Shandong Molong Petroleum Machinery Company Limited

Rules of Procedure for shareholders' meeting

Chapter 1 General Rules

Article 1 In order to safeguard the legitimate rights and interests of Shandong Molong Petroleum Machinery Company Limited. (hereinafter referred to as the "Company") and its shareholders, clarify the duties and authorities of the shareholders' meeting, and ensure that the shareholders' meeting exercises its powers in accordance with the law and practices, in accordance with the Company Law of the People 's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People' s Republic of China (hereinafter referred to as the "Securities Law"), the Rules of the Shareholders' Meetings of Listed Companies (hereinafter referred to as the "Shareholders' Meeting Rules"), the Code of Corporate Governance for Listed Companies the Rules Governing the Listing of Stocks of the Shenzhen Stock Exchange (hereinafter referred to as the "Listing Rules") and Guidelines for the Standard Operation of Companies Listed on the Shenzhen Stock Exchange No. 1 - Standardized Operations of Main Board Listed Companies, the Articles of Association of Shandong Molong Petroleum Machinery Company Limited (hereinafter referred to as the "Articles of Association") and relevant national regulations.

Article 2 The Company shall convene shareholders' meetings in strict accordance with the relevant provisions of laws, administrative regulations, the Articles of Association and these Rules to ensure that shareholders can exercise their rights in accordance with the law.

The board of directors of the Company shall perform its duties earnestly and organize the shareholders' meeting carefully and on time. All directors of the Company shall be diligent and responsible to ensure the normal convening of the shareholders' meeting and the exercise of powers in accordance with the law.

Article 3 The shareholders' meeting shall exercise its powers within the scope prescribed by the Company Law and the Articles of Association.

Article 4 Shareholders (including their proxies) shall attend the shareholders' meeting and shall be entitled by law to the right to be informed, the right to speak, the right to question and the right to vote.

Article 5 When the Company convenes a shareholders' meeting, it shall engage a lawyer to issue legal opinions on the following issues and make an announcement:

(1) Whether the convening and holding procedures of the meeting comply with the provisions of laws, administrative regulations and the Company's Articles of Association;

(2) Whether the qualifications of the attendees and the convener are legal and valid;

(3) Whether the voting procedures and results of the meeting are legal and valid;

(4) Legal opinions on other relevant issues as requested by the Company.

Chapter II Nature and Powers of the Shareholders' meeting

Article 6 According to the Company Law and the Articles of Association, the shareholders' meeting is the highest authority of the Company and exercises the following powers in accordance with the law:

(1) To elect and replace directors and to decide on matters concerning the remuneration of directors;

(2) Review and approve the report of the board of directors;

(3) Review and approve the Company's profit distribution plan and loss recovery plan;

(4) Make resolutions on increasing or decreasing the registered capital of the Company;

(5) Make resolutions on the issuance of corporate bonds;

(6) Make resolutions on the merger, division, dissolution, liquidation or change of form of the Company;

(7) Amend the Articles of Association;

(8) Make resolutions on the engagement and dismissal of accounting firms undertaking the Company's audit business;

(9) Review and approve the guarantee matters as stipulated in Article 7 of these Rules;

(10) Review matters where the purchase or sale of major assets by the Company within one year exceeds 30 percent of the Company's most recent audited total assets;

(11) Review and approve matters concerning changes in the use of raised funds;

(12) Review equity incentive plans and employee stock ownership plans;

(13) Review other matters that shall be decided by the shareholders' meeting as prescribed by laws, administrative regulations, departmental rules or the Articles of Association.

The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

The Company may, by resolution of the shareholders' meeting or by resolution of the board of directors authorized by the shareholders' meeting, issue stocks and corporate bonds convertible into stocks. The specific implementation shall comply with laws, administrative regulations, the provisions of the China Securities Regulatory Commission and the stock exchange.

Unless otherwise provided by laws, administrative regulations, the China Securities Regulatory Commission or the securities regulatory rules of the place where the Company 's shares are listed, the powers of the above-mentioned shareholders' meeting shall not be exercised by the board of directors or any other institution or individual through authorization.

Article 7 The guarantee provided by the Company shall, in addition to being approved by more than half of all directors, also be approved and resolved by more than two-thirds of the directors present at the board meeting and disclosed in a timely manner.

