



SINOPIE HOLDINGS LIMITED

(Company Registration Number: 200411382N)

Second Quarter and Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 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			Group 6 months ended		
	30.06.2015	30.06.2014	% Change	30.06.2015	30.06.2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	214,935	205,829	4.4	370,711	335,141	10.6
Cost of sales	(189,366)	(172,551)	9.7	(322,493)	(285,184)	13.1
Gross profit	25,569	33,278	(23.2)	48,218	49,957	(3.5)
Other income	11,024	2,527	336.2	16,672	7,103	134.7
Selling and distribution expenses	(15,396)	(17,760)	(13.3)	(26,632)	(27,772)	(4.1)
Administrative expenses	(12,488)	(18,428)	(32.2)	(25,658)	(35,104)	(26.9)
Other expenses	(1,129)	(2,623)	(57.0)	(1,553)	(3,064)	(49.3)
Finance costs	(25,922)	(27,369)	(5.3)	(53,666)	(50,781)	5.7
Share of results of associates	(746)	(220)	239.1	(1,430)	(557)	156.7
Loss before income tax	(19,088)	(30,595)	(37.6)	(44,049)	(60,218)	(26.9)
Income tax expense	-	622	(100.0)	106	246	(56.9)
Loss for the period, representing total comprehensive loss	(19,088)	(29,973)	(36.3)	(43,943)	(59,972)	(26.7)
Loss, representing total comprehensive loss attributable to:						
Owners of the Company	(18,769)	(29,706)	(36.8)	(42,546)	(58,847)	(27.7)
Non-controlling interests	(319)	(267)	19.5	(1,397)	(1,125)	24.2
	(19,088)	(29,973)	(36.3)	(43,943)	(59,972)	(26.7)

	Group		Group	
	3 months ended		6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of deferred capital grant	(127)	(116)	(255)	(234)
Amortisation of deferred income relating to term loan from an external party	-	(46)	-	(46)
Amortisation of land use rights	483	427	1,097	852
Depreciation of property, plant and equipment	6,978	8,509	14,984	16,685
Foreign exchange loss / (gain), net	(126)	62	(53)	457
Loss on disposal of property, plant and equipment	125	598	139	642
Government grants and subsidies	(30)	(562)	(565)	(672)
(Reversal of) / Provision of impairment loss on trade receivables	(3,229)	(54)	(4,808)	(192)
Interest expense				
- Loans and borrowings	25,922	27,367	53,666	50,779
Interest income				
- Bank deposits	(127)	(1,337)	(2,327)	(2,149)
(Reversal) / Write-down on inventories	-	(6)	(1,072)	(654)
Operating lease expenses	774	891	1,424	1,726
Staff costs *				
- Wages, salaries and bonuses	21,126	22,471	39,069	37,684
- Pension costs	2,906	2,810	5,875	5,498
- Other staff costs	1,813	1,507	2,876	2,647

* 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.

	Group		Company	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Land use rights	87,082	88,179	-	-
Property, plant and equipment	293,705	304,327	38	42
Goodwill	3,944	3,944	-	-
Investment in subsidiaries	-	-	38,129	38,129
Investment in associates	9,912	11,343	14,000	14,000
	<u>394,643</u>	<u>407,793</u>	<u>52,167</u>	<u>52,171</u>
Current assets				
Inventories	103,634	107,670	-	-
Trade and other receivables	154,881	119,161	26,477	19,676
Prepayments	41,213	17,936	38	38
Cash and bank balances	259,711	246,081	49	95
	<u>559,439</u>	<u>490,848</u>	<u>26,564</u>	<u>19,809</u>
	<u>954,082</u>	<u>898,641</u>	<u>78,731</u>	<u>71,980</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	313,344	313,344	313,344	313,344
Other reserves	(12,063)	(12,063)	5,316	5,316
Accumulated losses	(848,385)	(805,839)	(318,754)	(316,297)
Equity attributable to owners of the Company	<u>(547,104)</u>	<u>(504,558)</u>	<u>(94)</u>	<u>2,363</u>
Non-controlling interests	<u>5,484</u>	<u>6,881</u>	<u>-</u>	<u>-</u>
(Capital deficiency) / Total equity	<u>(541,620)</u>	<u>(497,677)</u>	<u>(94)</u>	<u>2,363</u>
Non-current liabilities				
Borrowings	105,984	126,967	-	-
Deferred capital grant	12,841	13,097	-	-
Deferred tax liabilities	7,289	7,396	-	-
	<u>126,114</u>	<u>147,460</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	814,297	698,695	78,825	34,920
Borrowings	549,416	544,281	-	34,697
Deferred capital grants	511	510	-	-
Current tax payable	5,364	5,372	-	-
	<u>1,369,588</u>	<u>1,248,858</u>	<u>78,825</u>	<u>69,617</u>
Total liabilities	<u>1,495,702</u>	<u>1,396,318</u>	<u>78,825</u>	<u>69,617</u>
Total equity and liabilities	<u>954,082</u>	<u>898,641</u>	<u>78,731</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 30.06.2015		Group As at 31.12.2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
405,546	143,870	407,360	136,921

