

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, 16 July 2014, 31 July 2014, 19 August 2014, 29 August 2014, 30 September 2014, 31 October 2014, 28 November 2014, 31 December 2014, 31 January 2015, 28 February 2015, 31 March 2015, 13 April 2015, 29 April 2015, 30 April 2015, 12 May 2015, 21 May 2015, 23 May 2015, 30 May 2015, 9 June 2015, 30 June 2015, 31 July 2015, 31 August 2015, 30 September 2015, 5 October 2015, 30 October 2015, 30 November 2015, 30 December 2015, 29 January 2016, 29 February 2016, 31 March 2016, 6 April 2016, 19 April 2016, 30 April 2016, 25 May 2016, 31 May 2016, 5 June 2016, 30 June 2016, 2 July 2016, 29 July 2016, 6 August 2016, 25 August 2016, 31 August 2016 and 30 September 2016.

The Board wishes to inform the shareholders that several bank accounts of the subsidiaries in China (the “**subsidiaries**”) were sequestered by the creditors causing disruptions and affecting the operations and sales of the subsidiaries. The subsidiaries’ operations have also been affected by raw materials price hike in China. Currently, the subsidiaries are able to generate sufficient operating cash flows to procure raw materials, pay utilities and workers’ wages but is having some difficulties in settling interest payments and repaying loans as well as paying accrued salaries and retrenchment compensation to some former employees. The subsidiaries could face further financial pressure should the plastic pipe market conditions in China become unfavourable.

To address the challenging situation faced by the Group, the management of the Company (the “**Management**”) had approached and has been in discussion with several potential investors to help in the restructuring of the Group’s operations in China. The Management has also been negotiating with several banks and creditors on debts settlement plans. In the meantime, the Management continues to streamline the operation of the remaining subsidiaries, namely, Fujian Aton Advanced Materials Science and Technology Co., Ltd, Sichuan Aton Plastics Co., Ltd and Sinopipe Guizhou Co., Ltd to save operating costs.

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

By Order of the Board

Mr Wang Sen
Chief Executive Officer and Executive Chairman

31 October 2016