Where the guarantee provided by the Company falls under any of the following circumstances, it shall also be submitted to the shareholders' meeting for review after being approved by the board of directors:

(1) Any guarantee provided after the total amount of external guarantees provided by the Company and its wholly-owned subsidiaries exceeds 50 percent of the most recent audited net assets;

(2) Any guarantee provided by the Company after the total amount of external guarantees exceeds 30 percent of the most recent audited total assets;

(3) Guarantees provided by the Company to others within one year for an amount exceeding 30 percent of the Company 's most recent audited total assets;

(4) Guarantees provided for objects with a debt-to-asset ratio exceeding 70 percent;

(5) Guarantees with a single guarantee amount exceeding 10 percent of the latest audited net assets;

(6) Guarantees provided to shareholders, actual controllers and their related parties;

(7) Other circumstances as stipulated in the securities regulatory rules of the place where the Company 's shares are listed or in the Company' s Articles of Association.

When the shareholders' meeting of the Company deliberates on the guarantee matters referred to in Paragraph 3 of the preceding paragraph, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting deliberates on a proposal to provide security for a shareholder, the actual controller and their related parties, the shareholder or the shareholder under the control of the actual controller shall abstain from voting, and the vote shall be passed by more than half of the voting rights held by the other shareholders present at the shareholders' meeting.

Directors and senior management of the Company shall be held accountable if they fail to enter into an external guarantee contract in accordance with the approval authority and review procedures for external guarantees of the Company and cause damage to the Company. Directors who are responsible for making decisions on non-compliant or obviously inappropriate external guarantees shall bear joint and several liability for the losses caused to the Company by such guarantees.

Chapter III Procedures for convening a shareholders' meeting

Section 1 Ways to convene a shareholders' meeting

Article 8 Shareholders' meetings are divided into annual and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year. An extraordinary shareholders' meeting shall be convened within two months in the event of circumstances under Article 113 of the Company Law where an extraordinary shareholders' meeting shall be convened.

Article 9 Where any of the following circumstances occurs, the Company shall convene an extraordinary shareholders' meeting within two months from the date of occurrence of the fact:

(1) Where the number of directors is less than two-thirds of the number stipulated in the Company Law or in the Articles of Association;

(2) When the Company's unremedied losses account for one-third of its total share capital;

(3) At the request of shareholders who hold 10 percent or more of the Company's shares either individually or collectively;

(4) Where the board deems it necessary;

(5) When the Audit Committee proposes so;

(6) Other circumstances as prescribed by laws, administrative regulations, departmental rules or the Company's Articles of Association.

Article 10 The place where the shareholders' meeting of the Company shall be held shall be the domicile of the Company or the place specified in the notice of the shareholders' meeting of the Company.

The shareholders' meeting shall be held in the form of an on-site meeting or by electronic communication concurrently. The time and place of the on-site meeting should be convenient for shareholders to attend. After the notice of the shareholders' meeting is given, the venue of the shareholders' meeting shall not be changed without justifiable reasons. If a change is necessary, the convener shall make an announcement at least two working days before the on-site meeting and explain the specific reasons. The Company will also provide online voting to provide convenience to shareholders. Shareholders who attend the shareholders' meeting by the above-mentioned means shall be deemed to be present.

Section 2 Convening of the shareholders' meeting

Article 11 The board of directors shall convene the shareholders' meeting on time within the prescribed period.

Article 12 With the consent of no less than half of all independent directors, an independent director shall have the right to propose to the board of directors to convene an extraordinary shareholders' meeting. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback within ten days after receiving the proposal to convene an extraordinary shareholders' meeting, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting. If the board agrees to convene an extraordinary shareholders' meeting, it shall give notice of the convening of the shareholders' meeting within five days after making the board resolution; If the board does not agree to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

Article 13 If the Audit Committee proposes to the board of directors to convene an extraordinary shareholders' meeting, it shall submit a written proposal to the board of directors. The board shall, in accordance with laws, administrative regulations and the Company 's Articles of Association, provide written feedback within ten days of receipt of the proposal indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the board agrees to convene an extraordinary shareholders' meeting, it shall give notice of convening the shareholders' meeting within five days after making the

board resolution, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board does not agree to convene an extraordinary shareholders' meeting or fails to give feedback within ten days of receiving the proposal, it shall be deemed that the board is unable to perform or does not perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Article 14 Shareholders who hold 10 percent or more of the Company 's shares, either individually or collectively, shall request the board of directors to convene an extraordinary shareholders' meeting in writing. The board shall, in accordance with laws, administrative regulations and the Company 's Articles of Association, provide written feedback within ten days of receipt of the request indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the board agrees to convene an extraordinary shareholders' meeting, it shall give notice of convening the shareholders' meeting within five days after making the board resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not consent to the convening of an extraordinary shareholders' meeting, or fails to give feedback within ten days of receipt of the request, shareholders holding 10 percent or more of the Company 's shares, either individually or collectively, who propose to the Audit Committee to convene an extraordinary shareholders' meeting shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall give notice of convening the shareholders' meeting within five days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to give notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting. Shareholders who have held, individually or collectively, 10 percent or more of the Company 's shares (including preferred shares with restored voting rights, etc.) for more than 90 consecutive days may convene and preside over the shareholders' meeting on their own.

