



SINOPIPE HOLDINGS LIMITED

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE COMPANY’S SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019

In response to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) queries on 16 August 2019, 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 and Half Year Financial Statements and Dividend Announcement for the period ended 30 June 2019

SGX-ST’s questions:

We refer to Sinopipe Holdings Limited (the “Company”) announcement of its Second Quarter Results for Period Ended 30 June 2019 (“Announcement”):

1. **Kindly provide an update on the status of outstanding consideration of RMB3.15 million relating to the disposal of all of the Company’s business undertaking to Fujian Yatong Construction Material Limited owed since 30 April 2018.**

Company’s answer:

Fujian Yatong Construction Material Limited (“**Fujian Yatong**”) informed that it had submitted the remittance application to a PRC bank to remit the payment of the outstanding disposal consideration to the Company. The PRC remitting bank has been in the process of reviewing and processing the remittance application. Management will follow up closely with Fujian Yatong on the status of the payment remittance to the Company.

2. **Please provide timelines and milestones in relation to the acquisition agreement entered into by the Company with Shanxi Bibenet Information Technology Co., Ltd. (山西比比网络信息技术股份有限公司) (“Shanxi Bibenet”) on 17 April 2019 pursuant to which the Company will indirectly acquire 100% of the registered capital of Shangxi Bibenet and transfer its listing status from the Main Board of the Official List of the SGX-ST to the Catalist.**

Company’s answer:

Timelines and milestones in relation to the acquisition agreement entered into by the Company with Shanxi Bibenet:

<u>Milestones</u>	<u>Timelines</u>
1. Pre-consultation with SGX-ST on proposed VIE structure	Six to eight weeks.
2. Due diligence after the above pre-consultation	One and a half months to two months.
3. Appointment of financial advisor and auditors	Three weeks upon receiving SGX-ST's approval to the application for extension of time to meet the requirement for new listing under Listing rule 1018(2).
4. Submission of the draft RTO circular to SGX-ST for review and approval.	By 31 October 2019.

Shanxi Bibenet informed the Company that they have been preparing for the internal restructuring and engaging in equity capital funding exercise needed for the RTO acquisition. However, the time and process for these activities undertaken by Shanxi Bibenet have been taking very long. The Company had reminded Shanxi Bibenet of the urgency of meeting the timeline of the RTO listing process. Shanxi Bibenet informed that they are dealing with the equity structure adjustment under the requirements of VIE structure.

3. Please provide breakdown of Administrative expenses amounting to RMB589,000 for 3 months ended 30 Jun 2019 and to explain for each item given Sinopipe is a cash company with no operations.

Company's answer:

Breakdown of Administrative expenses amounting to RMB589,000 for 3 months ended 30 Jun 2019:

<u>Description</u>	<u>RMB'000</u>	<u>Nature</u>
Staff costs	111	Human resources
Directors' remuneration and fees	130	Human resources
Provision for auditors' fees	52	Statutory compliance
Professional fees - Shares registra, secretarial and tax	50	Statutory compliance
Provision for AGM expenses	28	Statutory compliance
Annual listing fees	30	Listing compliance
Office rental	17	Administration
Office and general expenses	5	Administration
Travelling and transport	5	Administration
Depreciation on office equipment	1	Accounting
Foreign exchange revaluation difference	160	Accounting
Total:	589	

4. Paragraph 12 of Appendix 7.2 of Listing Manual requires issuer to state the reason if no dividend has been declared. Please disclose accordingly.

Company's answer:

The Company has not declared dividend mainly because it is currently a deemed Cash Company under Rule 1018 (1) of the SGX-ST Listing Manual and is not in favourable financial position to pay dividend.

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

23 August 2019