

SINOPIPE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200411382N)

**UPDATE ON THE APPLICATION FOR FURTHER EXTENSION OF TIME TO
COMPLETE THE PROPOSED ACQUISITION PURSUANT TO THE
SGX-ST'S WAIVER LETTER DATED 4 DECEMBER 2020**

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Sinopipe Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following:

- (a) the Company's announcement dated 18 May 2020 (the “**18 May 2020 Announcement**”) in relation to the binding but conditional memorandum of understanding entered into by the Company with Ten-League Corporations Pte. Ltd. (the “**Vendor**”) in respect of the proposed acquisition by the Company of all (and not some only) of the issued and fully paid up shares (ordinary or otherwise) in the capital of Ten-League Engineering & Technology Pte. Ltd. and, subject to further discussion and due diligence, any other company or companies under the common control or ownership of the shareholder of Ten-League Engineering & Technology Pte. Ltd. that is or are primarily operating in the construction and foundations industries (the “**Target**”) legally owned by the Vendor (being 100% of the issued and fully paid up shares (ordinary or otherwise) in the capital of the Target) (the “**Proposed Acquisition**”);
- (b) the Company's announcement dated 27 July 2020 (the “**27 July 2020 Announcement**”) in relation to the further extension of time of 14 months to 28 February 2021 with regard to compliance with Rule 1018(2) of the Listing Manual, subject to the waiver conditions stated in the SGX-ST's waiver letter dated 27 July 2020;
- (c) the Company's announcement on 25 November 2020 (the “**25 November 2020 Announcement**”) in relation to the application by the Company on 14 November 2020 to the SGX-ST for a further extension of time to comply with the waiver conditions stated in the SGX-ST's waiver letter dated 27 July 2020 as announced in the 27 July 2020 Announcement (the “**First Application for Further Extension of Time**”); and
- (d) the Company's announcement on 2 December 2020 (the “**2 December 2020 Announcement**”) in relation to the SGX-ST's letter received by the Company on 1 December 2020 in reply to the First Application for Further Extension of Time;
- (e) the Company's announcement on 7 December 2020 (the “**7 December 2020 Announcement**”) in relation to the final extension of time of three months to 31 May 2021 to complete the Proposed Acquisition (the “**Final Extension**”);

- (f) the Company's announcement on 30 December 2020 (the "**30 December 2020 Announcement**") in relation to the entry by the Company into the definitive sale and purchase agreement for the Proposed Acquisition; and
- (g) the Company's announcement on 17 March 2021 (the "**17 March 2021 Announcement**") in relation to the rejection by the SGX-ST of the Company's application for a further extension of time to complete the Proposed Acquisition by 30 June 2021.

(the 18 May 2020 Announcement, the 27 July 2020 Announcement, the 25 November 2020 Announcement, the 2 December 2020 Announcement, the 7 December 2020 Announcement, the 30 December 2020 Announcement and the 17 March 2021 Announcement collectively, the "**Previous Announcements**").

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Previous Announcements.

2. UPDATE ON THE APPLICATION FOR FURTHER EXTENSION OF TIME

- 2.1 Further to the Previous Announcements, the Company wishes to update shareholders of the Company ("**Shareholders**") that the Company had on 22 April 2021 submitted an appeal to the SGX-ST for re-consideration of its decision to reject the Company's application for a further extension of time to complete the Proposed Acquisition, and had applied for a further extension of time of 4 months to the Final Extension until 30 September 2021 to complete the Proposed Acquisition (the "**Appeal**").
- 2.2 The Company wishes to further update Shareholders that the SGX-ST had on 5 May 2021 notified the Company that, based on the Company's representations and submission to the SGX-ST, the Appeal has been rejected for the following reasons:
 - (a) based on the Company's representation and submission to the SGX-ST, the SGX-ST expressed that there were no extenuating circumstances to justify why the Company was unable to meet its own timelines and conditions set in the Final Extension;
 - (b) the Company has been suspended for 9 years since 2 April 2012 pursuant to Listing Rule 1303(3) when the Company was unable to operate as a going concern after the Audit Committee was informed by its statutory auditor of significant irregularities in the accounts of PRC subsidiaries;
 - (c) Listing Rule 1304 states that if the trading of the listed securities of an issuer is suspended under Listing Rule 1303(3), it must (1) submit a proposal (or proposals) to the SGX-ST with a view to resuming trading in its securities ("**resumption proposals**") within 12 months of the date of suspension; and (2) implement the resumption proposals within 6 months from the date the SGX-ST indicates that it has no objection to the resumption proposals. If no resumption proposals are received to enable trading to resume within 12 months of the date of suspension or if, pursuant to Listing Rule 1304(2), the resumption proposals have not been implemented within the 6 months, the SGX-ST may remove the issuer from the Official List;