Article 15 Where the Audit Committee or a shareholder decides to convene a shareholders' meeting on his own, he shall notify the board of directors in writing and file with the stock exchange.

The Audit Committee or the convening shareholders shall, at the time of issuing the notice of the shareholders' meeting and the announcement of the resolution of the shareholders' meeting, submit relevant supporting materials to the stock exchange.

Before the announcement of the resolution of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than ten percent.

Article 16 The board of directors and the secretary of the board of directors shall cooperate for a shareholders' meeting convened by the Audit Committee or by shareholders themselves. The board shall provide a register of shareholders as of the record date. If the board fails to provide the register of shareholders, the convener may apply to the securities registrar and settlement authority for it with the relevant announcement of the notice of convening the shareholders' meeting. The register of shareholders obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.

Article 17 The expenses of a shareholders' meeting convened by the Audit Committee or by shareholders themselves shall be borne by the Company.

Section 3 Preparation of the shareholders' meeting and documents

Article 18 The preparation of the shareholders' meeting shall be carried out under the leadership of the convener, with the responsibility of the secretary of the board of directors and the organization of relevant departments of the Company. The time and place of the shareholders' meeting should be chosen to allow as many shareholders as possible to attend the meeting, and the proportion of shareholders' participation in the shareholders' meeting should be increased through various means and channels, including the full use of modern information technology.

Article 19 The preparation of the shareholders' meeting documents shall be carried out under the leadership of the convener, by the secretary of the board of directors, organized by the relevant personnel of the Company, and delivered to the shareholders or their representatives and directors and senior management before the shareholders' meeting is held.

Section 4 Notice of the shareholders' meeting

Article 20 The convener shall notify shareholders by public notice twenty-one days before the annual general meeting and by public notice fifteen days before the extraordinary general meeting.

The notice of the shareholders' meeting shall include the following:

(1) The time, place and duration of the meeting;

(2) Matters and proposals to be submitted for consideration at the meeting;

(3) Clearly stating in writing that all common shareholders are entitled to attend the shareholders' meeting and may appoint in writing an agent to attend the meeting and vote, and the agent must not be a shareholder of the Company;

(4) The record date of the shareholders entitled to attend the shareholders' meeting;

(5) Name and telephone number of the permanent contact person for the meeting affairs;

(6) Time and procedure for voting through the Internet or other means.

The start time of online or other means of voting at the shareholders' meeting shall not be earlier than 3:00 p.m. on the day before the on-site shareholders' meeting and shall not be later than 9:30 a.m. on the day of the on-site shareholders' meeting. The end time shall not be earlier than 3:00 p.m. on the day when the on-site shareholders' meeting ends.

There shall be no more than seven working days between the record date and the date of the meeting.

Article 22 The record date determined in the notice of the shareholders' meeting shall not be changed once confirmed.

Article 23 The notice of the shareholders' meeting and the supplementary notice shall fully and completely disclose the specific contents of all resolutions, as well as all information or explanations necessary for shareholders to make reasonable judgments on the matters to be discussed. Where the matter to be discussed requires the opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed simultaneously when the notice of the shareholders' meeting or the supplementary notice is issued.

Article 24 Where the shareholders' meeting intends to discuss the election of directors, the notice of the shareholders' meeting shall fully disclose the detailed information of the director candidates, including at least the following:

(1) Personal information such as educational background, work experience, part-time positions, etc.

(2) Relationship with the Company or its controlling shareholders and actual controllers;

(3) The number of shares held in the Company;

(4) Whether they have been subject to punishment by the China Securities Regulatory Commission and other relevant authorities and disciplinary actions by the stock exchange.

Except for the election of directors by cumulative voting system, each director candidate shall be presented as a single proposal.

Article 25 After the notice of the shareholders' meeting has been issued, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the resolutions listed in the notice shall not be cancelled. In the event of a postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the originally scheduled convening date.

If the shareholders' meeting is postponed, the record date shall not be changed and shall remain the date determined in the original notice of the shareholders' meeting, and the postponed date of the on-site meeting shall still be subject to the rule

that there shall be no more than seven working days between the postponed date and the record date.

Section 5 Contents of the shareholders' meeting and proposals

Article 26 Proposals of the shareholders' meeting shall fall within the authority of the shareholders' meeting, have clear topics and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association of the Company.

