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CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED
珠江石油天然氣鋼管控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1938)

VOLUNTARY ANNOUNCEMENT

BANK LOAN AGREEMENT

This announcement is made on a voluntary basis by Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 13 May 2021 after trading hours, Panyu Chu Kong Steel Pipe Co. Limited (番禺珠江鋼管有限公司) (“**PCKSP**”), an indirect subsidiary of the Company, and Bank of Guangzhou* (廣州銀行股份有限公司) (the “**Bank**”) entered into a bank loan agreement (the “**Bank Loan Agreement**”), pursuant to which the Bank agreed to grant the bank loan of RMB690 million (the “**Loan**”) to PCKSP at the interest rate of not less than 7% per annum. The term of the Bank Loan Agreement is two years from the first withdrawal date of the loan, but shall end no later than sixty days after the delivery of the land to the Guangzhou City Land Development Centre* (廣州市土地開發中心) (“**Guangzhou LDC**”) under the direct land resumption (the “**Direct Land Resumption**”) pursuant to which the land resumption compensation agreement dated 15 September 2020 and entered into between, among others, the Guangzhou LDC and PCKSP (the “**Land Resumption Agreement**”). For details of the Direct Land Resumption and the Land Resumption Agreement, please refer to the announcement and circular of the Company dated 15 September 2020 and 8 October 2020 respectively. The Loan will be secured by, among other things, corporate guarantees by Chu Kong Steel Pipe Group Co. Limited (珠江鋼管集團有限公司) and Guangzhou Pearl River Petroleum Steel Pipe Co Ltd* (廣州珍珠河石油鋼管有限公司), indirect subsidiaries of the Company, and 100% share pledges of PCKSP held by Chu Kong Steel Pipe Group Co. Limited (珠江鋼管集團有限公司) in favour of the Bank. The compensation to be received by PCKSP pursuant to the Land Resumption Agreement will also be pledged in favour of the Bank.

The purpose of the Loan is to provide funding for various stages of the Direct Land Resumption. The Company considers that the Loan will provide strong financial support to the Group and is in the interest of the Company and its shareholders as a whole.

By order of the Board
**Chu Kong Petroleum and Natural Gas
Steel Pipe Holdings Limited**
Chen Chang
Chairman

Guangdong Province, the PRC, 13 May 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chen Chang, Mr. Chen Guo Xiong and Ms. Chen Zhao Nian; and three independent non-executive Directors, namely Mr. Chen Ping, Mr. Tian Xiao Ren and Mr. Au Yeung Kwong Wah.

** The English translation of the Chinese names or words in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English translation of such Chinese names or words*