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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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) will be held at 3:00 p.m. on Monday, 28 November 2005 at No. 99 Beihai Road, Shouguang City, Shandong Province, The People’s Republic of China, for the purpose of considering and, if thought fit, approving the following ordinary resolutions:

1. **“THAT** a conditional agreement (the “**Oil Well Pipe and Casing Billets Supply Agreement**”) entered into between the Company and 威海寶隆石油專材有限公司 (Weihai Baolong Special Petroleum Company Limited) (“**Weihai Baolong**”) on 22 September 2005 in relation to the supply of oil well pipe and casing billets to the Company by Weihai Baolong for a term from 28 November 2005 to 31 December 2007, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and any director of the Company be and is hereby authorized to execute the Oil Well Pipe and Casing Billets Supply Agreement and do such other acts and things and execute such other documents which in his opinion may be necessary or desirable to implement the Oil Well Pipe and Casing Billets Supply Agreement for and on behalf of the Company.”
2. **“THAT** a conditional agreement (the “**Metallurgy Accessories Supply Agreement**”) entered into between the Company and 壽光墨龍機電設備有限公司 (Shouguang Molong Electro-mechanical Equipment Company Limited) (“**Molong Equipment**”) on 22 September 2005 in relation to the supply of metallurgy accessories to the Company by Molong Equipment for a term from 28 November 2005 to 31 December 2007, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder, be and are

hereby approved, confirmed and ratified; and any director of the Company be and is hereby authorized to execute the Metallurgy Accessories Supply Agreement and do such other acts and things and execute such other documents which in his opinion may be necessary or desirable to implement the Metallurgy Accessories Supply Agreement for and on behalf of the Company.”

3. **“THAT** a conditional agreement (the **“Scrap and Used Metals Supply Agreement”**) entered into between the Company and Molong Equipment on 22 September 2005 in relation to the supply of scrap and used metals by the Company to Molong Equipment for a term from 28 November 2005 to 31 December 2007, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and any director of the Company be and is hereby authorized to execute the Scrap and Used Metals Supply Agreement and do such other acts and things and execute such other documents which in his opinion may be necessary or desirable to implement the Scrap and Used Metals Supply Agreement for and on behalf of the Company.”
4. **“THAT** a conditional agreement (the **“Machinery Accessories Supply Agreement”**) entered into between the Company and Molong Equipment on 22 September 2005 in relation to the supply of machinery accessories to the Company by Molong Equipment with effect from 28 November 2005 and the connected transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and any director of the Company be and is hereby authorized to execute the Machinery Accessories Supply Agreement and do such other acts and things and execute such other documents which in his opinion may be necessary or desirable to implement the Machinery Accessories Supply Agreement for and on behalf of the Company.”

By Order of the Board
**Shandong Molong Petroleum Machinery
Company Limited**
Chan Wing Nang, Billy
Company Secretary

7 October 2005
Shandong
The People’s Republic of China

Notes:

- (A) The H Share register of the Company will be closed from 28 October 2005 to 28 November 2005 (both days inclusive), during which no transfer of H Shares will be effected. Any holders of H Shares of the Company, whose names appear on the Company’s register of members at the close of business on 27 October 2005, are entitled to attend and vote at the EGM after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the EGM, share transfer documents should be lodged with the Company’s H share registrar not later than 4:00 p.m. on 27 October 2005.

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

Ground Floor,
Bank of East Asia Harbour View Centre
56 Gloucester Road
Hong Kong

- (B) Holders of H Shares and Domestic Shares, who intend to attend the EGM, must complete the reply slips for attending the EGM and return them to the registered office of the Company not later than 20 days before the date of the EGM, i.e. no later than 8 November 2005.

Details of the registered office of the Company are as follows:

No.99 Beihai Road
Shouguang City
Shandong Province
The People's Republic of China

- (C) Each holder of H Shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the EGM. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- (D) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.
- (E) To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Shares share registrar, Tricor Investor Services Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Hong Kong, not less than 24 hours before the time for holding the EGM or any adjournment thereof in order for such documents to be valid.
- (F) Each holder of Domestic Shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on its behalf at the EGM. Notes (C) to (D) also apply to holders of Domestic Shares, except that the proxy form or other documents of authority must be delivered to the Office of the Secretary to the Board of Directors, the address of which is set out in Note (B) above, not less than 24 hours before the time for holding the EGM or any adjournment thereof in order for such documents to be valid.
- (G) If a proxy attends the EGM on behalf of a shareholder, he should produce his ID card 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 share shareholder attends the EGM, such legal representative should produce his/her ID card and valid documents evidencing his capacity as such legal representative. If a legal person share shareholder appoints a representative of a company other than its legal representative to attend the EGM, such representative should produce his ID card and an authorization instrument affixed with the seal of the legal person share shareholder and duly signed by its legal representative.
- (H) The EGM is expected to last for half a day. Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.

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.

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