Amount repayable after one year

Group As at 30.06.2015		Group As at 31.12.2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
93,078	12,906	103,467	23,500

Details of any collaterals

Bank loans

The bank loans are guaranteed or secured as follows:

- (a) RMB 132,006,000 (2014: RMB 107,889,000) is guaranteed by a PRC subsidiary, Fujian Aton Advanced Materials Science and Technology Co., Ltd. ("Fujian Atontech");
- (b) RMB 105,780,000 (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 35,294,000 (2014: RMB 35,946,000) and RMB 63,961,000 (2014: RMB 63,831,000), respectively;
- (c) RMB 219,078,000 (2014: RMB 201,578,000) is secured by land use rights and buildings with an aggregate carrying amount of RMB 46,313,000 (2014: RMB 30,548,000) and RMB 40,611,000 (2014: RMB 41,790,000), respectively;
- (d) RMB 9,280,000 (2014: RMB 35,280,000) is secured by trade receivables with an aggregate carrying amount of RMB 11,607,000 (2014: RMB 46,357,000);
- (e) RMB 30,000,000 (2014: RMB 30,000,000) is secured by plant and machinery with an aggregate carrying amount of RMB 1,710,000 (2014: RMB 1,884,000), and is also guaranteed by Fujian Atontech; and

RMB 15,386,000 (2014: RMB nil) of the bank loans is unsecured.

The bank loans of RMB 511,530,000 (2014: RMB 510,827,000) bear effective interest rates ranging from 5.62% 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.

	Group		Group	
	3 months ended		6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Loss before income tax	(19,088)	(30,595)	(44,049)	(60,218)
Adjustments:				
Amortisation of deferred capital grant	(127)	(116)	(255)	(234)
Amortisation of deferred income relating to term loan from a third party	-	(46)	-	(46)
Amortisation of land use rights	483	427	1,097	852
Depreciation of property, plant and equipment	6,978	8,509	14,984	16,685
(Reversal of) / Provision of impairment loss on doubtful trade receivables	(3,229)	(54)	(4,808)	(192)
Interest expense	25,922	27,367	53,666	50,779
Interest income	(127)	(1,337)	(2,327)	(2,149)
Loss on disposal of property, plant and equipment	125	598	139	642
(Reversal) Write-down of inventories	-	(6)	(1,072)	(654)
Share of results of associates	747	220	1,431	557
Operating cash flows before movements in working capital	11,684	4,967	18,806	6,022
Movements in working capital:				
Inventories	7,611	(10,289)	5,108	(13,561)
Trade and other receivables	3,370	34,232	(30,912)	(33,648)
Prepayments	16,674	(1,650)	(23,277)	(11,383)
Trade and other payables	21,283	(66,092)	115,602	13,922
Cash generated from / (used in) operations	60,622	(38,832)	85,327	(38,648)
Income taxes paid	(8)	-	(8)	(519)
Net cash generated from / (used in) operating activities	60,614	(38,832)	85,319	(39,167)
Investing activities				
Acquisition of property, plant and equipment	(3,771)	(9,484)	(7,268)	(13,096)
Proceeds from disposal of property, plant and equipment	99	820	2,766	824
Interest received	127	1,337	2,327	2,149
Net cash used in investing activities	(3,545)	(7,327)	(2,175)	(10,123)

	Group 3 months ended		Group 6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RMB'000	RMB'000	RMB'000	RMB'000
Financing activities				
Interest paid	(25,922)	(26,710)	(53,666)	(49,559)
Proceeds from borrowings	110,570	115,180	288,470	287,883
Repayment of borrowings	(137,225)	(46,910)	(304,318)	(222,899)
Pledged bank balances	(13,173)	(11,059)	(9,215)	(31,089)
Net cash generated from / (used in) financing activities	(65,750)	30,501	(78,729)	(15,664)
Net (decrease) / increase in cash and bank balances	(8,681)	(15,658)	4,415	(64,954)
Cash and bank balances at beginning of financial period	31,619	43,910	18,523	93,206
Cash and bank balances at end of financial period	<u>22,938</u>	<u>28,252</u>	<u>22,938</u>	<u>28,252</u>

