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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

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 will proactively cooperate with the CSRC in its investigation, and will strictly comply with the information disclosure requirements under relevant rules and regulations. At present, the Company's overall business is under normal operations.

Investors are advised to be cautious for their investments and beware of investment risks involved.

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

Shangdong, the PRC, 21 March 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*