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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)

PROFIT WARNING

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 2023 (the “**6M2023**”) and information currently available to the Board, the Group expects to record a loss attributable to owners of the Company of no more than approximately RMB60 million, as compared to a profit attributable to owners of the Company of approximately RMB38 million for the six months ended 30 June 2022 (the “**6M2022**”).

Such turnaround of the Group's results was primarily due to the following factors: (1) an one-off net gain from disposal of 8.9% equity interest in Hunan Shengli Xianggang Steel Pipe Co., Ltd.* (湖南勝利湘鋼鋼管有限公司) was recognised during 6M2022 while no such gains was recognised during 6M2023; (2) there was an increase in projects undertaken by the Group in the general market with relatively lower gross profit during 6M2023, leading to a decline in revenue and gross profit derived from the pipes business during 6M2023 as compared with 6M2022; and (3) considering the adversity faced by Xinfeng Energy Enterprise Group Co., Ltd* (新鋒能源集團有限公司) (“**Xinfeng Energy**”) during post-COVID-19 period, the Group conducted a thorough review and impairment provision on its investment in Xinfeng Energy after analysing and assessing the investment in Xinfeng Energy based on its historical operating results and policies and future development of the new energy industry, with reference to the valuation report issued by an independent professional valuer.

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 six months ended 30 June 2023 (the “**Interim Results**”). The information contained in this announcement is only based on the preliminary assessment of the Group's unaudited consolidated management accounts and information currently available to the Board, which is subject to finalization and adjustments, if any, and have not been reviewed by the independent auditor and/or the audit committee of the Company. The Interim Results announcement of the Group for the six months ended 30 June 2023 is expected to be published by August 2023.

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

By Order of the Board of Directors
Shengli Oil & Gas Pipe Holdings Limited
Zhang Bizhuang
Executive Director and Co-Chief Executive Officer

Zibo, Shandong, 8 August 2023

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

Executive Directors: Mr. Zhang Bizhuang, Mr. Zhang Danyu, Mr. Wang Kunxian, Ms. Han Aizhi and Mr. Zhang Bangcheng

Non-executive Director: Mr. Wei Jun

Independent non-executive Directors: Mr. Chen Junzhu, Mr. Wu Geng and Mr. Qiao Jianmin

** for identification purpose only*