

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 and 25 May 2016. The Board wishes to inform the shareholders that:

1. The Company announced on 25 May 2016 that the Company had applied to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for a further extension of time of up to 31 July 2016 to comply with Rule 707(1) of the Listing Manual in respect of the holding of annual general meeting (“**AGM**”) for the financial year ended 31 December 2015 (“**FY2015**”) and a further extension of time of up to 15 August 2016 to comply with Rule 705(2) of the Listing Manual in respect of the financial results for the first quarter ended 31 March 2016.

Subject to the approval of the SGX-ST in respect of the application of the Company for a further extension to comply with Rule 707(1) of the Listing Manual in respect of the AGM for FY2015, the Company will submit an application to the Accounting and Corporation Regulatory Authority for a further extension of time to convene the AGM for FY2015.

2. Due to the economic slowdown in the People’s Republic of China (“**PRC**”), most of the banks in PRC are tightening their credit policy. Like many companies in the PRC, the Group is also affected by the credit crunch and experienced reduction of banking facilities granted by the banks. It had caused our subsidiaries not able to pay a few creditors and lawsuits against them. However, with hard work of the staff, the Group had managed to stabilise its operations. Currently, our Group has satisfied more than 90% of the prepaid sales orders and the Group expects a debtor of Built-Transfer project contract to make a further settlement of outstanding receivable in June 2016.
3. 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 Atontech that the Company had discovered. The Company had also taken necessary steps in respect of this matter in China. The relevant local authorities are still in the process of reviewing the case and there has been no significant development thus far.

4. With regard to the lawsuit between Fujian Atontech and a former customer, Wujiang Water Supply Co., Ltd, ("**Wujiang Water Supply**") that was under retrial by The People's High Court of Fujian Province ("**Fujian People's High Court**"). After retrial, the Fujian People's High Court had passed the court judgment that Fujian Atontech is liable to refund the invoiced amount of RMB1,336,750 and to pay a compensation amount of RMB6,552,000 to Wujiang Water Supply. Fujian Atontech had lodged protest against the judgment with the Supreme People's Court of the People's Republic of China ("**PRC Supreme People's Court**") on 26 May 2015. The PRC Supreme People's Court is still in the process of reviewing the appeal and there has been no significant development thus far.
5. With regard to the lawsuit between the Company's subsidiary, Xinjiang Aton Advanced Materials Science and Technology Co., Ltd ("**Xinjiang Aton**") and its former construction contractor, Beilong Construction Group Co., Ltd, the Xinjiang Weiwuer High Court had given the court order to retrial the case. Xinjiang Changji Hui Autonomous Prefecture Intermediate People's Court is still in the process of reviewing the case.
6. For the two lawsuits filed separately by Wei Sheng (Hong Kong) Co., Ltd ("**Wei Sheng (HK)**"), a shareholder of the Company's subsidiary, Jiamusi Auton Advanced Materials Technology Co., Ltd ("**Jiamusi Auton**") and by Fujian Atontech with Harbin People's Intermediate Court of Heilongjiang Province (the "**Harbin Court**") against Jiamusi City New Era of Urban Infrastructure Investments (Group) Co., Ltd ("**Jiamusi City New Era**") for the payment of the outstanding contract receivables under a Build-Transfer contract project carried out and completed by Jiamusi Auton, the Harbin Court is still reviewing the lawsuits and there is no significant development thus far.
7. For the lawsuit filed by a bank with Fuzhou People's Intermediate Court (the "**Fuzhou Court**") against Fujian Atontech's supplier, Fujian Zhixin Trading Co., Ltd ("**Fujian Zhixin**") and Fujian Atontech as joint defendant due to Fujian Zhixin factored the receivables owing by Fujian Atontech amounting to RMB20 million to the bank for a financing arrangement and subsequently the supplier had defaulted the repayment of the advances to the bank, the Fuzhou Court is still in the process of reviewing the case and there is no significant development thus far.
8. Concerning the Company's application to resume trading in the securities of the Company ("**Share Trading Resumption Application**") to the SGX-ST, the Company has been working on the resumption requirements informed by the SGX-ST. The Company will provide further updates on the development and outcome of the Share Trading Resumption Application in due course.

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 May 2016