



SINOPIPE HOLDINGS LIMITED

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN RELATION TO THE COMPANY'S UPDATE ANNOUNCEMENT ON SUSPENSION OF TRADING ON 2 JANUARY 2020 AND 31 JANUARY 2020

In response to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") questions on 4 February 2020, the Board of Directors (the "**Board**") of SinoPIPE Holdings Limited (the "**Company**") wishes to provide further information in relation to the Company's update announcements on suspension of trading on 2 January 2020 and 31 January 2020 ("**Announcement**"):

Question 1:

The Company announced that it will no longer be pursuing the acquisition agreement with Shanxi Bibenet Information Technology Co., Ltd ("**Shanxi Bibenet**") entered on 17 April 2019.

- a. Please disclose all expenses incurred in relation to the deal negotiation with Shanxi Bibenet.
- b. Please elaborate on the circumstances giving rise to the lapse of the acquisition agreement.

Answer to question 1(a):

The Company did not incur expenses in relation to the deal negotiation with Shanxi Bibenet. In view of the limited financial resources of the Company, Shanxi Bibenet shall, under the acquisition agreement, undertake to pay for the charges and expenses incurred in connection with the negotiation, preparation and implementation of the acquisition agreement, the Proposed Acquisition and the Proposed Listing, including, among others, fees due to the sponsor and the independent financial adviser of the Company, and any other legal, accountancy or intermediary fees incurred by the Company referred to the Acquisition Agreement.

Answer to question 1(b):

After signing the Acquisition Agreement, the Company had approached and reminded Shanxi Bibenet management on many occasions to appoint various professionals and sponsor to commence work for the acquisition. Shanxi Bibenet management repeatedly informed that they were in the process of looking for investors and internal pre-acquisition restructuring before they could proceed. Shanxi Bibenet did not respond to the Company on the appointment of various professionals and sponsor upon expiry of the agreement on the long stop date on 31 December 2019.

Question 2:

Please provide further background information on the white knight investor (the "**Investor**") which the Board is currently in discussion with.

- a. Please disclose what business does the Investor specialize in and where is the venue of its operations?
- b. Please disclose whether the Investor is a nominee of or holding investment for or receiving instructions for any directors, key management or substantial shareholders of the Company and/or their respective associates?

Answer to question 2(a):

The white knight investor is an ISO and Biz Safe certified heavy equipment turnkey engineering solution provider that serves primarily the global port, construction, foundation and logistics industries. Incorporated and based in Singapore, it is a leading equipment solution provider in Singapore for infrastructure related projects. It also provides construction and foundation machinery, port equipment, logistics and material handling equipment as well as warehousing equipment solutions to the countries in the South East Asia.

Answer to question 2(b):

None of the directors, key management or substantial shareholders of the Company and/or their respective associates has interest in the potential acquisition. There is no information or evidence suggesting that the Investor is a nominee of or holding investment for or receiving instructions for any directors, key management or substantial shareholders of the Company and/or their respective associates.

Question 3:

Please disclose the long stop date of discussion with the Investor, after which the Board will not decide to pursue and the Company shall be delisted from the Official List and a cash exit offer in accordance with Listing rule 1309 shall be made to the shareholders within 6 months.

Answer:

The Board is still in detailed discussions and negotiation with the Investor including the long stop date.

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

6 February 2020