Article 27 When the Company convenes a shareholders' meeting, the board of directors, the Audit Committee and shareholders who hold one percent or more of the Company 's shares either individually or collectively shall have the right to make proposals to the Company.

Shareholders who hold one percent or more of the Company 's shares may submit provisional proposals in writing to the convener ten days before the shareholders' meeting. The convener shall, within two days of receiving the proposal, issue a supplementary notice to the shareholders' meeting, announce the content of the provisional proposal, and submit the provisional proposal to the shareholders' meeting for deliberation. Except where the provisional proposal contravenes laws, administrative regulations or Articles of Association, or is not within the purview of the shareholders' meeting. The Company may not increase the shareholding ratio of the shareholder who put forward the provisional proposal.

Except as provided in the preceding paragraph, after the convener issues the notice of the shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

Proposals not listed in the notice of the shareholders' meeting or not in compliance with Article 26 of these Rules shall not be voted on and resolved by the shareholders' meeting.

Article 28 Proposals concerning investment, property disposal, and mergers and acquisitions shall provide a detailed account of the matter, including: the amount involved, the price (or valuation method), the book value of the assets, the impact on the Company, the approval status, whether related transactions are involved, etc.

Article 29 The list of candidates for directors shall be submitted to the shareholders' meeting for voting in the form of proposals.

When the shareholders' meeting votes on the election of directors, the cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolution of the shareholders' meeting.

Where the shareholders' meeting of the company elects more than two independent directors, the cumulative voting system shall be implemented.

Cumulative voting shall be implemented when a single shareholder and his or her concerted parties have an interest in 30 percent or more of the shares.

The cumulative voting system referred to above means that when a shareholders' meeting elects directors, each share has the same number of voting rights as the number of directors to be elected, and the voting rights held by shareholders can be concentrated. The board shall make public to shareholders the resumes and basic information of the candidate directors.

The methods and procedures for nominating directors are:

(1) The board of directors and shareholders who hold one percent or more of the Company's shares, either individually or collectively, are entitled to nominate non-independent directors. Candidates for non-independent directors shall make a written commitment before the shareholders' meeting to accept the nomination. (Except for employee representative directors);

(2) Employee representative directors shall be democratically nominated and elected by the employees of the Company through the employee representative assembly, the employee assembly or other forms;

(3) The board of directors and shareholders who hold one percent or more of the Company's shares, either individually or collectively, have the right to nominate independent directors. Investor protection institutions established in accordance with the law may publicly request shareholders to entrust them to exercise the right to nominate independent directors on their behalf.

Nominators may not nominate persons with whom they have an interest or other closely related persons who may affect the performance of independent duties as candidates for independent directors. A nominator for an independent director shall obtain the consent of the nominee before making the nomination. The nominator of an independent director shall be fully informed of the nominee's occupation, educational background, title, detailed work experience, all part-time positions, whether there is any record of major bad faith, and other information that should be disclosed in accordance with the Articles of Association, and shall express opinions on the nominee's eligibility for independence and other conditions for serving as an independent director. The nominee shall make a public statement regarding his or her eligibility for independence and other conditions to serve as an independent director.

Article 30 The board shall provide each attending shareholder (or shareholder representative), director and other senior management with a set of documents including the meeting agenda, meeting resolutions, relevant background information and voting ballots for the matters to be considered at the shareholders' meeting, to ensure that the attendees can understand the content under consideration and make accurate judgments. Where a proposing shareholder convenes a shareholders' meeting on his own, the proposing shareholder shall provide the documents and materials as required above.

Section 6 Attendance and Registration of the shareholders' meeting

Article 31 All shareholders or their agents who are registered on the record date shall be entitled to attend the shareholders' meeting, and the Company and the convener shall not refuse for any reason. Shareholders who attend the shareholders' meeting shall have one vote for each share they hold. Shares of the Company held by the Company have no voting rights.

Shareholders may attend the shareholders' meeting in person or by proxy.

Article 32 Where an individual shareholder attends the meeting in person, he or she shall present his or her identity card or other valid documents or certificates that can identify his or her identity. He who attends the meeting on behalf of others shall present his valid identification document and the power of attorney of the shareholder.

Corporate shareholders shall be represented by the legal representative or an agent or authorized representative entrusted by the legal representative. If the legal representative attends the meeting, he/she shall present his/her identity card and valid proof of his/her status as the legal representative; If an agent or authorized representative attends the meeting, the agent or authorized representative shall present his/her identity card and a written power of attorney issued by the legal representative or authorized person of the legal person shareholder unit in accordance with the law.

