



# SINOPIE HOLDINGS LIMITED

(Company Registration Number: 200411382N)

## First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 March 2015

### PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 months ended		%
	31.03.2015	31.03.2014	Change
	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	155,776	129,312	20.5
Cost of sales	(133,127)	(122,633)	18.2
<b>Gross profit</b>	<u>22,649</u>	<u>16,679</u>	35.8
Other income	5,648	4,576	23.4
Selling and distribution expenses	(11,236)	(10,012)	12.2
Administrative expenses	(13,170)	(16,676)	(21.0)
Other expenses	(424)	(441)	(3.9)
Finance costs	(27,744)	(23,412)	18.5
Share of results of associates	(684)	(337)	103.0
<b>Loss before income tax</b>	<u>(24,961)</u>	<u>(29,623)</u>	(15.7)
Income tax expense	106	(376)	(128.2)
<b>Loss for the period, representing total comprehensive loss</b>	<u>(24,855)</u>	<u>(29,999)</u>	(17.1)
<b>Loss, representing total comprehensive loss attributable to:</b>			
Owners of the Company	(23,777)	(29,141)	(18.4)
Non-controlling interests	(1,078)	(858)	25.6
	<u>(24,855)</u>	<u>(29,999)</u>	(17.1)

**Group**  
**3 months ended**  
**31.03.2015    31.03.2014**  
RMB'000       RMB'000

Amortisation of deferred capital grant	(128)	(118)
Amortisation of land use rights	614	425
Depreciation of property, plant and equipment	8,006	8,176
Foreign exchange loss, net	73	395
Loss on disposal of property, plant and equipment	14	44
Government grants and subsidies	(535)	(110)
Impairment loss (reversed) on trade receivables	(1,579)	(138)
Interest expense		
- Loans and borrowings	27,744	23,412
Interest income		
- Bank deposits	(2,200)	(812)
Write-back on inventories	(1,072)	(648)
Operating lease expenses	650	835
Staff costs *		
- Wages, salaries and bonuses	17,943	15,213
- Pension costs	2,969	2,688
- Other staff costs	1,063	1,140

\* This amount includes directors' remuneration and remuneration of key management personnel.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2015</b>	<b>31.12.2014</b>	<b>31.03.2015</b>	<b>31.12.2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Land use rights	87,565	88,179	-	-
Property, plant and equipment	297,137	304,327	40	42
Goodwill	3,944	3,944	-	-
Investment in subsidiaries	-	-	38,129	38,129
Investment in associates	10,659	11,343	14,000	14,000
	<u>399,305</u>	<u>407,793</u>	<u>52,169</u>	<u>52,171</u>
<b>Current assets</b>				
Inventories	111,245	107,670	-	-
Held-for-trading investments	-	-	-	-
Trade and other receivables	155,022	119,161	26,491	19,676
Prepayments	57,887	17,936	-	38
Cash and bank balances	255,219	246,081	47	95
	<u>579,373</u>	<u>490,848</u>	<u>26,538</u>	<u>19,809</u>
	<u>978,678</u>	<u>898,641</u>	<u>78,707</u>	<u>71,980</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	313,344	313,344	313,344	313,344
Other reserves	(12,063)	(12,063)	5,316	5,316
Accumulated losses	(829,616)	(805,839)	(317,034)	(316,297)
<b>Equity attributable to owners of the Company</b>	<u>(528,335)</u>	<u>(504,558)</u>	<u>1,626</u>	<u>2,363</u>
<b>Non-controlling interests</b>	5,803	6,881	-	-
<b>(Capital deficiency) / Total equity</b>	<u>(522,532)</u>	<u>(497,677)</u>	<u>1,626</u>	<u>2,363</u>
<b>Non-current liabilities</b>				
Borrowings	109,984	126,967	-	-
Deferred capital grant	12,969	13,097	-	-
Deferred tax liabilities	7,290	7,396	-	-
	<u>130,243</u>	<u>147,460</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Trade and other payables	793,014	698,695	77,081	34,920
Borrowings	572,071	544,281	-	34,697
Deferred capital grants	510	510	-	-
Current tax payable	5,372	5,372	-	-
	<u>1,370,967</u>	<u>1,248,858</u>	<u>77,081</u>	<u>69,617</u>
Total liabilities	<u>1,501,210</u>	<u>1,396,318</u>	<u>77,081</u>	<u>69,617</u>
<b>Total equity and liabilities</b>	<u>978,678</u>	<u>898,641</u>	<u>78,707</u>	<u>71,980</u>

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities.

