
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this supplemental 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 supplemental 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) PROPOSED ELECTION OF DIRECTORS
AND
(2) SUPPLEMENTAL NOTICE OF THE AGM**

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

This supplemental circular should be read together with the circular of the Company dated 31 March 2023 and the notice dated 31 March 2023 convening the AGM to be convened and held on Friday, 19 May 2023 at 2:00 p.m. at the conference room on the 9/F, Building 19, Enterprise Headquarters Group, Shengcheng Street, Shouguang City, Shandong Province, the People's Republic of China. A supplemental notice of the AGM is set out on pages 8 to 9 of this supplemental circular. A revised proxy form for the AGM (the "**Revised Proxy Form**"), which shall supersede the Original Proxy Form (the form of proxy enclosed with the circular dated and despatched on 31 March 2023), is also enclosed.

This supplemental circular together with the Revised Proxy Form are published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.molonggroup.com/>).

Shareholders who are entitled to attend and vote at the AGM can appoint one or more proxies to attend and vote on their behalf. Whether or not you are able to attend the AGM, please complete and return the enclosed Revised 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 Revised 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 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 9/F, Building 19, Enterprise Headquarters Group, Shengcheng Street, Shouguang City, Shandong Province, the People's Republic of China for taking the poll. Completion and return of the Revised Proxy Form will not preclude you from attending and voting in person at the AGM should you so wish.

28 April 2023

* *For identification purposes only*

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DEFINITIONS

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

“A Share(s)”	ordinary domestic share(s) listed on the Shenzhen Stock Exchange 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 Friday, 19 May 2023, 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
“Circular”	the circular of the Company dated 31 March 2023 and despatched to the Shareholders on the same date
“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)”	director(s) of the Company
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	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”	24 April 2023, that is, the latest practicable date of certain materials contained in this supplemental circular determined before its publication
“Original Proxy Form”	the form of proxy sent together with the Circular

DEFINITIONS

“Original Notice”	the notice of AGM dated 31 March 2023 and despatched to the Shareholders together with the Circular on the same date
“PRC”	the People’s Republic of China, excluding Hong Kong and Macao SARs and Taiwan
“Revised Proxy Form”	the revised form of proxy for the AGM which shall supersede the Original Proxy Form and which is also enclosed to this supplemental circular
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company
“SZSE”	Shenzhen Stock Exchange

For ease of reference, the names of the PRC incorporated companies and entities have been included in this supplemental 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 venture limited by shares incorporated in the People's Republic of China)

(Stock Code: 568)

Executive Directors:

Mr. Yuan Rui (*Chairman*)

Mr. Li Zhi Xin

Mr. Yao You Ling

Registered Office:

No. 99 Xingshang Road

Gucheng Street

Shouguang City

Shandong Province

PRC

Non-Executive Directors:

Mr. Wang Quan Hong

Principal place of business in Hong Kong:

Independent Non-Executive Directors:

Mr. Tang Qing Bin

Mr. Song Zhi Wang

Mr. Cai Zhong Jie

5/F, Kam Sang Building

257 Des Voeux Road Central

Sheung Wan

Hong Kong

To the Shareholders

Dear Sir/Madam,

(1) PROPOSED ELECTION OF DIRECTORS

AND

(2) SUPPLEMENTAL NOTICE OF THE AGM

1. INTRODUCTION

Reference is made to the Circular which contains, inter alia, the Original Notice.

The purpose of this supplemental circular is to give you supplemental notice of the AGM and to provide you with information regarding resolutions on the proposed election of Directors to be proposed at the AGM so that you can vote for or against the resolution at the AGM. This supplemental circular gives all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the additional resolutions to be proposed at the AGM.

