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 — REDUCTION IN LOSS

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 2024 (the "**FY2024**") and information currently available to the Board, the Group is expected to record a loss for the year attributable to owners of the Company of no more than approximately RMB45.0 million for FY2024, as compared to a loss for the year attributable to owners of the Company of approximately RMB98.4 million for the year ended 31 December 2023 (the "**FY2023**").

Based on the preliminary review of the management accounts and the information currently available to the Company, the Board considers that the expected decrease in the loss for the year attributable to owners of the Company for FY2024 is mainly attributable to the following reasons:

(1) the absence of the impairment loss recorded in FY2024 related to the investment in an associate, Xinfeng Energy Enterprise Group Co., Ltd* (新鋒能源集團有限公司) ("**Xinfeng Energy**") as compared with FY2023. Following the disposal of 2% equity interests in Xinfeng Energy on 27 December 2023, the Group ceased to account for its remaining 19.95% equity interests in Xinfeng Energy as an investment in an associate and reclassified it as a financial asset designated at fair value through other comprehensive income (the "**Designated FVOCI**") for FY2024. Accordingly, any change in fair value of the Designated FVOCI is recorded in other comprehensive income and based on an analysis of the performance of Xinfeng Energy by the Group with reference to the draft valuation report prepared by an independent professional valuer, the Group expects to record a loss on fair value changes of the Designated FVOCI related to Xinfeng Energy of no more than RMB36.0 million for FY2024. Consequently, the total comprehensive loss for the year attributable to the owners of the Company is expected to be no more than RMB81.0 million for FY2024, as compared to the total comprehensive loss for the year attributable to the owners of the Company for FY2023 of approximately RMB98.4 million; and

(2) a significant increase in national pipeline projects and anti-corrosion processing business with a higher gross profit margin for FY2024, leading to an increase in gross profits to approximately RMB59.0 million for FY2024 as compared with that of approximately RMB33.5 million for FY2023, which was partially offset by the decrease in other income of approximately RMB10.1 million from approximately RMB17.8 million for FY2023 to approximately RMB7.7 million for FY2024 due to a decrease in the sales of material to third parties by the Group in FY2024 as compared with that of FY2023.

As at the date of this announcement, the Company is in the process of preparing and finalising the annual results of the Group for FY2024. 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 2025.

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 Chief Executive Officer

Zibo, Shandong, 12 March 2025

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

Executive Directors:	*Mr. Wei Jun, Mr. Zhang Bizhuang, Mr. Wang Kunxian and Ms. Han Aizhi*
Non-executive Director:	*Mr. Huang Xingwang*
Independent non-executive Directors:	*Mr. Chen Junzhu, Mr. Qi Defu and Mr. Qiao Jianmin*

* *For identification purpose only*