



SINOPIPE HOLDINGS LIMITED

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

RESPONSE TO QUESTIONS FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE COMPANY'S PREVIOUS ANNOUNCEMENTS IN RELATION TO THE OUTSTANDING BALANCE OF THE DISPOSAL CONSIDERATION

In response to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") questions on 13 February 2019, the Board of Directors (the "**Board**") of SinoPIPE Holdings Limited (the "**Company**") wishes to provide the further information in relation to the Company's previous announcements in relation to the outstanding balance of the disposal consideration ("**Announcement**").

SGX-ST's Question 1:

Based on the Company's previous announcements, the Company has been unable to collect the outstanding balance of the consideration amounting to RMB3.15 million relating to the Disposal completed on 30 April 2018 from Fujian Yatong Construction Material Limited (the "**Purchaser**") as the registered capital of Fujian Aton Advanced Material Science and Technology Co., Ltd (the "**Former Subsidiary**") has not been fully paid up (the "**Registered Capital Issue**") and that the Company is still trying to resolve the issue with the Intermediate People's Court of Fuzhou. Please describe in further details the process of payment collection taken by the Board to ensure collectability of the outstanding amount, which legal firm had been engaged and milestones on the collection of payments.

Company's answer:

After clarified with the lawyers, the Company had formally informed the Purchaser that it has contractual obligation to pay the outstanding disposal consideration to the Company under the Sale and Purchase Agreement notwithstanding the Registered Capital Issue of the Former Subsidiary. The Company had demanded the Purchaser to pay the outstanding disposal consideration to the Company and will take legal means to recover the outstanding disposal consideration should it still remains outstanding.

The Purchaser had informed the Company today that the creditors and Intermediate People's Court of Fuzhou had approved the restructuring proposal for the Former Subsidiary and the Purchaser is able to pay the outstanding disposal consideration to the Company. The Purchaser informed that they will pay the outstanding disposal consideration to the Company within about three to four weeks.

SGX-ST's Question 2:

Please elaborate on the long stop date that the board should impose on the Purchaser for the long overdue outstanding payment. To disclose the actions the board will take to revoke the sale if payment is still defaulted after the deadline.

Company's answer:

As mentioned in the answer to Question 1, the Purchaser had informed the Company that it will pay the outstanding disposal consideration within three to four weeks from the date of this announcement.

The Company will take legal means to recover the outstanding disposal consideration should it still remains outstanding.

SGX-ST's Question 3:

Please explain if there will be interest accrued for the long overdue payment? If no, please justify how is this in the best interest of shareholders given that the Company has currently has no operations and is still paying out staff costs and related expenses every month.

Company's answer:

After considering the difficult and mitigating circumstances that the Purchaser had encountered on the Registered Capital Issue, the Company has not imposed interest on the outstanding disposal consideration. The Company will impose interest on the outstanding disposal consideration if it still does not receive the payment within three to four weeks as informed by the Purchaser.

SGX-ST's Note:

Please note that non action of the Board for the collection of the outstanding payment will have an impact on the Company's ability to seek new businesses under Listing Rule 1018(2), the failure of which will result in the removal of issuer from the Official List. In such an instance, a cash exit offer will have to be made to shareholders.

Company's reply:

The Board has taken note of the above.

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

18 February 2019