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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)*

INSIDE INFORMATION

COMPLETION OF CHANGE IN SHAREHOLDING OF THE COMPANY

This announcement is made by Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcements of the Company dated 11 September 2020 and 21 September 2020 in relation to a possible cooperation in respect of the shares of the Company between Mr. Zhang Enrong and Shandong Shouguang Jinxin Investment Development Holdings Group Limited* (“**Shouguang Jinxin**”, 山東壽光金鑫投資發展控股集團有限公司); the announcement of the Company dated 28 September 2020 in relation to the voting rights nomination agreement entered into by Mr. Zhang Enrong and Shouguang Jinxin; and the announcement of the Company dated 23 February 2021 in relation to a share transfer agreement entered into between Mr. Zhang Enrong and Shouguang Molong Holdings Co., Ltd.* (“**Molong Holdings**”, 壽光墨龍控股有限公司), a direct wholly-owned subsidiary of Shouguang Jinxin, on 23 February 2021 (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

As disclosed in the Announcement, pursuant to the Share Transfer Agreement, Mr. Zhang Enrong shall transfer the Target Shares to Molong Holdings, and Molong Holdings has agreed to take the Target Shares in accordance with the terms and conditions under the Share Transfer Agreement. The consideration of the Share Transfer shall be RMB3.50 per A Share (i.e. RMB 824,659,500 in total).

The Company understands that the judicially frozen 15,000,000 A Shares of the Company (representing approximately 1.88% of the total issued share capital of the Company) held by Mr. Zhang Enrong had been released in recent days.

On 24 March 2021, the Company has received from Molong Holdings a “Confirmation of Registration of Share Transfer” issued by China Securities Depository and Clearing Corporation Limited, and was informed that the relevant transfer and registration procedures of the Share Transfer have been completed on 23 March 2021.

Upon completion of the Share Transfer and as at the date of this announcement, Molong Holdings beneficially holds 235,617,000 A Shares of the Company (representing approximately 29.53% of the total issued share capital of the Company) and Mr. Zhang Enrong no longer holds any shares of the Company.

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

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

Shandong, the PRC
24 March 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 purpose only*