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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)

(1) RESIGNATION OF DIRECTOR; (2) APPOINTMENT OF DIRECTORS; AND (3) CHANGES IN COMPOSITION OF BOARD COMMITTEES

The Board is pleased to announce that with effect from 11 November 2020:

- (1) Mr. Shi Hong Sheng (Xu Hongsheng) has tendered his resignation as an executive Director and a member of the Remuneration Committee;
- (2) Mr. Lok Ka Ho has been appointed as an executive Director;
- (3) Mr. Qiu Yue has been appointed as an independent non-executive Director, and an additional member of the Audit Committee, the Nomination Committee and the Remuneration Committee; and
- (4) Mr. Shek Jun Chong has been appointed as an independent non-executive Director, and an additional member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

This announcement is made by Pipeline Engineering Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

(1) RESIGNATION OF EXECUTIVE DIRECTOR

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company hereby announces that Mr. Shi Hong Sheng (Xu Hongsheng) (“**Mr. Shi Hong Sheng**”) has tendered his resignation to act as an executive director of the Company (the “**Director**”) and a member of the remuneration committee of the Board (the “**Remuneration Committee**”), with effect from 11 November 2020 to focus on the operations of the Company’s subsidiaries.

Mr. Shi has confirmed that he has no disagreement with the Board and there are no circumstances related to his resignation which need to be brought to the attention of the shareholders of the Company and the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Board would like to express its gratitude to Mr. Shi Hong Sheng for his valuable contributions to the Company during his tenure.

(2) **APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board is pleased to announce that Mr. Lok Ka Ho (“**Mr. Lok**”) has been appointed as an executive Director with effect from 11 November 2020.

Biographical details of Mr. Lok are as follows:

Mr. Lok Ka Ho, aged 33, has been appointed as an executive Director on 11 November 2020. He has over 10 years of experience in financing and investing. Mr. Lok started his career in The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) from September 2010 to March 2016 with his last position as a Premier Relationship Manager. He then worked at Wing Lung Bank (now known as CMB Wing Lung Bank Ltd.) as a Relationship Manager (China Team) from April 2016 to November 2016.

Mr. Lok has been a director of Lepus Professional Service Company Limited since December 2016. Mr. Lok obtained a degree of Bachelor of Arts (Honors) in Accountancy from The Hong Kong Polytechnic University in December 2010.

As at the date of this announcement, Mr. Lok has entered into a service agreement with the Company for an initial fixed term of three years commencing from 11 November 2020, which may be terminated by either party serving on the other not less than a three-month written notice, subject to retirement by rotation and re-election at least once every three years in accordance with article 84 of the articles of association of the Company and the Listing Rules. Mr. Lok is entitled to receive an annual performance related discretionary bonus, to be determined by the Remuneration Committee from time to time with reference to the financial results of the Company and his performance. He has not entered into nor proposed to enter into any service contracts, which fall within the meanings of Rule 13.68 of the Listing Rules requiring the prior approval of shareholders of the Company at general meetings, with the Company.

(3) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND CHANGES IN COMPOSITION OF BOARD COMMITTEES

The Board is pleased to announce that each of Mr. Shek Jun Chong (“**Mr. Shek**”) and Mr. Qiu Yue (“**Mr. Qiu**”) have been appointed as independent non-executive Directors with effect from 11 November 2020.

Biographical details of Mr. Shek are as follows:

Mr. Shek Jun Chong, aged 47, has been appointed as an independent non-executive Director, and a member of the audit committee of the board (the “**Audit Committee**”), the nomination committee of the Board (the “**Nomination Committee**”) and the Remuneration Committee with effect from 11 November 2020. He has over 17 years of experience in general business management. Mr. Shek worked in Guangzhou Fourth Construction Engineering Company* (廣州市第四建築工程公司) and was sent to Hong Kong in 1993 to participate in the real estate development of Mainland China, including major projects such as Gold Arch Residence, a premium residential development on Ersha Island, Guangzhou. During that period, he also participated in the preliminary land consolidation and primary development as well as investment attraction of Guangzhou Bio-island, a national-level key construction project in China. In 1995, he worked for Tuoyi Company* (拓益公司), a company directly affiliated to the municipal authorities of Guangzhou, where he served as a delegated representative in the Hong Kong and Macau districts and was responsible for the coordination and liaison between large central enterprises and state-owned enterprises and the Hong Kong and Macau counterparts. Mr. Shek was later appointed into the Yuexiu District Committee of the Chinese People’s Political Consultative Conference in February 2013 and became a member of the committee’s Hong Kong and Macau Section. Since 1998, he acts as the deputy managing director of Zhongqiu Advertising Co., Ltd.* (中球廣告有限公司), which mainly operates the advertising resources for the road signs along the Guangzhou-Shenzhen Highway, Shenzhen-Shantou Highway and other intra-provincial highways. Mr. Shek also founded Shenzhen Maidite Medical Technology Co., Ltd.* (邁地特醫療科技有限公司) in 2015, which is mainly engaged in the research and development and production of medical devices for intrapleural and intraperitoneal hyperthermic cancer treatment.

Mr. Shek has invested in various companies in partnership and is responsible for the planning and operation of business development. He has been involved in various fields, including research and development of medical devices, commercial properties and catering and entertainment. He has also held positions for the community, serving as an appointed member (Hong Kong and Macau) of the 14th and 15th session of Yuexiu District of Guangzhou Committee of the Chinese People’s Political Consultative Conference.

