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CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED
珠江石油天然氣鋼管控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1938)

PROFIT WARNING

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that based on the information currently available and the preliminary review of the consolidated management accounts of the Group for the six months ended 30 June 2015 (“**1H2015**”) by the management of the Group, it is expected that the Company would report a consolidated net loss for the 1H2015, as compared to the consolidated net profit of RMB70.6 million recorded for the six months ended 30 June 2014. It is mainly attributable to (i) a drop in the domestic sales primarily attributable to the delay in the bidding process of pipeline projects in the PRC due to the aftermath caused by the government’s anti-corruption movement; (ii) a decrease in fair value gains on the Group’s investment properties; and (iii) a decrease in government subsidies granted in relation to the Group’s investment in Lianyungang.

The Board remains cautiously optimistic that the forthcoming 13th Five Year Plan, the “One Belt One Road Strategy” and the offshore engineering equipment manufacturing industry will possibly reinstate the gas pipeline constructions and constructions of offshore platform, offshore windmill, offshore structure pipes and bridges in China, which will likely drive up the demand of pipes and the domestic sales orders would resume to a satisfactory level. As a positive sign of the strong global demand of steel pipes and prospect of securing the orders from overseas, the Group was awarded sales contracts amounted to approximately RMB1,225 million from a Peru customer in late 2014 and 2015. The Group is expected to supply a total of approximately 169,500 tonnes of steel pipes,

which will solely be used in a gas project in Peru.

The Board will review the Group's strategies and operations regularly with a view to improving its future business performance. Despite the Company is expecting to report a net loss for 1H2015, the Board considers that the Group's overall operational and financial positions are solid and remains positive on the Group's prospect.

The information contained in this announcement is based on the information currently available and the preliminary review of the consolidated management accounts of the Group for the 1H2015 by the management of the Group, which neither been audited, confirmed nor reviewed by the Company's auditors or the audit committee of the Company as at the date of this announcement. Shareholders of the Company and potential investors are advised to peruse the financial results for 1H2015 with care when it is released. Detailed financial information of the Group for the 1H2015 will be disclosed in the interim results announcement of the Group for the 1H2015, which is expected to be published before the end of August 2015.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
**Chu Kong Petroleum and Natural Gas
Steel Pipe Holdings Limited**
Chen Chang
Chairman

Guangdong Province, the PRC, 31 July 2015

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chen Chang, Ms. Chen Zhao Nian and Ms. Chen Zhao Hua; and three independent non-executive Directors, namely Mr. Chen Ping, Mr. See Tak Wah and Mr. Tian Xiao Ren.