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SHENGLI OIL & GAS PIPE HOLDINGS LIMITED

勝利油氣管道控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1080)

POSITIVE PROFIT ALERT

This announcement is made by Shengli Oil & Gas Pipe Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the "**Period**") and information currently available to the Board, the Group expects to record a loss attributable to owners of the Company of not more than RMB10 million for the Period, which is a substantial improvement by approximately 85%, as compared to a loss attributable to owners of the Company of approximately RMB75.2 million for the corresponding period in 2020. The aforementioned change is mainly attributable to:

1. with the ease of the adverse impact of COVID-19, business activities in the People's Republic of China (the "**PRC**") resume gradually, resulting in a surge in sales volume of the pipes business and the anti-corrosion processing business of the Group during the Period as compared to the corresponding period in 2020; and among the Group's pipes business, the pipes processing business with a relatively higher gross profit margin recorded an increase in sales during the Period as compared with the corresponding period in 2020, leading to a substantial increase in the gross profit of the pipes business of the Company; and

2. the Group received an aggregate compensation of RMB64,645,569 from the local government authority during the Period due to the resumption of land use rights of a land parcel located in Rizhao, Shandong Province, the PRC by the local government authority, which contributes to a significant increase in one-off and non-recurring income to the Company as compared to the corresponding period in 2020.

As at the date of this announcement, the Company is in the process of preparing and finalising the interim results of the Group for the Period. The information contained in this announcement is only based on the information currently available to the Board and a preliminary review by the Board on the unaudited consolidated management accounts of the Group for the Period, which have not been audited or reviewed by the auditors of the Company nor reviewed by the audit committee of the Company. The actual results of the Group for the Period may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the Period, which is expected to be published in late August 2021.

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

By order of the Board
SHENGLI OIL & GAS PIPE HOLDINGS LIMITED
Zhang Bizhuang
Executive Director and Co-Chief Executive Officer

Zibo, Shandong, 3 August 2021

As at the date of this announcement, the Directors of the Company are:

Executive Directors:	*Mr. Zhang Bizhuang, Mr. Wang Kunxian, Ms. Han Aizhi and Mr. Zhang Bangcheng*
Non-executive Directors:	*Mr. Wei Jun and Mr. Huang Guang*
Independent non-executive Directors:	*Mr. Chen Junzhu, Mr. Wu Geng and Mr. Qiao Jianmin*