Note to Consolidated Cash Flow Statement

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

	Group	
	30.06.2015	30.06.2014
	RMB'000	RMB'000
Cash and bank balances	259,711	216,335
Less: Pledged bank balances *	(236,773)	(188,083)
	<u>22,938</u>	<u>28,252</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

	Share capital	Other reserves	Accumulated losses	Non-controlling interests	Total equity
	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	313,344	(12,063)	(829,616)	5,803	(522,532)
Total comprehensive loss for the period	-	-	(18,769)	(319)	(19,088)
Balance at 30 June 2015	<u>313,344</u>	<u>(12,063)</u>	<u>(848,385)</u>	<u>5,484</u>	<u>(541,620)</u>

GROUP

	Share capital	Other reserves	Accumulated losses	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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	313,344	(12,007)	(554,735)	10,196	(243,202)
Total comprehensive loss for the period	-	-	(29,706)	(267)	(29,973)
Balance at 30 June 2014	313,344	(12,007)	(584,441)	9,929	(273,175)

COMPANY

	Share capital	Reserves	Accumulated losses	Total equity
	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	313,344	5,316	(317,034)	1,626
Total comprehensive loss for the period	-	-	(1,720)	(1,720)
Balance at 30 June 2015	313,344	5,316	(318,754)	(94)
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	313,344	5,316	(252,967)	65,693
Total comprehensive loss for the period	-	-	(1,979)	(1,979)
Balance at 30 June 2014	313,344	5,316	(254,946)	63,714

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 30 June 2015	287,594,900	313,344

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	
	30.06.2015	31.12.2014
Total number of issued shares excluding treasury shares	287,594,900	287,594,900

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.

	Group		Group	
	3 months ended		6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Loss per ordinary share for the period:				
	RMB'000	RMB'000	RMB'000	RMB'000
Loss attributable to shareholders (basic)	(18,769)	(29,706)	(42,546)	(58,847)
Add: Amortisation of discount on convertible loans	-	569	-	1,132
Loss attributable to shareholders (diluted)	(18,769)	(29,137)	(42,546)	(57,715)
	'000	'000	'000	'000
Weighted average number of ordinary shares (basic)				
Issued ordinary shares at beginning of period	287,595	287,595	287,595	287,595
Weighted average number of ordinary shares (basic)	287,595	287,595	287,595	287,595
Weighted average number of ordinary shares (diluted)				
Weighted average number of ordinary shares (basic)	287,595	287,595	287,595	287,595
Effect of dilution from convertible loans	-	32,500	-	32,500
Weighted average number of ordinary shares (diluted)	287,595	320,095	287,595	320,095
Basic and Diluted Loss per Share (RMB cents)	(6.53)	(10.33)	(14.79)	(20.46)

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.

	Group		Company	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Net asset value per ordinary share (RMB cents)	(188.33)	(173.05)	(0.03)	0.82

Net asset value per ordinary share was calculated based on the total number of issued shares excluding treasury shares of 287,594,900 as at 30 June 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

2Q2015 vs 2Q2014

Revenue

The breakdown of our revenue is as follows:

	3 months ended		Increase /	Increase /
	30.06.2015	30.06.2014	(Decrease)	(Decrease)
	RMB'000	RMB'000	RMB'000	%
Plastic pipe				
- Water supply	112,268	113,491	(1,223)	(1.1)
- Drainage and sewerage	74,166	62,921	11,245	17.9
- Telecommunication and electrical	26,662	23,434	3,228	13.8
- Water-saving irrigation	809	2,662	(1,853)	(69.6)
- Fuel gas	1,030	3,321	(2,291)	(69.0)
	<u>214,935</u>	<u>205,829</u>	<u>9,106</u>	<u>4.4</u>

Revenue increased by RMB 9.1 million or 4.4% from RMB 205.8 million in 2Q 2014 to RMB 214.9 million in 2Q 2015. The increase was due to higher sales from drainage and sewerage segment as well as telecommunication and electrical segment offset by lower sales from the other segments.

Gross profit and gross profit margin

Gross profit was RMB 25.6 million in 2Q 2015 compared to RMB 33.3 million in 2Q 2014, a decrease by RMB 7.7 million or 23.2% mainly due to lower profit margins caused by lower selling prices as a result of increased competition.

Other income

Other income increased significantly by RMB 8.5 million from RMB 2.5 million in 2Q 2014 to RMB 11.0 million in 2Q 2015 mainly due to higher compensation income of RMB 7.6 million and higher reversal of provision for impairment loss on trade receivables of RMB 3.2 million following collection of doubtful debts. The increase was offset by lower interest income on bank deposits by RMB 1.2 million, lower government grant by RMB 451,000 and lower extinguishment of trade and other payable by RMB 358,000.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB 2.4 million or 13.3% from RMB 17.8 million in 2Q 2014 to RMB 15.4 million in 2Q 2015 mainly attributable to lower servicing and handling expenses by RMB 763,000, travelling expenses by RMB 502,000, entertainment expenses by RMB 330,000 as well as staff salaries by RMB 344,000.

