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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

POSITIVE PROFIT ALERT FOR THE YEAR ENDED 31 DECEMBER 2015

This announcement is made by the Company pursuant to Rule 13.09 (1) of the Listing Rules and the inside information provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders and potential investors of the Company that the Group is expected to return to profit for the year ended 31 December 2015 as compared to a loss of RMB358.7 million for the year ended 31 December 2014.

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

This announcement is made by Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that the Group is expected to return to profit for the year ended 31 December 2015 as compared to a loss of RMB358.7 million for the year ended 31 December 2014.

The return to profitability in 2015 was primarily attributed to the increase in fair value gain on the Group's investment properties, whereas the Group's steel pipe business operations experienced downturn for two years and recorded a loss in 2015. The steel pipe business began to pick up from the bottom in late 2015.

This positive profit alert is based on the Company's preliminary review of the management accounts of the Group for the year ended 31 December 2015 and a fair value report prepared by a valuer as at 30 November 2015, which are being reviewed and/or audited by the Company's auditors and are subject to possible adjustments upon further review.

The Company's annual results announcement for the year ended 31 December 2015 will be issued on 31 March 2016. Shareholders and potential investors of the Company are advised to read the annual results announcement when it is published.

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, 24 March 2016

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