If the shareholder is an approved clearing house or its agent as defined by the laws of Hong Kong (hereinafter referred to as the "approved clearing house"), the shareholder may authorize one or more persons whom he deems appropriate to represent him at any ; However, if more than one person is authorized, the power of attorney shall specify the number and type of shares involved for each of those persons under such authorization. A person authorized in this way may exercise rights (including the right to speak and vote) on behalf of the recognized clearing house as if he were an individual shareholder of the Company.

Article 33 A power of attorney issued by a shareholder on behalf of another person to attend the shareholders' meeting shall set forth the following:

(1) The name or title of the principal, quantity of shares held in the Company;

(2) The name or title of the agent;

(3) Specific instructions from shareholders, including instructions to vote in favor of, against or abstain from each item on the agenda of the shareholders' meeting;

(4) The date of issuance and validity period of the proxy;

(5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate entity shall be affixed.

Where a proxy voting power of attorney is authorized by the principal to be signed by another person, the power of attorney or other authorization document that

authorizes the signing shall be notarized. The notarized power of attorney or other authorization document, along with the proxy voting power of attorney, shall be kept at the Company 's domicile or at any other place specified in the notice of convening the meeting.

Article 34 The register of attendees shall be prepared by the Company. The register shall contain the names (or names of entities) of the participants, their identification numbers, the number of voting shares they hold or represent, and the names (or names of entities) of the principal.

Article 35 The convener and the lawyer shall jointly verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities registration and settlement institution, and register the names or designations of the shareholders and the number of voting shares they hold. The registration of the meeting shall be terminated until the chairperson announces the number of shareholders and proxies present at the meeting and the total number of voting shares they hold.

Article 36 Where the shareholders' meeting requires directors and senior management to attend the meeting as non-voting participants, such directors and senior management shall attend and be subject to shareholders' inquiries.

Section 7 Convening of the shareholders' meeting

Article 37 Where the shareholders' meeting of the Company is held by means of the Internet or otherwise, the time and procedure for voting by means of the Internet or otherwise shall be clearly stated in the notice of the shareholders' meeting.

Article 38 The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' meeting. For acts that interfere with the shareholders' meeting, cause trouble and infringe upon the legitimate rights and interests of shareholders, measures shall be taken to stop them and they shall be reported to the relevant authorities in a timely manner for investigation and handling.

Section 8 Procedures for Deliberation and Voting at the Shareholders' Meeting

Article 39 The shareholders' meeting shall be presided over by the chairman of the board. Where the chairman is unable to perform his duties or fails to perform his duties, the meeting shall be presided over by the vice chairman. Where the vice

chairman is unable to perform his duties or fails to perform his duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

A shareholders' meeting convened by the Audit Committee itself shall be chaired by the convener of the Audit Committee. When the convener of the Audit Committee is unable to perform his duties or fails to perform his duties, he shall be presided over by one of the members of the Audit Committee who are jointly elected by more than half of the members of the Audit Committee.

A shareholders' meeting convened by shareholders themselves shall be presided over by the convener or the representative elected by him.

If the chairperson of the shareholders' meeting violates the Articles of Association or these Rules and makes it impossible for the shareholders' meeting to proceed, with the consent of more than half of the shareholders with voting rights present at the shareholders' meeting, the shareholders' meeting may elect one person to be the chairperson and continue the meeting.

Article 40 Unless there is a major , the chairperson of the meeting shall declare the meeting at the scheduled time.

Article 41 The chairperson of the meeting shall announce the number of shareholders and their proxies present at the meeting and the total number of shares with voting rights they hold before the vote. The number of shareholders and their proxies present at the meeting and the total number of shares with voting rights they hold shall be subject to the registration of the meeting.

Article 42 Under the chairmanship of the chairperson, the meeting shall be conducted item by item in the order of the topics and proposals included in the agenda. For items included in the agenda, the chairperson may, depending on the circumstances, adopt the method of reporting first, deliberating and voting in a centralized manner, or for more complex items, adopt the method of reporting, deliberating and voting one by one. The shareholders' meeting should give each topic reasonable time for discussion.

Article 43 At the annual general meeting, the board of directors shall report to the shareholders on its work for the past year. Each of the independent directors shall also make a report.

Article 44 Directors and senior management shall explain and clarify the inquiries and suggestions of shareholders at the shareholders' meeting.

Article 45 Shareholders may raise questions and suggestions regarding the content of the motion, and directors or senior management present shall explain or explain the questions and suggestions of shareholders. In any of the following circumstances, the chairperson may refuse to answer the question but shall explain the reasons to the questioner:

(1) The question is not related to the topic;

(2) The question is subject to investigation;

(3) Involving the Company's trade secrets that cannot be disclosed at the shareholders' meeting;

(4) Answering questions would significantly harm the common interests of shareholders;

(5) Other significant matters.