As at the date of this announcement, Mr. Shek has entered into a letter of appointment with the Company for an initial fixed term of one year commencing on 11 November 2020, which may be terminated by either party serving on the other not less than a three-month written notice, subject to retirement by rotation and re-election at least once every three years in accordance with article 84 of the articles of association of the Company and the Listing Rules. Mr. Shek is entitled to a Director's fee of HK\$60,000 per annum, which is determined by the Remuneration Committee with reference to his duties and responsibilities within the Company, subject to review by the Remuneration Committee from time to time. He has not entered into nor proposed to enter into any service contracts, which fall within the meanings of Rule 13.68 of the Listing Rules requiring the prior approval of shareholders of the Company at general meetings, with the Company.

Biographical details of Mr. Qiu are as follows:

Mr. Qiu Yue, aged 51, has been appointed as an independent non-executive Director, and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Board of the Company with effect from 11 November 2020. He has over 18 years of experience in general business management. Mr. Qiu obtained his bachelor's degree in Chinese Language from Sun Yat-sen University in Guangzhou in 1991. He worked as a sports journalist for the Guangzhou Daily Newspaper and the Football Newspaper, and established Guangzhou Wavecom Advertising and Communication Limited ("**Guangzhou Wavecom**") (formerly known as Guangzhou Television Promotion Company* (廣州電視推廣公司)) in August 1992 to engage in media advertising related business. Following the acquisition of Guangzhou Wavecom in 2008 by Asian Capital Resources (Holdings) Limited ("**ACR**") (Stock Code: 8025), a company whose shares are listed on the GEM of the Stock Exchange, he was an executive director of ACR from October 2008 to June 2019 and was mainly responsible for external investments, mergers and acquisitions and restructuring in a wide range of industries including engineering, real estate, the Internet, etc. Mr. Qiu also established Guangzhou Zhongmao Advertising Co., Ltd* (廣州中懋廣告有限公司) ("**Zhongmao Advertising**") in 2008, which is mainly engaged in the business of national radio advertising and audio content management. In 2014, after Zhongmao Advertising was merged with Guangdong Advertising Group Co., Ltd. ("**Advertising Group**") (Stock Code: 002400), a company whose shares are listed on the Shenzhen Stock Exchange, and became its subsidiary, Mr. Qiu worked as the general manager until January 2018. Since 2017, he has been the vice president of risk control of Eternity Fuel Gas (Group) Limited and is currently a director of Guangdong Green Assets Operation Management Co., Ltd* (廣東省綠色資產運營管理有限公司).

As at the date of this announcement, Mr. Qiu has entered into a letter of appointment with the Company for an initial fixed term of one year commencing on 11 November 2020, which may be terminated by either party serving on the other not less than a three-month written notice, subject to retirement by rotation and re-election at least once every three years in accordance with article 84 of the articles of association of the Company and the Listing Rules. Mr. Qiu is entitled to a Director's fee of HK\$60,000 per annum, which is determined by the Remuneration Committee with reference to his duties and responsibilities within the Company, subject to review by the Remuneration Committee from time to time. He has not entered into nor proposed to enter into any service contracts, which fall within the meanings of Rule 13.68 of the Listing Rules requiring the prior approval of shareholders of the Company at general meetings, with the Company.

As at the date of this announcement, save as disclosed above, each of Mr. Lok, Mr. Shek and Mr. Qiu (i) does not hold any other position with the Company or its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company; (ii) does not hold any directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) does not have any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO. Each of Mr. Shek and Mr. Qiu have confirmed that they have met the guidelines on independence set out in Rule 3.13 of the Listing Rules. Save as disclosed above, there are no other matters relating to the appointment of each of Mr. Lok, Mr. Shek and Mr. Qiu that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The Board would like to welcome Mr. Lok, Mr. Qiu and Mr. Shek to join the Board.

(4) CHANGES IN COMPOSITION OF BOARD COMMITTEES

Since Mr. Shi Hong Sheng has resigned as a member of the Remuneration Committee with effect from 11 November 2020, both Mr. Shek Jun Chong and Mr. Qiu Yue has been appointed as an additional member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee.

The Board is pleased to further announce that with effect from 11 November 2020:

- (1) the Audit Committee shall comprise six independent non-executive Directors, namely Mr. Chiam Soon Chian (Zhan Shunquan) (Chairman), Mr. Cher Choong Kiak, Mr. Choo Chih Chien Benjamin, Mr. Shek Jun Chong, Mr. Tong Wing Chi and Mr. Qiu Yue;

- (2) the Remuneration Committee shall comprise Mr. Cher Choong Kiak (Chairman), Mr. Chiam Soon Chian (Zhan Shunquan), Mr. Qiu Yue and Mr. Shek Jun Chong; and
- (3) the Nomination Committee shall comprise Mr. Choo Chih Chien Benjamin (Chairman), Mr. Chiam Soon Chian (Zhan Shunquan), Mr. Michael Shi Guan Wah, Mr. Qiu Yue and Mr. Shek Jun Chong.

By Order of the Board
Pipeline Engineering Holdings Limited
Michael Shi Guan Wah and Feng Jiamin
Joint Chairmen

Hong Kong, 11 November 2020

As at the date of this announcement, the Board comprises Mr. Michael Shi Guan Wah, Ms. Feng Jiamin and Mr. Lok Ka Ho as executive Directors; Mr. Cher Choong Kiak, Mr. Chiam Soon Chian (Zhan Shunquan), Mr. Choo Chih Chien Benjamin, Mr. Tong Wing Chi, Mr. Shek Jun Chong and Mr. Qiu Yue as independent non-executive Directors.

* *For identification purposes only*