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This announcement, for which the directors of Shandong Molong Petroleum Machinery Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Shandong Molong Petroleum Machinery Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



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: 8261)

RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 3 OCTOBER 2005

PAYMENT OF INTERIM DIVIDEND

The Board announces that the ordinary resolution as set out below was duly passed at the EGM which was held on 3 October 2005.

The Board also wishes to notify shareholders of the details relating to the payment of the interim dividend.

Ordinary resolution passed at the EGM

The board (the “**Board**”) of directors (the “**Directors**”) of Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) is pleased to announce that at the Extraordinary General Meeting (“**EGM**”) of the Company held on Monday, 3 October 2005 at 10:00 a.m., the resolution regarding the declaration and payment of an interim dividend of RMB2 cents per share in respect of the six months ended 30 June 2005, to shareholders whose names appear on the register of members of the Company on 2 October 2005 was duly passed as an ordinary resolution.

Payment of Interim Dividend

The Board also wishes to notify shareholders that details of the payment of the interim dividend are as follows:

The Company will pay an interim dividend of RMB2 cents per share (inclusive of applicable tax) in respect of the six months ended 30 June 2005. The payment shall be made to shareholders whose names appeared on the register of members of the Company on 2 October 2005. Dividends payable to holders of the Company's H shares will be paid in Hong Kong dollars based on the following formula:

$$\begin{array}{l} \text{Interim dividend per H} \\ \text{share in Hong Kong} \\ \text{dollars} \end{array} = \frac{\text{Interim dividend per share in RMB}}{\text{Average of the closing exchange rates for RMB to Hong} \\ \text{Kong dollars as quoted by The People's Bank of China for} \\ \text{the week immediately preceding the EGM}}$$

The average of the closing exchange rates for RMB to Hong Kong dollars as quoted by The People's Bank of China for the week immediately preceding the EGM is RMB1.0429 to HK\$1.00. Accordingly, the amount of interim dividend payable per H share is HK\$0.0192.

The Company will pay to Bank of China (Hong Kong) Trustees Limited (the “**Receiving Agent**”) the interim dividend declared for payment to H shareholders of the Company. Such interim dividend will be paid by the Receiving Agent and will be mailed by Tricor Investor Services Limited to the holders of H shares who are entitled to receive the same by ordinary post at their own risk on 10 November 2005.

By Order of the Board
Shandong Molong Petroleum Machinery Company Limited
Zhang En Rong
Chairman

Shandong, the PRC, 3 October 2005

As at the date of this announcement, the executive Directors of the Company are Zhang En Rong, Lin Fu Long, Zhang Yun San, Xie Xin Cang; the non-executive Directors are Chen Jian Xiong and Wang Ping; and the independent non-executive Directors are Qin Xue Chang, Yan Yi Zhuang and Loke Yu alias Loke Hoi Lam.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.