

UPDATE ON DELISTING NOTIFICATION

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 Company’s announcements dated 6 May 2021, 7 June 2021 and 14 June 2021 in relation to, *inter alia*, (a) the delisting notification from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the requirement to inform the SGX-ST of the Company’s 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, and (b) the exit offer proposal submitted to the SGX-ST (the “**Previous Announcements**”).

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

2. PROPOSED VOLUNTARY LIQUIDATION

- 2.1 Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must, subject to Listing Rule 1308 comply with the requirements set out in Listing Rule 1309. Listing Rule 1309(1) requires an exit offer to be made to the Company’s shareholders, where such exit offer must be fair and reasonable, and include a cash alternative as the default alternative. Listing Rule 1308(1)(a) states that Listing Rules 1307 and 1309 do not apply to a delisting pursuant to a voluntary liquidation.
- 2.2 Further to the Previous Announcement made on 14 June 2021, the Company wishes to update shareholders that the relevant parties have been unable to come to an agreement on the terms of the Exit Offer. As such, the Company wishes to inform shareholders that it is not presently able to provide a fair and reasonable exit offer for the following reasons:
- a) the Company does not have sufficient financial resources to make a fair and reasonable exit offer. As of the date of this announcement, the total liabilities of the Company due and owing is approximately S\$1,775,000. The total assets of the Company (comprising mainly cash) as of the date of this announcement is approximately S\$328,000, of which S\$320,000 are currently held in escrow in an account of the Company maintained with Standard Chartered Bank (Singapore) Limited (the “**Cash-in-Escrow**”). Accordingly, as of the date of this announcement, the Company is in a net total liabilities position after taking into consideration the total assets (comprising the Cash-in-Escrow) that are available to defray against the total liabilities of the Company; and
 - b) to date, none of the Company’s controlling shareholders have been able to come to an agreement on a fair and reasonable exit offer.

- 2.3 In light of the reasons set out above and taking into consideration the fact that any exit offer would not be meaningful, the Company intends to proceed with a voluntary liquidation of the Company.
- 2.4 For the purpose of the proposed voluntary liquidation, the Company will be appointing provisional liquidators and convening an extraordinary general meeting to seek the approval of shareholders in relation to, among others, the proposed voluntary liquidation and the appointment of the provisional liquidators, with the notice of meeting to be disseminated in due course. A meeting of creditors will also be convened in due course.
- 2.5 The Company will make the appropriate announcements in due course as and when there are any material developments.

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

1 July 2021