### Amount repayable in one year or less, or on demand

Group As at 31.03.2015		Group As at 31.12.2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
416,160	155,911	407,360	136,921

### Amount repayable after one year

Group As at 31.03.2015		Group As at 31.12.2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
95,578	14,406	103,467	23,500

### Details of any collaterals

#### Bank loans

The bank loans are guaranteed or secured as follows:

- (a) RMB 139,800,000 (2014: RMB 107,889,000) is guaranteed by a PRC subsidiary, Fujian Aton Advanced Materials Science and Technology Co., Ltd. ("Fujian Atontech");
- (b) RMB 130,080,000 (2014: RMB 136,080,000) is guaranteed by Wang Sen, the Company's Non-Executive Chairman and is secured by land use rights and buildings with an aggregate carrying amount of RMB 35,694,000 (2014: RMB 35,946,000) and RMB 158,956,000 (2014: RMB 63,831,000), respectively;
- (c) RMB 201,578,000 (2014: RMB 201,578,000) is secured by land use rights and buildings with an aggregate carrying amount of RMB 30,678,000 (2014: RMB 30,548,000) and RMB 41,174,000 (2014: RMB 41,790,000), respectively;
- (d) RMB 20,280,000 (2014: RMB 35,280,000) is secured by trade receivables with an aggregate carrying amount of RMB 46,357,000 (2014: RMB 46,357,000);
- (e) RMB 20,000,000 (2014: RMB 30,000,000) is secured by plant and machinery with an aggregate carrying amount of RMB 1,799,000 (2014: RMB 1,884,000), and is also guaranteed by Fujian Atontech; and

RMB 30,058,000 (2014: RMB nil) of the bank loans is unsecured.

The bank loans of RMB 541,796,000 (2014: RMB 510,827,000) bear effective interest rates ranging from 5.88% to 10.20% (2014: 5.60% to 10.20%) per annum and have remaining maturity of between 1 and 24 (2014: 1 and 27) months from the end of the financial year.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>		
Loss before income tax	(24,961)	(29,623)
Adjustments:		
Amortisation of deferred capital grant	(128)	(118)
Amortisation of land use rights	614	425
Depreciation of property, plant and equipment	8,006	8,176
Impairment loss reversed on doubtful trade receivables	(1,579)	(138)
Interest expense	27,744	23,412
Interest income	(2,200)	(812)
Loss on disposal of property, plant and equipment	14	44
Write-back on inventories	(1,072)	(648)
Share of results of associates	684	337
Operating cash flows before movements in working capital	7,122	1,055
Movements in working capital:		
Inventories	(2,503)	(3,272)
Trade and other receivables	(34,282)	(26,098)
Prepayments	(39,951)	(9,733)
Trade and other payables	94,319	38,232
<b>Cash generated from operations</b>	<b>24,705</b>	<b>184</b>
Income taxes paid	-	(519)
<b>Net cash generated from (used in) operating activities</b>	<b>24,705</b>	<b>(335)</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(3,497)	(3,612)
Proceeds from disposal of property, plant and equipment	2,667	4
Interest received	2,200	812
<b>Net cash generated from (used in) investing activities</b>	<b>1,370</b>	<b>(2,796)</b>
<b>Financing activities</b>		
Interest paid	(27,744)	(22,849)
Proceeds from borrowings	177,900	172,703
Repayment of borrowings	(167,093)	(175,989)
Pledged bank balances	3,958	(20,030)
<b>Net cash used in financing activities</b>	<b>(12,979)</b>	<b>(46,165)</b>
Net decrease in cash and bank balances	13,096	(49,296)
Cash and bank balances at beginning of financial period	18,523	93,206
Cash and bank balances at end of financial period	31,619	43,910