2. PROPOSED ELECTION OF DIRECTORS

The Board, upon the nomination of Shouguang Molong Holding Co., Ltd.* (壽光墨龍控股有限公司, a substantial shareholder of the Company) and at the recommendation of the nomination committee of the Company, resolved on the sixth meeting of the seventh session of the Board held on 28 April 2023 to propose the election of Mr. Zhao Xiao Tong as an executive Director of the seventh session of the Board and Ms. Zhang Min as a non-executive Director of the seventh session of the Board for a term commencing from the date of their election at the AGM and ending on the date on which the term of the seventh session of the Board expires (i.e. 25 November 2024).

Biographical details of the above candidates are as follows:

Mr. Zhao Xiao Tong, male, Han ethnicity, born in August 1991, aged 31, is a member of the Communist Party of China, holds a bachelor's degree in economics and obtained the qualification certificate for board secretaries issued by the Shenzhen Stock Exchange in April 2018. He previously worked in Shandong Chenming Paper Holdings Limited* (山東晨鳴紙業集團股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000488 and 200488) and The Stock Exchange of Hong Kong Limited (stock code: 1812), successively as the manager of the securities investment department and securities affairs representative. He served as the Company's securities affairs representative and is currently the deputy general manager and secretary to the Board.

Ms. Zhang Min, female, Han ethnicity, born in August 1991, aged 41, holds a bachelor's degree in economics. She was a director of Shouguang Finance Public Assets Operations Co., Ltd.* (任壽光市金財公有資產經營有限公司) and a director and a supervisor of Shougunag Finance Investment Group Co., Ltd.* (山東壽光金鑫投資發展控股集團有限公司董事). She currently serves as assistance to general manager of Shouguang Finance Investment Group Co., Ltd.* (壽光市金融投資集團有限公司), an executive director of Shouguang Finance Investment Equity Investment Fund Management Co., Ltd.* (壽光市金投股權投資基金管理有限公司), a director of Shandong Global Software Co., Ltd.* (山東環球軟體股份有限公司), a director of Shandong Longxing Plastic Film Technology Co., Ltd.* (山東龍興塑膜科技股份有限公司) and a supervisor of Shouguang Xinjing Tourism Development Co., Ltd.* (壽光市鑫景旅遊發展有限公司)。

The Company will enter into a service contract with the above candidates after the approval of their election by the Shareholders at the AGM. The remuneration of the elected Directors will be determined by the Board at the recommendation of the remuneration committee of the Company with reference to their responsibilities in the Company, experience, qualifications and the prevailing market rate of remuneration. The Company will make further disclosure in the annual report of the Company after the amount of remuneration is determined.

LETTER FROM THE BOARD

Save as disclosed above, as at the Latest Practicable Date, the above-mentioned candidates (i) did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong); (ii) did 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 election of the above candidates that need to be brought to the attention of the Shareholders, and there is no other information which is discloseable under Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

3. THE AGM

Since the Original Notice sent together with the Circular do not contain the additional resolutions as set out in this supplemental circular, a supplemental notice on the AGM is set out on pages 8 to 9 of this supplemental circular. The Company will hold the AGM on Friday, 19 May 2023 for the purpose of seeking Shareholders' approval for the relevant resolutions, including but not limited to the proposal for the election of Directors as well as those resolutions as set out in the Original Notice.

As a result of the additional resolutions proposed subsequent to the despatch of the Original Notice, the Original Proxy Form does not include these additional proposed resolution as contained in this supplemental circular. In this connection, the Revised Proxy Form is enclosed with this supplemental circular.

If you wish to appoint a proxy to attend the AGM, you must complete and return the accompanying Revised Proxy Form in accordance with the instructions printed thereon. The Revised 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 Center, 16 Harcourt Road, Hong Kong; (for holders of H Shares), and to the Company's registered address at the 9/F, Building 19, Corporate Headquarters Group, Shengcheng 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 Revised Proxy Form will not preclude you from attending and voting in person at the AGM should you so wish.

A holder of H Shares who has not yet lodged the Original Proxy Form with the registrar for H Shares of the Company is requested to lodge the Revised Proxy Form if he/she wishes to appoint proxy(ies) to attend the AGM on his/her behalf. In this case, the Original Proxy Form should not be lodged with the registrar for H Shares of the Company.