Administrative expenses

Administrative expenses was RMB 12.5 million in 2Q 2015 compared to RMB 18.4 million in 2Q 2014, a decrease of RMB 5.9 million or 32.2% mainly due to lower expenses of:

- salaries and related expenses by RMB 3.1 million;
- banking and finance charges by RMB 1.4 million;
- general & administrative expenses by RMB 844,000;
- repair and maintenance by RMB 306,000 and
- utilities by RMB 290,000.

Other expenses

Other expenses decreased by RMB 1.5 million or 57.0% from RMB 2.6 million in 2Q 2014 to RMB 1.1 million in 2Q 2015 mainly due to lower research and development expenses by RMB 709,000 and lower loss on disposal of property, plant and equipment by RMB 473,000 and lower sale of scrap materials by RMB 147,000.

Finance costs

Finance cost decreased by RMB 1.4 million or 5.3% from RMB 27.4 million in 2Q 2014 to RMB 25.9 million in 2Q 2015 mainly due to lower loans and borrowings.

Share of results of associates

Share of losses of associates increased by RMB 526,000 from RMB 220,000 in 2Q 2014 to RMB 746,000 in 2Q 2015 mainly because of higher operating losses incurred by an associate, Yunnan Aton High Molecular Materials Technology Co., Ltd.

Income tax expense

Income tax expense in 2Q 2015 was nil amount compared to a credit amount of RMB 622,000 in 2Q 2014 which comprised mainly deferred tax credit recognised on the amortisation of discount on a convertible loan amounted to RMB 96,000 and reversal of provision for income tax amounting to RMB 500,000.

Loss for the period

As a result of the above, the Group's loss decreased by RMB 10.9 million or 36.3% from RMB 30.0 million in 2Q 2014 to RMB 19.1 million in 2Q 2015.

Financial position

Non-current assets

As at 30 June 2015, non-current assets amounted to RMB 394.6 million, a decrease of RMB 13.2 million or 3.2% from year ended 31 December 2014. The decrease was mainly because of decrease in net book value of property, plant and equipment due to depreciation charges.

Current assets

Current assets amounted to RMB 559.4 million, an increase of RMB 68.6 million or 14.0% compared to the preceding financial year ended as at 31 December 2014. The increase was mainly due to increase in trade and other receivables, prepayments and cash and bank balances partially offset by lower inventories.

Current liabilities

Current liabilities amounted to RMB 1.4 billion, an increase of RMB 120.7 million or 9.7% compared to the preceding financial year end as at 31 December 2014. The increase was mainly due to higher trade and other payables partially offset by lower borrowings.

Non-current liabilities

Non-current liabilities amounted to RMB 126.1 million, a decrease of RMB 21.3 million or 14.5% compared to the preceding financial year end as at 31 December 2015. The decrease was mainly due to lower borrowings.

Shareholders' equity

Capital deficiency amounted to RMB 541.6 million, an increase of RMB 43.9 million or 8.8% as a result of net loss incurred in HY2015.

Cash Flows

The Group registered net cash generated from operating activities amounted to RMB 60.6 million in 2Q 2015 as the Group continues to streamline its operations.

Net cash used in investing activities in 2Q 2015 amounted to RMB 3.5 million mainly for the acquisition of property, plant and equipment.

Net cash used in financing activities in 2Q 2015 amounted to RMB 65.8 million mainly due to net repayment of borrowings of RMB 26.7 million, interest payment of RMB 25.9 million and increase in pledged bank balance of RMB 13.2 million.

As at 30 June 2015, the Group had a cash and cash equivalents of RMB 22.9 million.

Going concern

As at 30 June 2015, the Group and the Company were in net current liability position of RMB 810.1 million and RMB 52.3 million respectively. The Group and the Company were also in Capital deficiency of RMB 541.6 million and RMB 94,000 respectively. The ability of the Group and Company to meet the financial obligations and to continue as going concern depend, foremost, on their ability to secure continuing banking facilities from the banks and to continue generating sufficient operating cash flows to meet the operating needs.

Management is confident that 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. The PRC authorities have also been easing credit control to address China's economic slow-down which 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 the positive outlook for the plastic pipe industry following the PRC Government's plan to continue with its urbannisation plan for the various cities.

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 1Q 2015.

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 its efforts in expanding its distribution network 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 30 June 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

14 August 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 30 June 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

14 August 2015