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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 (“GEM”) of the Stock Exchange for the purpose of giving information with regard to Shandong Molong Petroleum Machinery Company Limited. The directors of Shandong Molong Petroleum Machinery Company Limited, 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 CLASS MEETING OF THE HOLDERS OF THE H SHARES

NOTICE IS HEREBY GIVEN that a class meeting of holders the Domestic Shares of Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) will be convened and held at 11:00 a.m. (or immediately after the class meeting of the holders of H Shares in the Company to be convened and held on the same date and at the same place) on Friday, 30 December 2005 at No. 99 Beihai Road, Shouguang City, Shandong Province, the People’s Republic of China (the “**PRC**”), for the purpose of considering and, if thought fit, approving the following special resolution:

“THAT:

- (a) the proposed listing of the H shares (the “**H Shares**”) of the Company on the Main Board (the “**Main Board**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Main Board Migration**”) and subject to the completion of the Main Board Migration, the proposed voluntary withdrawal of the listing of the H Shares from the Growth Enterprise Market of the Stock Exchange (the “**Voluntary Withdrawal**”) be and are hereby approved; and

- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to do such other acts and things, enter into all such transactions and arrangements, execute such other documents and/or deeds and/or take all such steps, which in their opinion may be necessary, desirable or are expedient to implement the Main Board Migration and/or the Voluntary Withdrawal, and the transactions contemplated thereunder, with such changes as the Directors may consider necessary desirable or expedient, which include but are not limited to:
- (i) setting up a board committee comprising of any two Directors to handle and decide on matters relating to the Main Board Migration and/or the Voluntary Withdrawal; and
 - (ii) attending to and handling all other necessary procedures and registrations relating to or as a result of the Main Board Migration and/or the Voluntary Withdrawal.”

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

14 November 2005
Shandong, the PRC

Notes:

- (i) A shareholder who has the right to attend and vote at the class meeting of the holders of the Domestic Shares is entitled to appoint one proxy (or more) in writing to attend the meeting and vote on his behalf in accordance with the Company’s Articles of Association. The proxy need not be a shareholder of the Company. Enclosed herewith a form of proxy for use in the meeting. In the case of joint registered holders, the proxy form may be signed by any joint registered holder. In the case that more than one of such joint registered holders is present at any meeting personally or by proxy, then one of such joint registered holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (ii) To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or certified by a notary or an official copy of that power of attorney or authority, must be delivered at the Company’s principal place of business at No.99 Beihai Road, Shouguang City, Shandong Province, PRC not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof in order for such documents to be valid.
- (iii) Shareholders and their proxies attending the class meeting of the holders of the Domestic Shares shall produce their proof of identification.
- (iv) The register of holders of the Domestic Shares will be closed from 30 November 2005 (Wednesday) to 30 December 2005 (Friday), both days inclusive, during which no transfer of shares will be effected. In order to be eligible to attend the meeting and to vote thereat as shareholders, all transfers of shares together with the relevant share certificates must be delivered at the Company’s principal place of business at No. 99 Beihai Road, Shouguang City, Shandong Province, PRC, no later than 4:00 p.m. on 29 November 2005 (Tuesday).

- (v) The holders of the Company's Domestic Shares who intend to attend the meeting should return the reply slip to Company's registered address at No. 99 Beihai Road, Shouguang City, Shandong Province, PRC no later than 10 December 2005 (Saturday) by hand, by post, by telegraph or by fax to 86-536-5100888.
- (vi) The meeting is expected not to exceed half a day, and all shareholders and proxies shall be responsible for their own travelling and accommodation expenses.
- (vii) Pursuant to Article 77 of the Company's Articles of Association, a poll may be demanded by the following persons:

“At any general meeting of shareholders, a resolution shall be decided on a show of hands unless a poll is demanded before or after any vote by show of hands by:

- (1) the chairman of the meeting;
- (2) at least two shareholders, who possess the right to vote, present in person or by proxy; or
- (3) any shareholder or shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all shareholders having the right to attend and vote at the meeting.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution, that the resolution has been carried.

A demand for a poll may be withdrawn by the person who made the demand.”

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Zhang En Rong
Mr. Zhang Yun San
Mr. Lin Fu Long
Mr. Xie Xin Cang

Non-executive Directors:

Mr. Chen Jian Xiong
Mr. Wang Ping

Independent Non-executive Directors:

Mr. Qin Xue Chang
Mr. Yan Yi Zhuang
Mr. Loke Yu alias Loke Hoi Lam

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** For identification purpose only*