**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited**, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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# 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)**

## PROPOSAL FOR SHARE PREMIUM REDUCTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited to be held at 1/F., China Building, 29 Queen's Road Central, Hong Kong on Friday, 5 September 2025 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend the extraordinary general meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours (i.e. 10:30 a.m. on Wednesday, 3 September 2025) before the time appointed for the holding the extraordinary general meeting or any adjournment or postponement thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment or postponement thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

12 August 2025

# CONTENTS


*Page*

**Definitions** ..... 1

**Letter from the Board** ..... 3

**Notice of Extraordinary General Meeting** ..... EGM-1

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

| | |
|---|---|
| "Accumulated Loss" | the amount of the accumulated losses of the Company as at 31 December 2024 |
| "Articles" | the articles of association of the Company as amended from time to time |
| "Board" | the board of Directors |
| "close associate(s)" | has the meaning as defined in the Listing Rules |
| "Companies Act" | Companies Act (2025 Revision) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor |
| "Company" | 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), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on the Stock Exchange |
| "Director(s)" | the director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Company to be held at 1/F., China Building, 29 Queen's Road Central, Hong Kong on Friday, 5 September 2025 at 10:30 a.m., the notice of which is set out on pages EGM-1 to EGM-2 of this circular, or any adjournment or postponement thereof |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Latest Practicable Date" | 7 August 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, for the time being in force |
| "PRC" | the People's Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |

| | |
|---|---|
| "Proposed Offset" | the proposed offsetting of the Accumulated Loss by the amount standing to the credit of the share premium account of the Company |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Share Premium Reduction" | the proposed reduction of share premium by applying certain amount standing to the credit of the share premium account of the Company offsetting the amount of the Accumulated Loss |
| "Share(s)" | ordinary share(s) with a nominal value of HK$0.10 each in the share capital of the Company |
| "Shareholder(s)" | holder(s) of the Shares |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "%" | per cent |

# 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)**

*Executive Directors:*
Mr. CHEN Chang *(Chairman)*
Ms. CHEN Zhao Nian

*Independent non-executive Directors:*
Mr. AU YEUNG Kwong Wah
Mr. CHEN Ping
Mr. ZHAN Jian Zhou

*Registered office:*
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of business in the PRC:*
2/F., 3–5 Golden Dragon City
Yayun Avenue
511450 Panyu District
Guangzhou City
Guangdong Province
The PRC

*Principal place of business in Hong Kong:*
Unit 605–606, 6/F., Tower III
Enterprise Square,
No. 9 Sheung Yuet Road
Kowloon Bay
Kowloon
Hong Kong

12 August 2025

*Dear Shareholders,*

## PROPOSAL FOR SHARE PREMIUM REDUCTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

## INTRODUCTION

Reference is made to the announcement of the Company dated 29 July 2025 in relation to the proposed Share Premium Reduction.

The purpose of this circular is to provide you with, among other things, (i) details of the proposed Share Premium Reduction; (ii) a notice convening the EGM together with the related form of proxy; and (iii) other information as required under the Listing Rules.

## PROPOSED SHARE PREMIUM REDUCTION

The Board 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.

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 RMB1,728,484,000 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 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 accumulated losses 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.

## THE EXTRAORDINARY GENERAL MEETING

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. At the EGM, an ordinary resolution will be proposed to approve the Share Premium Reduction.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours (i.e. 10:30 a.m. on Wednesday, 3 September 2025) before the time appointed for holding the EGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment or postponement thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM shall be conducted by way of poll and the poll results of the EGM will be announced by the Company after the EGM in compliance with the Listing Rules.

## RECOMMENDATION

The Directors believe that the proposed Share Premium Reduction is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 September 2025 to Friday, 5 September 2025, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 1 September 2025. The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the EGM is 5 September 2025.

## RESPONSIBILITY OF DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and there are no other facts the omission of which would make any statement contained herein misleading.

## LANGUAGE

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board of
**Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited**
**Chen Chang**
*Chairman*

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# 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)**

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "**Company**") will be held at 1/F., China Building, 29 Queen's Road Central, Hong Kong on Friday, 5 September 2025 at 10:30 a.m. for considering and, if thought fit, to transact the following businesses:

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**THAT:**

(a) conditional upon compliance with the Companies Act, the amount standing to the credit of the share premium account of the Company of approximately RMB767,097,000 be reduced, and the credit arising from such reduction be applied towards offsetting the amount of the accumulated losses of the Company as at 31 December 2024 (the "**Share Premium Reduction**"); and

(b) any Director be and is hereby authorized generally to do all acts and things, and to approve, sign and execute any document(s) on behalf of the Company as he/she may consider necessary, desirable or expedient to implement or to give effect to the Share Premium Reduction.

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

Guangdong Province, the PRC, 12 August 2025

*Notes:*

1. A form of proxy for the meeting is enclosed.

2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at extraordinary general meeting of the Company. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. 10:30 a.m. on Wednesday, 3 September 2025) before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in the instrument proposes to vote.

5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. Where there are joint holders of any Share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stand first on the register in respect of such Shares shall alone be entitled to vote in respect thereof.

7. The register of members of the Company will be closed from Tuesday, 2 September 2025 to Friday, 5 September 2025, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 1 September 2025. The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the EGM is 5 September 2025.

8. If tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons or a "black" rainstorm warning signal is in force at 7:00 a.m. on Friday, 5 September 2025, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

*As at the date of this notice, 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.*