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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)

**PROGRESS UPDATE:
VERY SUBSTANTIAL DISPOSAL IN RELATION TO
PROPOSED CHANGE OF USE OF THE LAND AND
DISPOSAL OF 59% EQUITY INTEREST IN AN INDIRECT SUBSIDIARY-
PANYU CHU KONG STEEL PIPE CO LTD**

Reference is made to the announcement (the “**Announcement**”) and circular (the “**Circular**”) issued by Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “**Company**”) on 12 February 2018 and 27 March 2018 respectively regarding the very substantial disposal of the Company (the “**VSD**”) in relation to Change of Land Use and the Disposal. The Disposal is confined to the Land only after completion of the Asset Reorganisation. This announcement is made by the Company to keep the shareholders and potential investors of the Company informed of the progress of the Disposal. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

The board (the “**Board**”) of directors of the Company is pleased to announce that the Capital Injection (being the first phase of the Disposal) has been completed on 12 October 2018, whereby, the Investor has made capital injection into PCKSP in the amount of RMB240 million and acquired 19% of the registered capital of PCKSP (on enlarged basis). Following the completion of the Capital Injection, PCKSP is now held as to 20% by the Investor and 80% by CKSPG, an indirectly wholly-owned subsidiary of the Company.

The Board considers that the completion of Capital Injection is an effective step forward to the Change of Land Use and the cooperation with the Investor could unlock and maximize the potential economic value of the Land.

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

Guangdong Province, the PRC, 15 October 2018

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.