Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

PROPOSED SHARE PREMIUM REDUCTION

The Company proposes to effect the Share Premium Reduction by applying certain amount standing to the credit of the share premium account of the Company towards offsetting the amount of the accumulated losses of the Company as at 31 December 2024.

A circular containing, inter alia, further details about the Share Premium Reduction together with a notice convening the EGM will be published on the websites of the Stock Exchange and the Company as soon as practicable in accordance with the Listing Rules.

PROPOSED SHARE PREMIUM REDUCTION

The board (the "**Board**") of directors (the "**Directors**") of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "**Company**") proposes to effect the share premium reduction ("**Share Premium Reduction**") by applying certain amount standing to the credit of the share premium account of the Company towards offsetting (the "**Proposed Offset**") the amount of the accumulated losses of the Company as at 31 December 2024 (the "**Accumulated Loss**").

It is proposed that the amount standing to the credit of the share premium account of the Company of approximately RMB767,097,000 be reduced and cancelled and such amount be applied to offset the Accumulated Loss. The Accumulated Loss of the Company after the Proposed Offset shall amount to approximately RMB 1,728,484,000 and the retained earnings of the Group as at 31 December 2024 after the Proposed Offset shall amount to approximately RMB92,224,000.

Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon:

(i) the passing of an ordinary resolution by the Shareholders at the extraordinary general meeting ("**EGM**") to approve the Share Premium Reduction; and

(ii) compliance by the Company with the requirements of the Companies Act to effect the Share Premium Reduction and the Directors being satisfied that there are no reasonable grounds for believing that the Company is unable to pay its debts as they become due in the ordinary course of business.

Subject to the fulfillment of the above conditions, it is expected that the Share Premium Reduction will become effective on the date of passing the ordinary resolution by the Shareholders at the EGM to approve the Share Premium Reduction or upon the day on which the above conditions are fulfilled (whichever is later). No Shareholders are required to abstain from voting on the ordinary resolution proposed to approve the Share Premium Reduction.

Reasons for the Share Premium Reduction

As at 31 December 2024, the Group recorded the Accumulated Loss of approximately RMB674,873,000. The Board is of the view that the Share Premium Reduction will allow the Company to eliminate its accumulated losses, thus enabling the Shareholders and investors of the Company to have a better appreciation of the financial position of the Group and its current businesses. The Board believes that the Share Premium Reduction is in the best interests of the Company and the Shareholders as a whole. At this stage, the Company does not have any present intention to declare any dividends to the Shareholders despite the Share Premium Reduction.

Effects of the Share Premium Reduction

The Share Premium Reduction does not involve any reduction in the authorized or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements in respect of the Shares. Save for the expenses incurred by the Company in relation to the Share Premium Reduction, the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

GENERAL

A circular containing, inter alia, further details about the Share Premium Reduction together with a notice convening the EGM will be published on the websites of the Stock Exchange and the Company as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Share Premium Reduction is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the proposed Share Premium Reduction may or may not proceed.

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

Guangdong Province, the PRC, 29 July 2025

As at the date of this announcement, the Board comprises two executive directors, namely Mr Chen Chang and Ms Chen Zhao Nian; and three independent non-executive directors, namely Mr Chen Ping, Mr Au Yeung Kwong Wah and Mr Zhan Jian Zhou.