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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 AMENDMENTS TO ARTICLES OF ASSOCIATION

This announcement is made by Shandong Molong Petroleum Machinery Company Limited (the "**Company**") pursuant to Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In order to improve corporate governance of the Company, according to the relevant legal and regulatory requirements under the "Company Law of the People's Republic of China*" (中華人民共和國公司法), the "Securities Law of the People's Republic of China*" (中華人民共和國證券法), the "Rules Governing Listing of Shares on Shenzhen Stock Exchange*" (深圳證券交易所股票上市規則) and the "Guidelines of the Shenzhen Stock Exchange for Standardized Operation of Listed Companies*" (深圳證券交易所上市公司規範運作指引), the Company proposes to make certain amendments to the articles of association of the Company (the "**Articles of Association**"). Details of the proposed amendments ("**Proposed Amendments**") are as follows:

Article No.	The existing Articles of Association	The amended Articles of Association (showing changes to the existing Articles of Association)
Article 11	The business scope of the Company shall cover the items as approved by the Company registration authority. The Company's main business scope includes: pump, sucker rod, oil pumping machine, oil machinery, textile machinery manufacturing, sales; petroleum machinery and relevant product development; commodity information services (excluding intermediary).	The business scope of the Company shall cover the items as approved by the Company registration authority. The Company's main business scope includes: pump, sucker rod, oil pumping machine, oil machinery, textile machinery, **steel rolling and processing, special equipment, gear and gearbox, oil drilling special equipment, valve and cock, metallurgy special equipment, mechanical parts processing** manufacturing, sales; petroleum machinery and relevant product development; commodity information services (excluding intermediary); **technology promotion services; energy-saving technology promotion services; technology imports and exports; goods imports and exports; inspection services; measurement services. (Project approved by law can only be carried out with the approval of the relevant department, and the validity period shall be subject to the license).** .....
Article 113	Without approval by way of special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, general managers and other senior management members whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.	Without approval by way of special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, general managers and other senior management members whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

Article No.	The existing Articles of Association	The amended Articles of Association (showing changes to the existing Articles of Association)
Article 145	.....	.....
	(10) To appoint or dismiss the general manager of the Company, secretary to the board of directors; appoint or dismiss members of the senior management including the Company's senior managerial officers such as deputy managers and financial controller according to the nomination of the general manager, and determine matters in relation to their remunerations and sanctions; and to appoint, replace or nominate shareholders' representatives, directors and supervisors of controlled subsidiaries and investee subsidiaries;	(10) To appoint or dismiss the general manager of the Company, secretary to the board of directors; appoint or dismiss members of the senior management including the Company's senior managerial officers such as deputy managers and financial controller according to the nomination of the general manager, and determine matters in relation to their remunerations and sanctions; and to appoint, replace or nominate shareholders' representatives, directors and supervisors of controlled subsidiaries and investee subsidiaries;
	.....	.....
	(16) To consider and review the working report and the work of the president of the Company;	(16) To consider and review the working report and the work of the **general manager** of the Company;
	.....	.....
Article 151	Special committees shall be set for the board of directors.	Special committees shall be set for the board of directors.Special committees**, including the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy Committee,** shall be set for the board of directors.
	.....	.....

Article No.	The existing Articles of Association	The amended Articles of Association (showing changes to the existing Articles of Association)
		(IV) Major responsibilities and authorities of the Strategy Committee: **1. Conduct research and make proposals on the strategic planning for long-term development of the Company;** **2. Conduct research and make proposals on major investment and financing plans that require approval from the Board under the Articles of Association;** **3. Conduct research and make proposals on major capital operation and asset management projects that require approval from the Board under the Articles of Association;** **4. Conduct research and make proposals on other major issues affecting the development of the Company, including research and development of major products and technologies of the Company, major business programs or plans, and key strategic cooperation arrangements;** **5. Review the implementation of the above matters;** **6. Other matters delegated by the Board.**

Article No.	The existing Articles of Association	The amended Articles of Association (showing changes to the existing Articles of Association)
Article 172	The scope of work of the manager shall be defined by the manager and such scope of work shall be reported to the board of directors for approval and to be carried out upon approval.	The scope of work of the **general** manager shall be defined by the **general** manager and such scope of work shall be reported to the board of directors for approval and to be carried out upon approval.
Article 173	The scope of work of the manager includes the followings: (1) The conditions, procedures and participants of the manager meeting; (2) The specific duties and each respective division of manager and other senior officers;	The scope of work of the **general** manager includes the followings: (1) The conditions, procedures and participants of the **general** manager meeting; (2) The specific duties and each respective division of **general** manager and other senior officers; .....
Article 174	The manager may resign before expiry of his term of office. The specific procedures and methods for the resignation of the manager shall be specified in the employment contract concluded by the manager and the Company.	The **general** manager may resign before expiry of his term of office. The specific procedures and methods for the resignation of the **general** manager shall be specified in the employment contract concluded by the **general** manager and the Company.

Article No.	The existing Articles of Association	The amended Articles of Association (showing changes to the existing Articles of Association)
Article 187	.....	.....
	(7) To initiate legal proceedings against directors or senior management in accordance with Article 152 of the Company Law;	(7) To initiate legal proceedings against directors or senior management in accordance with Article 15**1**~~2~~ of the Company Law;
	(8) To investigate any irregularities in the operation of the Company and to engage accounting firms, law firms and other professional institutions to assist in the investigation when necessary at the expense of the Company.	(8) To investigate any irregularities in the operation of the Company and to engage accounting firms, law firms and other professional institutions to assist in the investigation when necessary at the expense of the Company**;**~~.~~
		(9) To attend meetings of the Board;
		(10) Other duties and powers required under the Articles of Association or authorized in the general meeting.
Article 188	The procedure of meetings of the supervisory committee shall be as follows: a written notice of meeting shall be given to all supervisors not less than 10 days and not more than 30 days prior to the date of meeting. The quorum for a meeting of supervisors shall be two-thirds or more of the supervisors. Each supervisor shall have one vote.	The procedure of meetings of the supervisory committee shall be as follows: ~~a written notice of meeting shall be given to all supervisors not less than 10 days and not more than 30 days prior to the date of meeting.~~ **For regular meetings and extraordinary meetings of the supervisory committee, a notice of meeting shall be given to all supervisors 10 and 5 days respectively prior to the date of meeting through direct delivery, facsimile, email or other ways.**
	.....	**In the event of emergency requiring convening extraordinary meetings of the supervisory committee, a notice of meeting can be issued through verbal or telephone etc. means, but the convener should make explanations in the meeting.**
		.....

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 extraordinary 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 extraordinary 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 extraordinary general meeting, will be dispatched to the shareholders of the Company in due course.

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

Shandong, the PRC,
8 February 2021

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

* *For identification purposes only*