Article 46 When the shareholders' meeting deliberates on matters related to related-party transactions, related-party shareholders shall abstain from voting, and the number of voting shares they represent shall not be included in the total number of valid votes. The announcement of the resolution of the shareholders' meeting shall fully disclose the voting situation of non-related shareholders.

If, under any applicable law or regulation, any shareholder is required to abstain from voting on any particular resolution or to vote only for or against any particular resolution, any vote cast by that shareholder or on behalf of that shareholder in violation of that requirement or restriction will not be counted in the voting rights.

The recusal and voting procedures for related shareholders are as follows:

(1) If the matters under consideration at the shareholders' meeting are related to a shareholder, the shareholder shall explain the related relationship to the board of directors of the Company before the shareholders' meeting is held and voluntarily apply for recusal;

(2) When the shareholders' meeting deliberates on matters related to related transactions, the chairperson of the meeting announces the shareholders with related relationships and explains and clarifies the related relationships between the related shareholders and the related transaction matters;

(3) When the shareholders' meeting votes on related transactions, related shareholders shall recuse themselves, and related transactions shall be deliberated and voted on by non-related shareholders present at the meeting;

(4) If a related shareholder does not abstain from voting on a related matter, the resolution on that matter shall be invalid.

After the recusal of an associated shareholder, the other shareholders shall vote based on their voting rights and pass the corresponding resolution in accordance with the provisions of the Articles of Association.

Article 47 Except in special circumstances such as a crisis, the Company shall not enter into a contract with any person other than directors or senior management to entrust the management of all or important business of the Company to such person without the approval of a special resolution of the shareholders' meeting.

Article 48 The shareholders' meeting shall adopt the form of a written vote on matters on the agenda. Each shareholder (including shareholder proxies) and his representative shall exercise the right to vote in the number of voting shares he represents, and each share shall have one vote. The voting shall be conducted by a named vote.

Shareholders exercise their voting rights based on the number of voting shares

they represent, with each share having one vote.

When the shareholders' meeting considers major matters that affect the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

Shares of the Company held by the Company have no voting rights and such shares are not included in the total number of shares with voting rights present at the shareholders' meeting.

Where a shareholder buys shares of the Company with voting rights in violation of the provisions of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not exercise the right to vote within 36 months after the purchase and shall not be counted in the total number of shares with voting rights present at the shareholders' meeting.

The board of directors of the Company, independent directors, shareholders holding more than one percent of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the China Securities Regulatory Commission may publicly solicit voting rights from shareholders. One may publicly request the company's shareholders to entrust them to attend the shareholders' meeting on their behalf and exercise shareholder rights such as the right to propose and the right to vote on their behalf. Except as otherwise provided by laws and regulations, the company and the convener of the shareholders' meeting shall not set conditions for the solicitor. The solicitation of shareholders' rights shall be conducted free of charge, and the necessary information for shareholders to make the authorization and entrustment shall be fully disclosed to the solicited parties. Shareholders' rights shall not be solicited in a paid or disguised paid manner.

The term "shareholders" as referred to in Paragraph 1 of this article includes shareholders who attend the shareholders' meeting by proxy.

Article 49 Except in cases where the shareholders' meeting is suspended or unable to make a resolution due to force majeure or other special reasons, the shareholders' meeting shall not suspend or refrain from voting on proposals. Where there are different proposals on the same matter at the annual shareholders' meeting, the voting shall be conducted in the order in which the proposals were put forward, and a resolution shall be made on the matter.

Article 50 Where a proposal for the election of directors is passed by the shareholders' meeting, the term of office of the new director shall be calculated from the date on which the resolution is passed.

Article 51 The shareholders' meeting may apply the cumulative voting system in the election of directors. The cumulative voting system shall not apply to any

proposal other than the election of directors.

The method of voting under the cumulative voting system shall be stipulated in the detailed Rules for the Implementation of the Cumulative Voting System.

Article 52 When the shareholders' meeting considers a proposal, it shall not modify the proposal. If it is changed, it shall be regarded as a new proposal and shall not be voted on at the current shareholders' meeting.

Article 53 The same voting right may be exercised in person, online or by any other voting method. In the event of a duplicate vote for the same right, the result of the first vote shall prevail.

Article 54 Before the shareholders' meeting votes on a proposal, two shareholder representatives shall be elected to count and supervise the vote. Where a matter under consideration is related to a shareholder, the relevant shareholder and his agent shall not participate in the counting and supervision of votes.

When the shareholders' meeting votes on proposals, lawyers and shareholder representatives shall jointly be responsible for counting and supervising the votes, and the voting results shall be announced on the spot. The voting results of resolutions shall be recorded in the minutes of the meeting.

