

UPDATE ON SUSPENSION OF TRADING

The board of directors (the “**Board**”) of Sinopipe Holdings Limited (the “**Company**”) refers to the Company’s announcements released on 18 December 2012, 22 January 2013, 7 March 2013, 28 March 2013, 30 April 2013, 30 May 2013, 31 July 2013, 4 September 2013, 1 October 2013, 1 November 2013, 29 November 2013, 31 December 2013, 31 January 2014, 28 February 2014, 31 March 2014, 1 April 2014, 8 April 2014, 17 April 2014, 30 April 2014, 2 May 2014, 14 May 2014, 31 May 2014, 13 June 2014, 14 June 2014, 30 June 2014 and 16 July 2014. The Board wishes to inform the shareholders that:

1. The Company announced on 16 July 2014 that it had made a report to the Commercial Affairs Department against Mr Chen Li Hui, the former chief executive officer and a former director of the Company, based on the Findings issued by its special auditors, PriceWaterHouseCoopers CM Services Pte Ltd. and on certain financial improprieties involving Mr Chen Li Hui in relation to the Company’s principal subsidiary, Fujian Aton Advanced Material Science and Technology Co., Ltd, that the Company has recently discovered. The Company is also taking necessary steps in respect of this matter in China.
2. The Company announced on 8 April 2014 that the appeal submitted by the Company’s subsidiary, Fujian Aton Advanced Material Science and Technology Co., Ltd (“**Fujian Aton**”) against the compensation claim filed by a former customer, Wujian Water Supply Co., Ltd was approved by The Supreme People’s Court of The People’s Republic of China (“**The Supreme People’s Court**”). The Supreme People’s Court had ordered The People’s High Court of Fujian Province (“**The Fujian People’s High Court**”) to retry the case and the original judgment be suspended during the period of retrial. The Fujian People’s Court had commenced the retrial and it is in the process of reviewing the case.
3. The Xinjiang Changji City People’s Court (the “**Xinjiang Changji Court**”) had given the judgment order on the lawsuit case between the Company’s subsidiary, Xinjiang Aton Advanced Materials Science and Technology Co., Ltd (“**Xinjiang Aton**”) and Xinjiang Aton’s former construction contractor, Beilong Construction Group Co., Ltd (“**Beilong Construction Group**”). The Xinjiang Changji Court judged that:
 - (a) The construction contract between Xinjiang Aton and Beilong Construction Group be nullified and void;
 - (b) Xinjiang Aton shall refund the security deposit of RMB500,000 under the contract to Beilong Construction Group within ten (10) days from the date of the judgment order;
 - (c) The claim filed by Beilong Construction Group be rejected;
 - (d) The counter-claim filed by Xinjiang Aton be rejected; and
 - (e) Any party can appeal to The Xinjiang Weiwuer Autonomous Region High People’s Court (the “**Xinjiang Weiwuer High Court**”) within 15 days from the date of receipt of the judgment order.

Xinjiang Aton and Beilong Construction Group had on 25 July 2014 submitted appeal through Xinjiang Changji Court to the Xinjiang Weiwuer High Court.

The Board shall continue to make announcements as and when appropriate and keep shareholders updated on a monthly basis.

By Order of the Board

Dr Pu Weidong
Chief Executive Officer and Executive Director

31 July 2014