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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 review of the consolidated management accounts of the Group for the six months ended 30 June 2017 ("**1H2017**") by the management of the Group, it is expected that the Company would record an increase in the consolidated net loss for the 1H2017 as compared with that for the corresponding period in 2016. Such net loss is mainly due to the drop in oil price that led to the reduction in the number of large-size domestic and overseas orders received and the interest expenses were increased in 1H2017.

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 reinitiate the gas pipeline constructions and constructions of offshore platform, offshore windmill, offshore structure pipes and bridges in China, which will likely boost the demand of pipes and the domestic sales orders would resume to a satisfactory level.

The Board will review the Group's strategies and operations regularly with a view to improving its future business performance. Although the Company is expecting to report a net loss for 1H2017, 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 review of the consolidated management accounts of the Group for the 1H2017 by the management of the Group, which have 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 the 1H2017 with care when it is released. Detailed financial information of the Group for the 1H2017 will be disclosed in the interim results announcement of the Group for the 1H2017, which is expected to be published on 29 August 2017.

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, 25 August 2017

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.