

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

FURTHER UPDATE ON THE APPLICATION FOR FURTHER EXTENSION OF TIME TO COMPLY WITH THE WAIVER CONDITIONS STATED IN THE SGX-ST'S WAIVER LETTER DATED 27 JULY 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 “**Application for Further Extension of Time**”); and
- (d) the Company's announcement on 2 December 2020 (the “**2 December 2020 Announcement**”) in relation the SGX-ST's letter received by the Company on 1 December 2020 in reply to the Application for Further Extension of Time.

(the 18 May 2020 Announcement, the 27 July 2020 Announcement, the 25 November 2020 Announcement and the 2 December 2020 Announcement (collectively, the “**Previous Announcements**”).

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

2. FURTHER UPDATE ON THE APPLICATION FOR FURTHER EXTENSION OF TIME

- 2.1 Subsequent to the 2 December 2020 Announcement, the Company, through its representatives, has made an appeal to the SGX-ST for a re-consideration of its decision and made further submissions in relation to the time-line that the Company would require to complete the proposed RTO.
- 2.2 The Company wishes to update the shareholders of the Company (“**Shareholders**”) that, following the Company’s appeal and further submissions, the SGX-ST has on 4 December 2020 notified the Company that, based on the Company’s representations and submissions to the SGX-ST, the SGX-ST has no objection to the Company’s application for a final extension of time of three (3) months to 31 May 2021 (the “**Further Waiver**”) to complete the proposed RTO, subject to the following:-
- (a) the Company announcing the Further Waiver granted, the reasons for seeking the Further Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Further Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
 - (b) the Company to have appointed its professional parties to the RTO, commence legal and financial due diligence, commence audit work (for FY2018-2020), entered into definitive SPA by 31 December 2020 and announcing all details under Listing Rule 1015 via SGXNet,
 - (c) the submission of the RTO application to IPOA, SGX RegCo by 8 March 2021;
 - (d) the Company convening the EGM to seek the approval of the shareholders for the Proposed Acquisition and transfer to the Catalist by 17 May 2021;
 - (e) completion of the RTO and listing transfer to Catalist by 31 May 2021;
 - (f) the Company providing monthly updates of its progress in the RTO and whether it is meeting the specific milestones for the proposed RTO; and
 - (g) submission of written undertaking from the directors/controlling shareholders that in the event the Company fails to complete the RTO by 31 May 2021, the Company shall be delisted and cash exit offer to be made to the shareholders pursuant to Listing Rule 1309.

The SGX-ST has also reserved the right to amend and/or vary the above decision and such decision is subject to changes in the SGX-ST’s policies.

- 2.2 As required, the Company wishes to inform the Shareholders that the reasons for seeking the Further Waiver are, in summary, as follows:

- (a) The key conditions precedent to the Proposed Acquisition include (but are not limited to) the completion of the Capitalisation of the Debts and the grant of approval of the Shareholders for the Proposed Acquisition and the trading resumption plan. The Capitalisation of the Debts further requires the agreement and consent of the creditors to capitalize such debts and liabilities. Additional details can be found in the 18 May 2020 Announcement. As it would be in the interest of the Company (as well as that of the Vendor) to receive assurance of agreement and support from the key creditors and one or more major shareholders for the Capitalisation of the Debts and the Proposed Acquisition as well

as the trading resumption plan before committing and incurring significant costs and expenses to undertake the RTO exercise, the Company and the Vendor agree that such assurance in writing should be obtained by the Company before commencing substantial work on the RTO. As 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 and the trading resumption plan had taken much longer than envisaged to complete - in part caused by the COVID-19 pandemic situation, the Company requires the Further Waiver for the further extension of time to complete the RTO.

- (b) As a result of the COVID-19 pandemic situation, in particular, the surge in number of COVID-19 cases among the construction industry foreign workers, Ten-League Engineering Engineering & Technology Pte. Ltd. ("**TLET**"), the target company under the Proposed Acquisition, first, met with a slow-down in the progress of the projects that it was involved in, followed by total work stoppage from April 2020 to end of June 2020 ("**Work Stop Period**"). Work was only resumed from July 2020. In light of the foregoing, the Company and TLET had agreed that a proper assessment of the enterprise value of TLET for the purposes of determining the purchase consideration in relation to the Proposed Acquisition and the appropriateness of proceeding with the RTO could only be undertaken after at least three months of resumed operations (i.e., in October – November 2020). Further, given the unprecedented COVID-19 pandemic impact on the operations of TLET during FY2020 (including the total work stoppage experienced during the Work Stop Period), the Company (with the concurrence of TLET) regards as appropriate, the inclusion of the audited financial results of TLET for the completed and full FY2020 in the circular to be issued to the Shareholders in relation to the Proposed Acquisition and the RTO (the "**Circular**"). This would provide the Shareholders a clearer picture on TLET's financial performance after coming out of the total work stoppage. Accordingly, additional time would be required for the Company to complete the audit for FY2020 and the drafting of the Circular.

In light of the above, the Company submitted the application to the SGX-ST for the Further Waiver as well as a revised time-line for the completion of the Proposed Acquisition and the RTO.

- 2.3 The Company will also, in compliance with the relevant requirements under the Listing Manual, make further announcements to update Shareholders on any material developments relating to the Proposed Acquisition and the RTO, as and when appropriate.

3 CAUTION IN TRADING

The Company's shares have been suspended from trading since 2 April 2012. In the event the Company fails to complete the RTO by 31 May 2021, the Company shall be delisted and cash exit offer shall have to be made to the Shareholders pursuant to Listing Rule 1309.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company as there is no certainty that the Proposed Acquisition and the RTO would be duly completed or that a resumption of trading of the shares of the Company would be approved or would take place. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and the RTO. 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

7 December 2020