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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE ON THE RECENT OUTBREAK OF COVID-19

This announcement is made by Pipeline Engineering Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) on a voluntary basis to keep the shareholders of the Company and potential investors informed of the latest business development of the Group in relation to the outbreak of COVID-19.

The Ministry of Health of Singapore issued a press release on 3 April 2020 in relation to the “Circuit Breaker to Minimise Further Spread of COVID-19” which outlined enhanced safe distancing measures to reduce the risk of further local transmission of COVID-19. The measures include the closure of workplace premises. Other than essential services and their related supply chains, as well as entities that form a part of the global supply chain, business activities that cannot be conducted through telecommuting or other means from home shall be suspended (the “**Suspension**”) from 7 April 2020 to 4 May 2020 (both dates inclusive) (the “**Suspension Period**”) as a circuit breaker to curb further spread of COVID-19.

Further into the latest development of COVID-19 epidemic in Singapore, on 21 April 2020, the Singapore Government announced the implementation of measures to further reduce the local transmission of COVID-19 in Singapore. These measures include the closure of more work premises and restriction of movement of workers residing in dormitories. Further, it was announced that the Suspension Period would be extended by another four weeks until 1 June 2020 (inclusive).

The Group's principal place of business is in Singapore and the principal activities of the Group are infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services. The Suspension has resulted in temporary closure of the Group's headquarters for the period between 7 April 2020 to 1 June 2020 (both dates inclusive) which will lead to extensive disruption to the normal operation of the Group in Singapore. Save for certain exceptions, the Group was not able to deploy its manpower to project jobsites due to the Suspension, and this will reduce the Group's income from construction contracts during the abovementioned period, while the Group is still required to bear operating costs such as staff costs, expenses to its foreign workers, etc.

As at the date of this announcement, the degree of impact of COVID-19 on the Group's business and financial performance remains uncertain as the pandemic may persist for quite some time before it subsides. The Board will continue to comply with the relevant requirements and other policies issued by the Governments of Singapore, while closely monitoring the development of COVID-19 outbreak and will keep shareholders informed of material developments as and when they arise.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 8 May 2020

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