



SINOPIPE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200411382N)

RESPONSE TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE COMPANY'S SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2018

In response to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") queries on 17 August 2018, the Board of Directors (the "**Board**") of SinoPIPE Holdings Limited (the "**Company**") wishes to provide the following information in relation to the Company's Second Quarter Financial Statements and Dividend Announcement for the period ended 30 June 2018.

SGX-ST's question 1

Please provide an update on the status of outstanding consideration since the completion of Disposal on 30 April 2018 and whether the Board has taken any steps to ensure the collectability of the outstanding proceeds.

Company's response:

The Company refers to the announcements on 9 July 2018 and 31 July 2018 on the issue encountered by the Company on receiving the outstanding consideration. To address the problem encountered, the Company had provided the explanation and supporting documents as to why the registered capital of the Company's former subsidiary, Fujian Aton Advanced Material Science and Technology Co., Ltd ("**Fujian Atontech**") which is currently under debt restructuring proceeding was not fully paid up. Fujian Yatong Construction Material Limited (the "**Purchaser**") had advised the Company that the debt restructuring manager appointed by the Intermediate People's Court of Fuzhou (the "**Fuzhou Court**") had provided the Company's explanation and supporting documents to the Fuzhou Court. At the date of this announcement, the Company was advised by the Purchaser that the supporting documents are still being reviewed and considered by the Fuzhou Court. The Company will seek legal advice and assistance should this issue cannot be resolved soon and is further delaying the Company's receipt of the outstanding consideration from the Purchaser.

SGX-ST's question 2

Please provide a breakdown of the use of proceeds from the disposal consideration in repayment of the Company's payables and what are the liabilities that are still outstanding till to-date.

Company's response:

Breakdown of use of proceeds from the disposal consideration in repayment of the Company's payables:

	<u>SGD</u>
Staff salaries, AWS and CPF contribution	148,220
Legal services	65,259
Statutory audit	144,470
Internal audit	45,033
Tax compliance	2,310
Corporate secretarial	60,382
Shares registry services retainer fees	14,016
Shareholders' general meetings	17,423
SGX annual listing and CDP retainer fees	100,178
Other professional services	7,635
Office rental	10,709
General operating expenses	8,048
Independent directors' fees	377,500
Total:	<u>1,001,183</u>

Accrued expenses and liabilities that are still outstanding till to-date:

	<u>SGD</u>
Staff salaries, AWS and CPF contribution	3,680
Statutory audit	27,820
Tax compliance	2,408
Corporate secretarial	16,857
Shares registry services retainer fees	1,551
Shareholders' general meetings	8,000
Shareholder's loan	550,000
Owing to current and former directors who are also deemed shareholders	883,871
Total:	<u>1,494,187</u>

SGX-ST's question 3

Please provide the milestones in obtaining a new business for the Company since becoming a cash company as at 30 April 2018.

Company's response:

The Board is actively exploring various options for injection of new businesses. The Board is currently in discussions with a few potential white knights for new businesses available for acquisition. The Board is in the process of reviewing and considering these potential white knights who have indicated their interests.

Trading of the shares in the Company has remained suspended since 2 April 2012.

BY ORDER OF THE BOARD

Mr Wang Sen
Non-Executive Chairman

21 August 2018