## Note to Consolidated Cash Flow Statement

(1) For the purpose of consolidated statement of cash flows, cash and bank balances comprises the following:

	<b>Group</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
	RMB'000	RMB'000
Cash and bank balances	255,219	230,963
Less: Pledged bank balances *	(223,600)	(187,053)
	<u>31,619</u>	<u>43,910</u>

\* Pledged bank balances relate to amounts pledged to banks as security for banking facilities (including bills payable) extended to the Group.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

### GROUP

	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated losses</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2015	313,344	(12,063)	(805,839)	6,881	(497,677)
Total comprehensive loss for the period	-	-	(23,777)	(1,078)	(24,855)
Balance at 31 March 2015	<u>313,344</u>	<u>(12,063)</u>	<u>(829,616)</u>	<u>5,803</u>	<u>(522,532)</u>
Balance at 1 January 2014	313,344	(12,007)	(525,594)	11,054	(213,203)
Total comprehensive loss for the period	-	-	(29,141)	(858)	(29,999)
Balance at 31 March 2014	<u>313,344</u>	<u>(12,007)</u>	<u>(554,735)</u>	<u>10,196</u>	<u>(243,202)</u>

### COMPANY

	<b>Share capital</b>	<b>Reserves</b>	<b>Accumulated profits / (losses)</b>	<b>Total equity</b>
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2015	313,344	5,316	(316,297)	2,363
Total comprehensive loss for the period	-	-	(737)	(737)
Balance at 31 March 2015	<u>313,344</u>	<u>5,316</u>	<u>(317,034)</u>	<u>1,626</u>
Balance at 1 January 2014	313,344	5,316	(251,156)	67,504
Total comprehensive loss for the period	-	-	(1,811)	(1,811)
Balance at 31 March 2014	<u>313,344</u>	<u>5,316</u>	<u>(252,967)</u>	<u>65,693</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

**Share Capital**

Ordinary shares issued and fully paid-up	Number of shares	RMB'000
Balance at 31 March 2015	<u>287,594,900</u>	<u>313,344</u>

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	31.03.2015	31.12.2014
Total number of issued shares excluding treasury shares	<u>287,594,900</u>	<u>287,594,900</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted all the FRSs applicable for the financial year beginning on or after 1 January 2015. The accounting policies and methods of computation are consistent with the latest audited financial statements for the financial year ended 31 December 2014. The adoption of Amendments to FRSs did not have any effect on the financial performance or position of the Group and the Company.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
Loss per ordinary share for the period:		
	<b>RMB'000</b>	<b>RMB'000</b>
Loss attributable to shareholders (basic)	(23,777)	(29,141)
Add: Amortisation of discount on convertible loans	-	563
Loss attributable to shareholders (diluted)	<u>(23,777)</u>	<u>(28,578)</u>
	<b>'000</b>	<b>'000</b>
<b>Weighted average number of ordinary shares (basic)</b>		
Issued ordinary shares at beginning of period	287,595	287,595
Weighted average number of ordinary shares (basic)	287,595	287,595
	<b>'000</b>	<b>'000</b>
<b>Weighted average number of ordinary shares (diluted)</b>		
Weighted average number of ordinary shares (basic)	287,595	287,595
Effect of dilution from convertible loans	-	32,500
Weighted average number of ordinary shares (diluted)	<u>287,595</u>	<u>320,095</u>
	<b>RMB cents</b>	<b>RMB cents</b>
(a) Basic Loss per Share	(8.27)	(10.13)
(b) Diluted Loss per Share	(8.27)	(8.93)

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2015</b>	<b>31.12.2014</b>	<b>31.03.2015</b>	<b>31.12.2014</b>
Net asset value per ordinary share (RMB cents)	(181.69)	(173.05)	0.57	0.82

Net (liability) asset value per ordinary share was calculated based on the total number of issued shares excluding treasury shares of 287,594,900 as at 31 March 2015 and 31 December 2014.