- (d) on 30 April 2018, the Company disposed of its plastic pipe business and operations in the PRC and became a cash company under Listing Rule 1018. Pursuant to Listing Rule 1018(1), the Company must meet the requirements for new listing within 12 months from the time it becomes a cash company, by 30 April 2019. The Company may apply for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. Thus, the Company may be granted a 6-month extension to 30 October 2019 to complete its acquisition if it had identified an acquisition before 30 April 2020;
- (e) on 20 February 2019, the Company entered into a memorandum of understanding to acquire the business of Shanxi Bibenet Information Technology Co., Ltd ("**Shanxi Bibenet**"). On 9 May 2019, the SGX-ST granted the Company an 8-month extension of time till 31 December 2019 to complete the acquisition of Shanxi Bibenet on the basis that the Company had signed a definitive agreement with the vendor. However, the Company announced on 2 January 2020 that certain conditions pursuant to the terms of the acquisition agreement have not been fulfilled by 31 December 2019, being the deadline for satisfaction (unless waived in whole or in part by any non-defaulting party) and the Board has decided that the Company will no longer be pursuing the proposed acquisition of Shanxi Bibenet. The Company disclosed that it has, in the meantime, received a couple of preliminary expressions of interests to undertake certain corporate actions and transactions and that the Board is currently looking at the feasibility of going into any of such transactions;
- (f) on 18 May 2020, the Company entered into a memorandum of understanding to acquire all of the issued and fully paid up shares in the capital of Ten-League Engineering & Technology Pte. Ltd. (the "**Ten-League**") (the "**Proposed Acquisition**") through a reverse takeover ("**RTO**") of the Company as defined under Chapter 10 of the Listing Manual. The Company concurrently sought a further 14-months extension of time till 28 February 2021 to complete the RTO after taking into account the COVID-19 pandemic which resulted in delay to the preparation work for the reverse takeover. The SGX-ST granted the waiver;
- (g) on 7 December 2020, the Company announced that the SGX-ST had granted a final extension of three (3) months to 31 May 2021 ("**Final Extension**") for the Company to complete the proposed RTO which was entered into on 18 May 2020. The Final Extension was granted taking into account the COVID-19 pandemic situation and subject to, inter alia, the Company meeting the specified milestones which it had submitted and a written undertaking from the directors/controllers/shareholders that the Company shall be delisted and cash exit offer to be made to the shareholders pursuant to Listing Rule 1309 in the event it fails to meet the waiver conditions. The Company announced that it required the Final Extension as, inter alia, additional time would be required for the Company to complete the audit for FY2020 and the drafting of the Circular and the Company was also in the process of obtaining the written assurance from certain key creditors of the Company for their support of the capitalisation of the debts and the written commitment from major shareholder(s) to vote in favour of the Proposed Acquisition. Creditors of the Company comprised mainly the amount owing to a director and shareholder and accruals of professional fees and directors' fees;

- (h) despite the notification by the SGX-ST that the extension announced on 7 December 2020 will be the Final Extension, the Company had again submitted a further time extension on 10 March 2021 to complete the proposed RTO by 30 June 2021. The Company's main reason for its inability to meet the RTO milestones was due to the additional time required to prepare the Ten-League's financial accounts in compliance with new accounting standard SFRS(1) 16 Leases. On 22 April 2021, the Company informed that they wish to amend the extension of time sought from the date of 30 June 2021 to 30 September 2021 instead;
 - (i) despite the multiple time extensions granted, the Company had not completed any of the RTO milestones in the waiver conditions under the Final Extension. These milestones were set by the Company based on its confidence in meeting them. There is no certainty that the Company will be able to complete the proposed RTO by 30 September 2021 based on the progress of the work done to-date as the SGX-ST notes that substantial professional work relating to the RTO is still outstanding. This includes the preparation of Target's audited accounts, legal due diligence, circular preparation, SIC waiver application, business valuation, internal control review, IFA's opinion and sponsor due diligence;
- 2.3 Having carefully considered the reasons set out above and the submissions of the Company, the SGX-ST has informed the Company that it is of the view that there are no extenuating circumstances that warrant the grant of a further extension of time to the Company as it has on various occasions failed to meet the milestones committed to the SGX-ST. The extensions granted by the SGX-ST already factored in the delays caused by the COVID-19 pandemic and as well as the requirements in the accounting standard SFRS(1) 16 Leases which had already been in effect since 1 January 2019.
- 2.4 As the Company has failed to meet the waiver conditions under the Final Extension granted on 7 December 2020, including inter alia, the submission of the shareholders' circular relating to the RTO for the SGX-ST's review by 8 March 2021 and to complete the RTO by 31 May 2021, the SGX-ST will proceed to delist the Company. The SGX-ST has informed the Company to let them know their exit offer proposal as soon as practicable, and no later than one (1) month from the date of the SGX-ST's letter on 5 May 2021.
- 2.5 The Company will provide updates via SGXNet on the status of the Company's exit offer proposal.
- 2.6 Trading in the Company's securities will remain suspended until completion of the exit offer.

3. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully, and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Mr Wang Sen
Non-Executive Chairman

6 May 2021