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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)

VOLUNTARY ANNOUNCEMENT
POTENTIAL DISPOSAL OF EQUITY INTEREST IN THE TARGET COMPANY

This announcement is made by Shengli Oil & Gas Pipe Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis.

I. BACKGROUND

Zhejiang Shengguan Industrial Co., Ltd.* (浙江勝管實業有限公司) (the "**Target Company**") is a company incorporated in the People's Republic of China (the "**PRC**") with limited liability, a subsidiary of the Company, owned as to 98% by Shandong Shengli Steel Pipe Co., Ltd.* (山東勝利鋼管有限公司) ("**Shandong Shengli**"), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The Target Company has no business operations and its core asset mainly consists of an unlisted equity investment, representing the 19.95% equity interests in Xinfeng Energy Enterprise Group Co., Ltd.* (新鋒能源集團有限公司) ("**Xinfeng Energy**"), which has been classified as financial assets designated at fair value through other comprehensive income ("**Equity investment — Designated FVOCI**"). Xinfeng Energy is a company established in the PRC with limited liability. It is principally engaged in the manufacturing and sales of new energy primary equipment, sales of wind farm related equipment, wind power generation technology services, sales of wind turbines and components, research and development of emerging energy technologies and other related businesses in the PRC.

II. THE POTENTIAL DISPOSAL THROUGH PUBLIC TENDER

The board (the "**Board**") of directors (the "**Directors**") of the Company announces that the Group intends to dispose of the 98% equity interests held by Shandong Shengli in the Target Company (the "**Potential Disposal**") by way of a public tender process (the "**Public Tender**") to be carried out via the Shanghai United Assets and Equity Exchange (上海聯合產權交易所有限公司) (the "**SUAEE**").

A valuation report of the Target Company prepared by an independent qualified asset valuer has been obtained by the Group for the purpose of determining the minimum bidding price of the Public Tender. Based on the fair value of the Target Company as set out in the valuation report, which was prepared by CHFT Advisory and Appraisal Ltd. using the asset valuation approach with 30 June 2025 as the appraisal reference date, the minimum bidding price for the Potential Disposal is RMB29.50 million (the "**Minimum Bidding Price**"). The final consideration of the Potential Disposal will depend on the final bidding price, and in any event, not be lower than the Minimum Bidding Price.

Shareholders (the "**Shareholders**") and/or potential investors of the Company should note that the final consideration for the Potential Disposal will depend on the final bidding price to be offered by the successful bidder in the Public Tender. The Company will enter into a formal share transfer agreement with the successful bidder following conclusion of the Public Tender.

III. FINANCIAL IMPACT OF THE POTENTIAL DISPOSAL

Upon completion of the Potential Disposal, the Group will cease to have any interest in the Target Company. Accordingly, the assets and liabilities as well as the results of operation of the Target Company would no longer be consolidated into the consolidated financial statements of the Group.

As the final gain/loss arising from the Potential Disposal depends on the final bidding price offered by the successful bidder which can only be ascertained upon successful conclusion of the Public Tender, the financial impact of the Potential Disposal can yet be determined. For illustrative purpose, assuming the Potential Disposal proceeds at the Minimum Bidding Price of RMB29.50 million, the Group is expected to record a gain on disposal of a subsidiary of approximately RMB14,000 recognised in the consolidated statement of profit or loss and a decrease in fair value of Equity investment — Designated FVOCI of approximately RMB14,272,000 recognised in consolidated statement of other comprehensive income during the six months ended 30 June 2025.

IV. REASON FOR AND BENEFIT OF THE POTENTIAL DISPOSAL

The Group has been committed to establish a business presence in China's high-end oil and gas pipeline market, and has taken proactive steps to venture into new business fields with a vision to promote sustainable growth of the Group. The Company is of the view that the cash inflow from the Potential Disposal, if completed, will improve the Company's overall working capital condition and anticipates that the net proceeds from the Potential Disposal, if completed, will be used as operating funds of the Group to provide financial support for the development of its principal business and new business opportunities, thus enhancing the profitability and sustainability of the Group's business and improve returns to the Shareholders.

In addition, as mentioned in the announcement of Company dated 1 August 2025, the Target Company is involved in a litigation matter. The Potential Disposal, if completed, would reduce the Company's efforts and resources devoted to the litigation matter. This would allow the Company and its management to focus more on the development of the Group's core businesses.

The Company considers that the Potential Disposal, if completed, is a good opportunity to improve liquidity and alleviate the Company's net loss position, and will not have a material adverse effect on the Group.

V. LISTING RULES IMPLICATIONS

Using the Minimum Bidding Price as the basis of calculation, the highest applicable percentage ratio (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) in respect of the Potential Disposal is expected to be more than 5% but less than 25%. Therefore, the Potential Disposal, if materialised, may constitute a discloseable transaction of the Company and may be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

An announcement in respect of such discloseable transaction will be issued by the Company in compliance with the Listing Rules following the successful conclusion of the Public Tender and confirmation of the transferee for the Potential Disposal.

VI. GENERAL

The Board wishes to emphasise that as at the date of this announcement, the Company is not under any obligation to proceed with the Potential Disposal and the Public Tender may or may not happen. No binding agreement with respect to the Potential Disposal has been entered into by the Group as at the date of this announcement and there is no assurance that any definitive transaction will materialise. The Company will make further announcement(s) in compliance with the Listing Rules as and when appropriate or required.

As the Potential Disposal may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Zibo, Shandong, 11 August 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*