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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)

PROFIT WARNING

This announcement is made in accordance with Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (“**1H2021**”) by the management of the Group, it is expected that the Company would record a consolidated net loss of not less than RMB40 million for the 1H2021 as compared to the audited consolidated net profit of RMB622.9 million recorded for the year ended 31 December 2020 and the unaudited consolidated net loss of RMB223.9 million for the six months ended 30 June 2020. Such net loss was mainly due to the decrease in land resumption compensation in 1H2021.

The Board remains cautiously optimistic about the development of the oil and gas industry under the 14th Five Year Plan which is expected to accelerate the construction of pipeline network facilities and increase the demand for steel pipes of the Group.

The Board will review the Group’s strategies and operations regularly with a view to improving its future business performance. Although the Company is expecting to report a net loss for 1H2021, the Board considers that the Group’s overall operational and financial positions are solid and remains positive on the Group’s prospect.

The information contained in this announcement is based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the 1H2021 by the management of the Group, which have neither been audited, confirmed nor reviewed by the Company’s auditors or the audit committee of the Company as at the date of this announcement. Shareholders of the Company and potential investors are advised to peruse the financial results for the 1H2021 with care when it is released. Detailed financial information of the Group for the 1H2021 will be disclosed in the interim results announcement of the Group for the 1H2021, which is expected to be published on 27 August 2021.

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

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

Guangdong Province, the PRC, 18 August 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.