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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)

COMPLETION OF ISSUE OF SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions of the Subscription have been fulfilled and completion of the Subscription took place on 7 January 2021 in accordance with the terms of the Subscription Agreement.

A total of 600,000,000 fully paid Subscription Shares, representing approximately 15.486% of the issued share capital of the Company as at the date of this announcement immediately after Completion, were allotted and issued by the Company to the Subscriber at the Subscription Price of HK\$0.10 per Subscription Share.

Reference is made to the announcement of Shengli Oil & Gas Pipe Holdings Limited (the “**Company**”) dated 24 December 2020 (the “**Announcement**”) in relation to, among others, the Subscription. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

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EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

So far as the Directors are aware, set out below are changes to the shareholding structure of the Company as a result of the Completion.

| | Immediately before Completion | | Immediately after Completion | |
|---|----------------------------------|--------------------------|---------------------------------|--------------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| Mefun Group Limited (Note 1) | 620,000,000 | 18.935 | 620,000,000 | 16.003 |
| Mr. Zhang Bizhuang (executive Director) and his associates (Note 2) | 232,930,224 | 7.114 | 232,930,224 | 6.012 |
| Mr. Wang Kunxian (executive Director) and his associates (Note 3) | 26,708,760 | 0.816 | 26,708,760 | 0.689 |
| Ms. Han Aizhi (executive Director) and her associates (Note 4) | 26,708,760 | 0.816 | 26,708,760 | 0.689 |
| Mr. Song Xichen (executive Director) and his associates (Note 5) | 26,708,760 | 0.816 | 26,708,760 | 0.689 |
| The Subscriber (Note 6) | – | – | 600,000,000 | 15.486 |
| Public Shareholders | <u>2,341,309,096</u> | <u>71.504</u> | <u>2,341,309,096</u> | <u>60.431</u> |
| | <u>3,274,365,600</u> | <u>100</u> | <u>3,874,365,600</u> | <u>100</u> |

Notes:

- (1) Mefun Group Limited will remain as the single largest Shareholder before and upon Completion. Mefun Group Limited is owned as to 65.97% and 34.03% by Mr. Wei Jun and HZJ Holding Limited, respectively. Mr. Wei Jun is the chairman and non-executive Director of the Company. HZJ Holding Limited is owned as to 59% and 12% by Ms. Chen Haili and Mr. Yang Zhihui, respectively. Mr. Yang Zhihui is the spouse of Ms. Chen Haili. In light of the aforesaid, Mr. Wei Jun, HZJ Holding Limited, Ms. Chen Haili and Mr. Yang Zhihui are deemed to be interested in the shares of the Company held by Mefun Group Limited by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”).
- (2) These comprise (i) 79,800,000 Shares owned by Mr. Zhang Bizhuang, as beneficial owner, who is an executive Director and the chief executive officer of the Company; and (ii) 153,130,224 Shares held by Goldmics Investments Limited, which is owned as to 40% by Mr. Zhang Bizhuang, and 60% by Ms. Du Jichun, the spouse of Mr. Zhang Bizhuang.
- (3) These comprise 26,708,760 Shares held by Glad Sharp Limited, which is wholly-owned by Mr. Wang Kunxian, an executive Director.
- (4) These comprise 26,708,760 Shares held by Crownova Limited, which is wholly-owned by Ms. Han Aizhi, an executive Director.

- (5) These comprise 26,708,760 Shares held by Winfun Investments Limited, which is owned as to 50% by Mr. Song Xichen, an executive Director, and 50% by Ms. Xu Li, the spouse of Mr. Song Xichen.
- (6) The Subscriber is a limited partnership registered under the laws of the British Virgin Islands, the general partner of which is LM Asset Management Corp, which in turn is owned as to approximately 70% by Mr. Huang. In addition, LMT International is a limited partner of the Subscriber and is interested in approximately 49.18% of the partnership interest in the Subscriber. LMT International is wholly-owned by Shandong Joint Investment. Therefore, each of Mr. Huang, LM Asset Management Corp, LMT International and Shandong Joint Investment is deemed to be interested in the 600,000,000 Shares held by the Subscriber pursuant to the SFO.

By order of the Board
SHENGLI OIL & GAS PIPE HOLDINGS LIMITED
Zhang Bizhuang
Executive Director and Chief Executive Office

Zibo, Shandong, 7 January 2021

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

Executive Directors: *Mr. Zhang Bizhuang, Mr. Wang Kunxian,
Ms. Han Aizhi and Mr. Song Xichen*

Non-executive Director: *Mr. Wei Jun and Mr. Jiang Yong*

Independent non-executive Directors: *Mr. Qiao Jianmin, Mr. Chen Junzhu and
Mr. Wu Geng*