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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)

ANNOUNCEMENT

This announcement is published simultaneously in The People's Republic of China pursuant to the Rules Governing Listing of Stocks on the Shenzhen Stock Exchange and in Hong Kong pursuant to the disclosure obligations under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Important Notice: The Company is currently being investigated by the China Securities Regulatory Commission on suspicion of violating securities rules and regulations. If the Company touches the fraudulent issuance or breaches material information disclosure under Session 13.2.1 of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the stock of the Company trading in Shenzhen Stock Exchange may be suspended listing. Investors are advised to beware of investment risks involved.

On 21 March 2017, Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) received an Investigation Notice (Ref.: Lu Zheng Diao Cha Zi No. [2017] 003) from China Securities Regulatory Commission (the “**CSRC**”) notifying the Company that, the CSRC had decided to initiate investigation proceedings against the Company in accordance to the relevant provisions of the Securities Law of the People’s Republic of China, in view that the Company might have breached securities rules and regulations. The Company has published the Announcement regarding receiving CSRC Investigation Notice (Announcement No.: 2017-012) through designated information disclosure media.

Up to now, the above investigation is still in progress and the Company has not received any relevant conclusive opinions or decisions. If the Company is administrative punished by CSRC regarding the above matters which is recognized under administrative punishment decision to constitute a major offence, or may be transferred to the public security authority according to the suspected illegal disclosure or non-disclosure of material information under laws, the stock of the Company (trading in Shenzhen Stock Exchange) will be initiated with delisting risk warning under Session 13.2.1 of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange subject to the situation that Company touches the fraudulent issuance or breaches material information disclosure. The Company’s stock (trading in Shenzhen Stock Exchange) will be suspended trading after 30 trading days from the initiation of delisting risk warning until the decision made by the Shenzhen Stock Exchange on whether to suspend listing of the stock of the Company within 15 trading days thereafter.

At present, the Company’s overall business is under normal operations. The Company will proactively cooperate with CSRC in its investigation, and will strictly comply with the information disclosure requirements according to Rules Governing the Listing of Securities on

the Shenzhen Stock Exchange. The Company will also publish at least one announcement per month regarding to Risk Notice. **Investors are advised to be cautious for their investments and beware of investment risks involved.**

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

Shandong, the PRC, 27 April 2017

As at the date of this announcement, the executive directors are Mr. Zhang En Rong, Mr. Zhang Yun San, Mr. Guo Huan Ran and Mr. Yang Jin; the non-executive directors are Mr. Guo Hong Li, Ms. Wang Chun Hua and the independent non-executive directors are Mr. Qin Xue Chang., Mr. Ji Yan Song and Ms. Quan Yu Hua.

* *For identification purpose only*