LETTER FROM THE BOARD

A holder of H Shares who has already lodged the Original Proxy Form with the registrar for H Shares of the Company should note that:

- (i) if no Revised Proxy Form is lodged with the registrar for H Shares of the Company, the Original Proxy Form will be treated as a valid form of proxy lodged by him/her if duly completed. The proxy so appointed by the holder of H Shares shall be required to vote in such manner as he/she may be directed under the Original Proxy Form and, in respect of the resolutions set out in the supplemental notice of the AGM and the Revised Proxy Form, the proxy will be entitled to vote at his/her discretion or to abstain from voting on such resolutions;
- (ii) if the Revised Proxy Form is lodged with the registrar for H Shares of the Company before 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be) (the “**Closing Time**”), the Revised Proxy Form will revoke and supersede the Original Proxy Form previously lodged by him/her. The Revised Proxy Form will be treated as a valid form of proxy lodged by the holder of H Shares if duly completed; and
- (iii) if the Revised Proxy Form is lodged with the registrar for H Shares of the Company after the Closing Time, or if lodged before the Closing Time but is duly completed, the Revised Proxy Form will be deemed invalid. The proxy appointed by him/her under the Original Proxy Form (if duly completed) will also be entitled to vote in the manner as mentioned in (i) above, as if no Revised Proxy Form was lodged with the registrar for H Shares of the Company.

Accordingly, the holders of H Shares are advised to complete carefully and lodge the Revised Proxy Form with the registrar for H Shares of the Company before the Closing Time.

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.

LETTER FROM THE BOARD

4. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 16 May 2023 to Friday, 19 May 2023 (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 Monday, 15 May 2023. 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.

5. RESPONSIBILITY STATEMENT

This supplemental 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 supplemental circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this supplemental 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 all resolutions proposed for consideration and approval by the Shareholders at the AGM 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 to be proposed at the AGM.

Yours faithfully,

Shandong Molong Petroleum Machinery Company Ltd.*

Yuan Rui

Chairman

Shandong, the PRC , 28 April 2023

**For identification purposes only*



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)

SUPPLEMENTAL NOTICE OF AGM

Reference is made to the notice (the “**Notice**”) of the annual general meeting (the “**AGM**”) of Shandong Molong Petroleum Machinery Company Limited* (the “**Company**”) dated 31 March 2023, which states the time and venue of holding the AGM and the resolutions to be proposed at the AGM for shareholders’ approval.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM (the “**AGM**”) of the Company will be convened and held at 2:00 p.m. on Friday, 19 May 2023 at the conference room at the 9/F, Building 19, Enterprise Headquarters Group, Shengcheng Street, Shouguang City, Shandong Province, the People’s Republic of China (the “**PRC**”), to consider and, if thought fit, approve the following resolutions in addition to the resolutions set out in the Notice:

ORDINARY RESOLUTIONS

10. To consider and, if thought fit, approve the resolutions for election of directors:

- (1) To consider, and if thought fit, approve the election of Mr. Zhao Xiao Tong as an executive director of the seventh session of the Board; and
- (2) To consider, and if thought fit, approve the election of Ms. Zhang Min as a non-executive director of the seventh session of the Board.

By order of the Board

Shandong Molong Petroleum Machinery Company Ltd.

Yuan Rui

Chairman

Shandong, the PRC
28 April 2023

SUPPLEMENTAL NOTICE OF THE AGM

Notes:

- (A) The register of members of the Company for H Shares will be closed from Tuesday, 16 May 2023 to Friday, 19 May 2023 (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 Monday, 15 May 2023.

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

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 revised form of proxy (the “**Revised Proxy Form**”) containing the ordinary resolution numbered 10 is enclosed with the supplemental circular of the Company dated 2 May 2023 (the “**Supplemental Circular**”). A Revised Proxy Form is enclosed 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 Revised Proxy Form 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 Revised Proxy Form 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 about one hour. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.

** For identification purposes only*