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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 (the “**Stock Exchange**”) 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 year ended 31 December 2023 (the “**FY2023**”) and information currently available to the Board, the Group is expected to record a loss attributable to owners of the Company of no more than approximately RMB100 million in FY2023, as compared to the loss attributable to owners of the Company of approximately RMB33 million for the year ended 31 December 2022.

Based on the preliminary review of the management accounts and the information currently available to the Company, the Board considers that the expected increase in loss attributable to owners of the Company for FY2023 is mainly attributable to the fact that (1) although the total sales volume of the welded pipe segment in 2023 was only slightly lower than that in 2022, the delay in the procurement bidding process for pipeline framework agreement by one of our major customers, China Oil & Gas Pipeline Network Corporation\* (國家石油天然氣管網集團有限公司) (“**PipeChina**”) in 2023 and the concentration of order signing at the end of 2023 resulted in a significant decrease in sales volume for both PipeChina and anti-corrosion processing businesses with higher gross profit margin in 2023 compared to 2022. Meanwhile, the percentage of pipeline orders from the general market, which had a lower gross profit margin, increased significantly in 2023 as compared to 2022, leading to a significant decrease in gross profit of the welded pipe segment in 2023 as compared to 2022; (2) a one-time net gain was recorded in 2022 as a result of the 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) and no such gain was recorded in 2023; and (3) the Group analyzed and assessed the performance of its investment in Xinfeng Energy Enterprise Group Co., Ltd\* (新鋒能源集團有限公司) (“**Xinfeng Energy**”), and after taking into account its historical operating results and current operating conditions, made an impairment provision for the investment in Xinfeng Energy with reference to the draft valuation report from an independent professional valuer.

As at the date of this announcement, the Company is in the process of preparing and finalising the annual results of the Group for FY2023. 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 audited by the independent auditor of the Company nor reviewed by the audit committee of the Board. The annual results announcement is expected to be published before the end of March 2024.

**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 March 2024

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

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