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-  
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## **Income Statement**

### **1Q 2015 vs 1Q 2014**

#### **Revenue**

The breakdown of the Group's revenue is as follows:

	<b>3 months ended</b>		<b>Increase /</b>	<b>Increase /</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>(Decrease)</b>	<b>(Decrease)</b>
	RMB'000	RMB'000	RMB'000	%
Plastic pipe				
- Water supply	97,517	69,141	28,376	41.0
- Drainage and sewerage	40,410	37,991	2,419	6.4
- Telecommunication and electrical	16,675	15,710	965	6.1
- Water-saving irrigation	755	3,468	(2,713)	(78.2)
- Fuel gas	419	3,002	(2,583)	(86.0)
	<u>155,776</u>	<u>129,312</u>	<u>26,464</u>	20.5

Revenue increased by RMB 26.5 million or 20.5% from RMB 129.3 million in 1Q 2014 to RMB 155.8 million in 1Q 2015. The increase was due to higher sales from the water supply, drainage and sewerage and telecommunication and electrical segments partially offset by lower sales from the water-saving irrigation and fuel gas segments.

#### **Gross profit and gross profit margin**

Gross profit in 1Q 2015 was RMB 22.6 million, an increase of RMB 6.0 million or 35.8% from RMB 16.7 million in 1Q 2014. The increase was attributed to higher sales revenue as well as higher gross margins in the period under review.

#### **Other income**

Other income increased by RMB 1.1 million or 23.4% from RMB 4.6 million in 1Q 2014 to RMB 5.6 million in 1Q 2015 mainly due to higher interest income from bank deposits.

#### **Selling and distribution expenses**

Selling and distribution expenses increased by RMB 1.2 million or 12.2% from RMB 10.0 million in 1Q 2014 to RMB 11.2 million in 1Q 2015 mainly because of higher transportation costs by RMB 1.3 million due to significant increase in sales volume in 1Q 2015.

#### **Administrative expenses**

Administrative expenses decreased by RMB 3.5 million or 21.0% from RMB 16.7 million in 1Q 2014 to RMB 13.2 million in 1Q 2015. The decrease was mainly due to lower staff salaries and salaries related expenses by RMB 1.3 million, utilities by RMB 371,000, general and office related expenses by RMB 899,000, foreign exchange losses by RMB 322,000 and penalties by RMB 618,000.

### **Other expenses**

Other expenses was RMB 424,000 in 1Q 2015, decreased marginally by RMB 17,000 or 3.9% compared to RMB 441,000 in 1Q 2014.

### **Finance costs**

Finance cost increased by RMB 4.3 million or 18.5% from RMB 23.4 million in 1Q 2014 to RMB 27.7 million in 1Q 2015 mainly due to higher interest on bridging loans from third parties than the corresponding period.

### **Share of results of associates**

Share of losses of associates increased by RMB 347,000 from RMB 337,000 in 1Q 2014 to RMB 684,000 in 1Q 2015 as the Company's associate, Yunnan Aton High Molecular Materials Technology Co., Ltd continued to incur higher operating losses in the period under review.

### **Loss for the period**

As a result of the above, Group's loss for the period decreased by RMB 5.1 million or 17.1% from RMB 30.0 million in 1Q 2014 to RMB 24.9 million in 1Q 2015.

## **Financial position**

### **Non-current assets**

As at 31 March 2015, non-current assets amounted to RMB 399.3 million, a decrease of RMB 8.5 million or 2.1% compared to the preceding financial year ended as at 31 December 2014. The decrease was mainly due to depreciation and amortization charges on property, plant and equipment and land use rights as well as lower investment in associates attributable to operating losses recorded by the associates.

### **Current assets**

Current assets amounted to RMB 579.4 million, an increase of RMB 88.5 million or 18.0% compared to the preceding financial year ended as at 31 December 2014. This increase was mainly due to higher prepayments by RMB 40.0 million for purchases of raw materials and higher trade and other receivables by RMB 35.9 million following increase in sales.

