

**Issuer:** Sinopipe Holdings Limited  
**Security:** Sinopipe Holdings Limited

**Meeting details:**

Date: 24 November 2017

Time: 2:00 p.m.

Venue: 11 Slim Barracks Rise, NTU@one-north Campus, Executive Centre, Level 9, Seminar Room SR901, Singapore 138664

**Company Description**

(Not available)

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code= X06](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code= X06))

**Q1.** On page 21 of the annual report, in the Directors' Statement, the directors have given their opinion that:

*"in view of the departure of certain key finance personnel of the Chinese operations and a key management personnel, the directors were unable to express whether the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group and the Company for the year ended on that date."*

As at the date of the Directors' Statement, the directors are Wang Sen, Tommy Lybianto, Chew Heng Ching and Soh Beng Tiong.

As noted in the Corporate Governance Report (Principle 1: Board's Conduct of its Affairs) (page 9), the board is responsible for, inter alia, *"establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding the interests of shareholders and the Group's assets"*.

The board has also stated that it *"ensures that the Management maintains a robust and effective system of risk management and internal controls to safeguard the interests of the shareholders and the Group's assets"*.

However, due to the severe disruptions to the operations of the subsidiaries, *"the Management, the AC and the Board are unable to provide assurance and opinion as to whether the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 December 2016"*. (page 15)

- a) **Can the board justify how it had ensured that management maintained a robust and effective system of risk management and internal controls?**
- b) **Can the board further explain why, after having established a framework of prudent and effective controls, the departure of certain key finance personnel and a key management personnel disrupted the financial reporting to the extent that the board is unable to express an opinion on the consolidated financial statements of the group and the statement of financial position of the company?**
- c) **Can the Audit Committee (AC) explain their collective efforts to resolve the significant financial reporting issues and in its review of the adequacy and effectiveness of the Group's material internal controls?**
- d) **Can Mr Chew Heng Ching, as Chairman of the Audit Committee (AC) and also Deputy Non-Executive Chairman and Lead Independent Director, explain his individual efforts to resolve the significant financial reporting issues and his review of the adequacy and effectiveness of the Group's material internal controls?**
- e) **Can the board explain how it is going to resolve the three issues raised by the Independent Auditors that formed the basis of the disclaimer of opinion?**

**Q2.** As noted in the Letter to Shareholders, the group has, on 3 April 2017, announced that it had *"entered into a conditional sale and purchase agreement with an interested and willing purchaser to acquire the equities interest of the subsidiaries to take over the Group's plastic pipe business and operations in the PRC"*.

The company had announced on 17 October 2017 that the Parties have mutually agreed in writing to extend the Long Stop Date to 31 December 2017.

- a) **Can management update shareholders on the progress made in meeting the conditions precedent?**
- b) **Can management also update shareholders on the reason for the extension of the Long Stop Date?**

**Q3.** The trading of the shares of the company has been suspended since 2 April 2012. Following the special audit that was carried out, and the findings that were published in 2013, the company submitted a trading resumption proposal in 2014 but it was directed by the Exchange to address the issue of the group's going concern.

As management has prepared the financial statements on a going concern basis, the directors are of the view that the going concern assumption is appropriate on the premise that the following initiatives that they have taken will be successful:

- completion of the disposal of the disposal group held for sale; and
- getting investors to inject capital funds into the Group

- a) **Can the company also update shareholders on its efforts and progress to strengthen its financial position through the injection of new capital into the groups or to bring in new investors?**
- b) **Has the board set any target for the resumption of the trading of the company's shares on the Singapore Exchange Securities Trading Limited?**