Shareholders or their agents who vote through the Internet or other means shall have the right to check their voting results through the corresponding voting system.

Article 55 A shareholder or his agent who is present at the shareholders' meeting shall express one of the following opinions on the proposal submitted for voting: agree, oppose or abstain. Except where the securities registration and settlement institution, as the nominal holder of the shares traded under the interconnection mechanism between the Mainland and Hong Kong stock markets, makes a declaration in accordance with the intention of the actual holder.

Ballots that are not filled in, wrongly filled in, or whose handwriting is illegible, and ballots that have not been cast shall be deemed as a waiver of the voting right of the voter, and the voting result of the number of shares held shall be counted as "abstention".

Article 56 Shares held by shareholders who are ordered to leave the meeting by the chairperson before voting and those who do not fill in their ballots for reasons such as leaving halfway shall not be counted in the total number of shares with valid voting rights present at the meeting.

Article 57 The end time of the shareholders' meeting shall not be earlier than that of the online or other means. The chairperson of the meeting shall announce the voting situation and results of each proposal and declare whether the proposal is passed based on the voting results.

Before the voting results are officially announced, all parties involved in the on-site, online and other voting methods of the shareholders' meeting, including the

Company, the vote counters, the supervisors, the shareholders and the online service providers, shall keep confidential the voting situation.

Section 9 Resolutions of Shareholders' Meeting

Article 58 The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting.

A special resolution shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The term "shareholders" as used in this article includes shareholders who attend the shareholders' meeting by proxy.

Article 59 The following matters shall be adopted by the shareholders' meeting by ordinary resolution:

(1) The work report of the board of directors;

(2) Profit distribution plan and loss recovery plan prepared by the board;

(3) The appointment and removal of board members and their remuneration and methods of payment;

(4) Other matters that shall be adopted by special resolution except as provided by laws, administrative regulations or the Articles of Association.

Article 60 The following matters shall be adopted by the shareholders' meeting by special resolution:

(1) Increase or decrease of the registered capital of the Company;

(2) Division, merger, dissolution and liquidation of the Company;

(3) Amendments to the Articles of Association;

(4) The amount of major assets purchased or sold by the Company or guarantees provided to others within one year exceeds 30 percent of the Company 's most recent audited total assets;

(5) Equity incentive plans;

(6) Other matters as prescribed by laws, administrative regulations or the Articles of Association of the Company, as determined by ordinary resolution of the shareholders' meeting that will have a significant impact on the Company and require special resolution.

Article 61 The chairperson of the meeting shall decide whether the resolution of the shareholders' meeting is passed based on the voting result and shall announce the voting result at the meeting. The voting results shall be recorded in the minutes of the meeting.

Article 62 If the chairperson of the meeting has any doubt about the result of the resolution submitted for voting, he may organize a count of the votes cast; If the chairperson of the meeting fails to count the votes, shareholders present at the meeting or their proxies who have objections to the results announced by the chairperson shall

have the right to request a count immediately after the announcement of the voting results, and the chairperson shall organize the count immediately.

Article 63 Resolutions of the shareholders' meeting shall be announced in a timely manner, and the announcement shall specify the number of shareholders and their proxies present at the meeting, the total number of shares with voting rights held and the proportion of the total number of shares with voting rights of the Company, the voting method, the voting result of each proposal and the details of the resolutions passed.

Article 64 If a proposal is not passed, or if the current shareholders' meeting changes the resolution of the previous shareholders' meeting, special notice shall be given in the announcement of the shareholders' meeting resolution.

Article 65 A resolution of the shareholders' meeting of the Company shall be invalid if it violates any law or administrative regulation.

Where the procedure for convening the shareholders' meeting or the method of voting violates laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, shareholders may, within 60 days from the date of the resolution, request the People's Court to revoke it. Except where the procedure for convening the shareholders' meeting or the method of voting is only slightly flawed and has no substantial effect on the resolution.

Article 66 Resolutions formed by the shareholders' meeting shall be executed by the board of directors and shall be implemented and carried out by the general manager of the Company in accordance with the contents of the resolutions; Matters that the shareholders' meeting resolution requires the Audit Committee to handle shall be implemented directly by the Audit Committee.

Article 67 Where the shareholders' meeting approves a proposal regarding cash distribution, bonus shares or capital reserve conversion into share capital, the Company shall implement the specific plan within two months after the shareholders' meeting concludes.

Article 68 The general manager shall report to the board of directors on the implementation of resolutions of the shareholders' meeting, and the board of directors shall report to the next shareholders' meeting;

Article 69 It is primarily the responsibility of the chairman of the board to disclose information to shareholders and the public, or by other directors authorized by the chairman of the board. The secretary of the board shall be the Company's appointed spokesperson.

