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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 China Securities Regulatory Commission has completed the investigation on the Company on suspicion of violating securities rules. The Company has received a Prior Notice of Administrative Penalty from the China Securities Regulatory Commission and is waiting for the release of the official administrative penalty. If the Company is involved in the fraudulent issuance or breaches of material information disclosure requirements under Section 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 from 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. On 12 May 2017, the Company and the related parties received the Prior Notice of Administrative Penalty (Ref.: Punishment No. [2017] 51) delivered by the China Securities Regulatory Commission, which therein stated the decision of imposing administrative penalty on the Company and the related parties. The Company published the Announcement On Controlling Shareholder Receiving Prior Notification Of Administrative Penalty of China Securities Regulatory Commission (Announcement No.: 2017-032) through designated information disclosure media on 16 May 2017. The company published the Announcement of Investigation Progress and Risk Reminder Announcement (Announcement No. 2017-034) through designated information disclosure media on 27 May 2017.

As at the date of this announcement, the Company maintains well on its business. Neither the Company nor the related parties has received the official administrative penalty from the China Securities Regulatory Commission. The Company shall fulfill its obligation to disclose relevant information from time to time in accordance with the progress.

The stock of the Company (trading in Shenzhen Stock Exchange) would be given a delisting

risk warning under Section 13.2.1 of the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange if the Company is involved in fraudulent issuance of securities or breaches of material information disclosure requirements. The Company's stock (trading in Shenzhen Stock Exchange) will be suspended from 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.

The Company 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, 26 June 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*