed re-appointment of the auditor for year 2026; and (4) proposed grant of the General Mandate.

If you wish to appoint a proxy to attend the AGM, you must 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 the 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong; (for holders of H Shares), and to the Company’s principal place of business in the PRC at the conference room at No. 999, Wensheng Street, Shouguang City, Shandong Province (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 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.

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## LETTER FROM THE BOARD

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### 7. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 24 June 2026. For determining the entitlement to attend and vote at the AGM (or any adjournment thereof), the record date is fixed on 30 June 2026. The Company will publish specific announcement(s) on the Shenzhen Stock Exchange setting out details of the eligibility of holders of A Shares to attend the AGM.

### 8. 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.

### 9. 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 (1) uncovered losses exceeding one-third of the total paid-up share capital; (2) proposed application for the integrated banking credit facilities for year 2026; (3) proposed re-appointment of the auditor for year 2026; and (4) proposed grant of the General Mandate, 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 AGM.

Yours faithfully,  
**Shandong Molong Petroleum Machinery Company Limited\***  
**Han Gao Gui**  
*Chairman*

Shandong, the PRC, 29 April 2026

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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 venture limited by shares incorporated in the People's Republic of China)*

**(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 Tuesday, 30 June 2026 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 approve the report of the board of directors of the Company for the year ended 31 December 2025.
2. To consider and approve the Company's annual report and its abstract for the year ended 31 December 2025.
3. To consider and approve the plan for profit distribution for 2025.
4. To consider and approve the applications for a maximum of RMB4.0 billion integrated banking credit facilities from PRC banks and other financial institutions (all of them are independent third parties) for the year of 2026 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, financing agreements and other documents in relation to the 2026 integrated banking credit facilities, 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.
5. To consider and approve the resolution in relation to the use of the Company's idle internal funds for cash management.
6. To consider and approve the remuneration plan for directors and senior management for 2026.
7. To consider and approve the proposal in relation to the purchase of liability insurance for directors and senior management.
8. To consider and approve the proposal for uncovered losses exceeding one-third of the total paid-up share capital.

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## NOTICE OF AGM

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9. To consider and approve the re-appointment of Grant Thornton Zhitong Certified Public Accountants LLP as the Company's auditor for the year ending 31 December 2026 and to authorize the board of directors of the Company to fix their remuneration.
10. To consider and approve the resolution in relation to the formulation of the remuneration management system for the directors and senior management of the Company.

### SPECIAL RESOLUTION

11. To consider and approve the grant to the directors of the Company a general mandate (the "**General Mandate**") to allot, issue and deal with additional ordinary overseas listed foreign shares of the Company ("**H Share(s)**") (including sale and transfer of any treasury shares) up to a maximum of 20% of the total number of shares of the Company in issue as at the date of passing this resolution (excluding any treasury shares) for a period from the date of passing of this resolution until the earlier of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of twelve (12) months following the passing of this resolution, or (iii) the date of revocation or variation of the authority given under this resolution by a special resolution made by the shareholders of the Company at a general meeting, and to authorize the directors and their authorized persons to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary or expedient in connection with the allotment and issue of any new H Shares (including any sale and transfer of treasury shares) pursuant to the exercise of the General Mandate, including (but not limited to) to amend the Articles of Association of the Company as it thinks fit to reflect the new share capital structure upon the allotment or issue of any additional H Shares pursuant to the General Mandate.

In addition, in accordance with the SZSE Listing Rules, each independent non-executive director shall report his/her work at the AGM.

By order of the Board  
**Shandong Molong Petroleum Machinery Company Limited\***  
**Han Gao Gui**  
*Chairman*

Shandong, the PRC  
29 April 2026

\* *For identification purposes only*

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## NOTICE OF AGM

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*Notes:*

- (A) The register of members of the Company for H Shares will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026, 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 Wednesday, 24 June 2026. For determining the entitlement to attend and vote at the AGM or any adjournment thereof, the record date is fixed on 30 June 2026.

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

**Tricor Investor Services Limited**  
**17/F, Far East Finance Centre**  
**16 Harcourt Road**  
**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 of 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/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 Shareholder who is a legal person attends the AGM, such legal representative should produce his/her proof of identity and valid documents evidencing his/her capacity as such legal representative. If a Shareholder who is a legal person appoints a representative of a company other than its legal representative to attend the AGM, such representative should produce his/her 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 about one hour. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.