### **Current liabilities**

Current liabilities amounted to RMB 1.4 billion, an increase of RMB 122.1 million or 9.8% compared to the preceding financial year end as at 31 December 2014. This was mainly due to higher trade and other payables by RMB 94.3 million and higher borrowings by RMB 27.8 million.

### **Non-current liabilities**

Non-current liabilities amounted to RMB 130.2 million, a decrease of RMB 17.2 million or 11.7% compared to the preceding financial year end as at 31 December 2014 mainly due to decrease in long-term borrowings.

### **Shareholders' equity**

Capital deficiency amounted to RMB 522.5 million, an increase of RMB 24.9 million or 5.0% as a result of net loss in 1Q 2015.

## **Cash Flows**

The Group registered net cash generated from operating activities of RMB 24.7 million in 1Q 2015 mainly because of the decrease in non-cash working capital due to increase in trade and other payables by RMB 94.3 million offset by increase in trade and other receivables and prepayments by RMB 34.3 million and RMB 40.0 million respectively.

Net cash generated from investing activities amounted to RMB 1.4 million mainly from interest received from pledged deposit offset partially by the net acquisition of property, plant and equipment.

Net cash used in financing activities of RMB 13.0 million was mainly due to interest payment of RMB 27.7 million offset by net proceed from borrowings of RMB 10.8 million.

As at 31 March 2015, the Group had a cash and cash equivalents of RMB 31.6 million (net of pledged bank balances).

### **Going concern**

As at 31 March 2015, the Group and the Company were in net current liability position of RMB 791,594,000 and RMB 50,543,000 respectively. As at 31 March 2015, the Group was also in a net liability position of RMB 522,532,000. In addition, the Group incurred net loss of RMB 24,855,000 for the financial period ended 31 March 2015. The ability of the Group and Company to meet their financial obligations and to continue as going concern depend, foremost, on their ability to secure continuing banking facilities from their banks and to continue generating sufficient operating cash flows to meet their operating needs.

Notwithstanding the above, Management is confident the going concern issue will be sufficiently addressed based on the following:

(a) The Group is able to continue securing banking facilities from its banks. Management has been in negotiations with various PRC banks to obtain financing for the Group's operations and has secured subsequent to the financial year end banking facilities from the PRC banks amounting to RMB 116.3 million. The PRC authorities have been easing credit control to address China's economic slow-down. The People's Bank of China had cut the RMB deposit required reserve ratio for financial institutions and commercial banks by 1.5 percentage points and by 4 percentage points for the Agricultural Development Bank of China effective from 5 February 2015 in order to enhance their lending capacity. In light of this, the Group will benefit from easier access to the required funding to meet its current and projected operational needs; and

(b) The Group and Company will be able to continue generating sufficient operating cash flows to fund their working capital needs, particularly in light of their positive outlook of the plastic pipe industry following the announcement of the urbanisation plan and policy by the PRC Government for the next few years.

### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

In line with the prospect statement made in 4Q 2014.

### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Plastic pipe market growth in the PRC in the next few years is expected to remain strong and healthy, but highly competitive. Moving forward, the Group will continue to step up its efforts in expanding its distribution network to gain more market share to improve sales and implementing stringent cost and quality control to stay competitive. The Group will also continue to review and monitor the performance of all its production plants closely to restructure and streamline its operations to improve their performance.

### **11. Dividend**

#### ***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

None.

#### ***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared / recommended for the three months period ended 31 March 2015.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for Interested Person Transactions.

**BY ORDER OF THE BOARD OF DIRECTORS**

Dr Pu Weidong  
Chief Executive Officer and Executive Director  
Sinopipe Holdings Limited

9 June 2015

**Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

We, being two directors of Sinopipe Holdings Limited (the “Company”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors which may render the financial results of the Company and the Group for the financial quarter ended 31 March 2015 to be false or misleading in any material aspect.

For and on behalf of the  
Board of Directors of  
Sinopipe Holdings Limited

Dr Pu Weidong  
Chief Executive Officer and Executive Director

Mr Wang Sen  
Non-Executive and Non-Independent Chairman

9 June 2015