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Pipeline Engineering Holdings Limited

管道工程控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1865)

INSIDE INFORMATION COMPLETION OF PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by Pipeline Engineering Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 12 August 2020, 11 September 2020 and 12 October 2020 in respect of the Placing (the “**Announcements**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board was informed by the Vendor that completion of the Placing took place on 28 October 2020 (after trading hours) and as at the date of this announcement, an aggregate of 150,000,000 Placing Shares, representing approximately 16.31% of the existing issued share capital of the Company, were placed out on a best effort basis by the Placing Agent to not less than six Placees at the price of HK\$1.00 per Placing Share which represented in aggregate of HK\$150,000,000 pursuant to the terms of the Placing Agreement.

To the best of the knowledge, information and belief of the Directors, who have made all reasonable enquiries, and based on the confirmation of the Placing Agent (by itself or through its sub-placing agents), all the Placees and their ultimate beneficial owners (if any) are third parties independent of, and not acting in concert with, any of the Vendor, the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of its or their respective associates (as defined in the Listing Rules) and any persons acting in concert with it/them, and are not connected persons (as defined in the Listing Rules) of the Company upon completion of the Placing.

EFFECT OF SHAREHOLDING STRUCTURE

Upon completion of the Placing and as at the date of this announcement, the Vendor remains as the holder of an aggregate of 517,872,000 Shares, representing approximately 56.29% of the issued share capital of the Company, and therefore remains as a controlling shareholder (as defined in the Listing Rules) of the Company. The following is a summary of the shareholding structure of the Company immediately before and upon completion of the Placing:

	Shareholding before the Placing		Shareholding immediately upon completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
The Vendor ^(Note)	681,872,000	74.12%	517,872,000	56.29%
Places	—	—	150,000,000	16.31%
Other public shareholders	<u>238,128,000</u>	<u>25.88%</u>	<u>252,128,000</u>	<u>27.40%</u>
Total	<u><u>920,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>920,000,000</u></u>	<u><u>100.00%</u></u>

Note: The Vendor is a company incorporated in the British Virgin Islands and is wholly owned by Mr. Michael Shi. By virtue of the SFO, Mr. Michael Shi is deemed to be interested in the shares beneficially owned by the Vendor. Ms. Oh Lay Guat is the spouse of Mr. Michael Shi and is deemed to be interested in all the Shares in which Mr. Michael Shi is interested in under the SFO.

Shareholders of the Company and public investors are advised to exercise caution in dealing with the Shares.

By Order of the Board
Pipeline Engineering Holdings Limited
Michael Shi Guan Wah
Chairman

Hong Kong, 28 October 2020

As at the date of this announcement, the Board comprises Mr. Michael Shi Guan Wah, Mr. Shi Hong Sheng (Xu Hongsheng) and Ms. Feng Jiamin as executive directors; Mr. Cher Choong Kiak, Mr. Chiam Soon Chian (Zhan Shunquan), Mr. Choo Chih Chien Benjamin and Mr. Tong Wing Chi as independent non-executive directors.