Section 10 Minutes of Shareholders' Meeting

Article 70 The shareholders' meeting shall have minutes, which shall be the responsibility of the secretary of the board of directors.

The minutes shall record the following:

(1) The time, place, agenda and name of the convener of the meeting;

(2) The names of the chairperson of the meeting and the directors and senior management who are present at the meeting;

(3) The number of shareholders and proxies present at the meeting, the total number of shares with voting rights held and the proportion of the total number of shares of the Company;

(4) The review process, key points of speech and voting results of each proposal;

(5) Shareholders' inquiries or suggestions and corresponding responses or explanations;

(6) Names of lawyers, vote counters and supervisors;

(7) Other contents required under the Articles of Association to be included in the minutes of the meeting.

The convener shall ensure that the minutes of the meeting are true, accurate and complete. Directors, the secretary of the board of directors, the convener or his representative, and the chairperson of the meeting who attended or were present at the meeting shall sign the minutes. The minutes shall be kept together with the register of shareholders present at the meeting, the power of attorney for proxy attendance, and valid information on voting through the Internet and other means for a period of at least ten years.

The convener shall ensure that the shareholders' meeting is held continuously until a final resolution is formed. In the event that the shareholders' meeting is suspended or unable to make a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate the current shareholders' meeting, and a timely announcement shall be made. At the same time, the convener shall report to the local branch of the China Securities Regulatory Commission and the stock exchange.

Section 11 Shareholders' Meeting Discipline

Article 71 Shareholders of the Company who have completed the registration formalities, or their authorized agents, directors, secretaries of the board of directors, senior management personnel, engaged lawyers, notaries, and individuals invited by the board of directors or proposing shareholders such as guests, journalists, etc. may attend the shareholders' meeting.

Article 72 The chairperson of the meeting may order the following persons to

leave the meeting:

(1) Those who are not qualified to attend the meeting;

(2) Those who disrupt the order of the venue;

(3) Persons carrying dangerous goods;

(4) Other circumstances where exit is necessary.

If the person does not comply with the order to leave, the chairperson of the meeting may send someone to force them to leave.

Article 73 When considering proposals, shareholders or proxies have the right to speak. Shareholders who speak shall first raise their hands to indicate and, with the permission of the chairperson, speak on the spot or in the designated speaking room. When there are multiple shareholders raising their hands to speak, the presiding officer shall appoint a speaker.

The host will specify the speaking time and the number of times each person will speak, depending on the circumstances. Shareholders are not allowed to be interrupted during the prescribed speaking period, so that shareholders have full right to speak. Directors, general managers, other senior executives of the Company, and those approved by the presiding officer may speak. The chairperson of the meeting may refuse or stop a shareholder's speech in violation of the provisions of the preceding two paragraphs.

Article 74 A shareholder or agent making a speech shall first introduce his or her shareholder status, the entity he or she represents, the number of shares held, and other relevant information, and then express his or her views.

Article 75 The Company shall adhere to the principle of simplicity when holding a shareholders' meeting and shall not grant additional economic benefits to shareholders (or agents) attending the meeting.

Chapter IV Adjournment and Closure

Article 76 The chairperson of a meeting has the authority to declare a temporary adjournment in accordance with the progress and schedule of the meeting. The adjournment shall not exceed two hours.

Article 77 Except for cumulative voting, the shareholders' meeting shall vote on all proposals one by one. If there are different proposals on the same matter, they shall be voted on in the order in which the proposals were put forward. Except in cases where the meeting is suspended or unable to make a resolution due to force majeure or other special reasons, the shareholders' meeting shall not hold or refrain from voting on proposals.

Article 78 The chairperson may declare the meeting closed only after the

voting results of all proposals have been announced by the chairperson and there are no objections from shareholders.

Chapter V Supplementary Provisions

Article 79 Matters not covered by these Rules shall be governed by relevant national laws, regulations, normative documents and the provisions of the Company's Articles of Association. Where there is inconsistency between these Rules and the relevant laws, regulations, normative documents and articles of association, the relevant laws, regulations, normative documents and Articles of Association shall prevail.

Article 80 The terms "above" and "within" as used in these Rules include the number itself; "More than", "less than", "more than" does not include the base number.

Article 81 These Rules shall be interpreted by the Board of Directors of the Company.

Article 82 These Rules, as an annex to the Articles of Association, shall be drafted by the Board of Directors of the Company and shall come into effect upon approval by the shareholders' meeting of the Company, and the same shall apply to any amendment.

Board of Directors of
Shandong Molong Petroleum Machinery Company Limited
November 2025