



SINOPIPE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200411382N)

RESPONSE TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE AUDITORS' OPINION ON SINOPIPE HOLDINGS LIMITED'S FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

In response to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") query on 24 August 2016, the Board of Directors (the "**Board**") of Sinopipe Holdings Limited (the "**Company**") wishes to provide the following information in relation to the auditors' opinion on the Company's financial statements for the year ended 31 December 2015.

SGX-ST's query:

We refer to the "Auditors Opinion on the Financial Statements for the Financial Year Ended 31 December 2015 Pursuant to Rule 704(5) of the Listing Manual" (the "Announcement") of Sinopipe Holdings Limited (the "Company") announced on 22 August 2016. The Independent Auditor had opined that "we are unable to obtain from management reasonable and supportable bases of their aforementioned assumptions, which is necessary for us to assess the appropriateness of their use of the going concern assumption in the preparation of the Group's and Company's financial statements".

For the Exchange's consideration under Rule 1303(3)(c) and noting the Independent Auditor's "Disclaimer of Opinion" on the Company's ability to operate as a going concern, please provide the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view.

Company's response:

To address the tight financial situation faced by the Company and its subsidiaries (the "**Group**"), the Management has been carrying out the following action plans:

1. Proactively approaching potential investors for injection of capital funds to the Group. Currently, the Management is in detailed discussion with a few interested investors;
2. Streamlining the operations of the Group's largest production plant in Fujian Province and other two smaller subsidiaries in Sichuan and in Guizhou which are still operating and implementing cost-cutting measures in these subsidiaries; and
3. Negotiating with the banks and the creditors on debt settlement arrangements.

Once the Management is able to implement and carry out the above-mentioned action plans successfully, the Board is optimistic that the Company will be able to operate as going concern.

Trading of the shares in the Company has remained suspended since 2 April 2012.

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BY ORDER OF THE BOARD

Mr Wang Sen
Executive Chairman and Chief Executive Officer
29 August 2016