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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)

REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE FRAMEWORK PURCHASE AGREEMENTS

REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE FRAMEWORK PURCHASE AGREEMENTS

Reference is made to the Announcement of the Company dated 25 November 2020 relating to, among others, the Framework Purchase Agreements entered into between Hunan Shengli, an indirectly non wholly-owned subsidiary of the Company, and certain members of the Valin Group for the purchases of steel plates and steel coils for a term commencing from 25 November 2020 to 24 November 2021.

As at the date of this announcement, with reference to the online steel trading platform established by Shanghai Ganglian E-commerce Holdings Co., Ltd* (上海鋼聯電子商務股份有限公司), namely Mysteel* (我的鋼鐵), the market price of steel has increased by approximately 13%, as compared to the market price of which at the time the Framework Purchase Agreements were entered into, with the market price increased rapidly from March to May 2021. The market price of steel peaked in May 2021, representing an increase of market price for more than 40% by comparing the market price of which at the time the Framework Purchase Agreements were entered into with the highest market price of steel in the first half of 2021. Accordingly, on 28 July 2021, Hunan Shengli entered into the Supplemental Agreements with certain members of the Valin Group to amend the Framework Purchase Agreements by revising (i) the Existing Price Range to the Revised Price Range; and (ii) the Existing Supply Quantity to the Revised Supply Quantity. Upon revision to the Revised Price Range and the Revised Supply Quantity, it is expected that the Existing Annual Cap for the current period under the Framework Purchase Agreements may not be sufficient to meet the expected transaction amount for the year ending 31 December 2021. Save as aforementioned, all other terms and conditions under the Framework Purchase Agreements remain the same.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hunan Xiangtan, Hunan Lianyuan and Valin E-Commerce are wholly-owned subsidiaries of Hunan Valin, which is owned as to approximately 48.64%, 12.06% and 0.73% by Valin Steel, Lianyuan Steel and Hunan Hengyang, respectively, and Lianyuan Steel and Hunan Hengyang are both wholly-owned by Valin Steel. Hunan Valin is therefore a subsidiary of Valin Steel, which in turn is the holder of the entire equity in Xiangtan Steel, a substantial shareholder of Hunan Shengli. Hunan Shengli is an indirectly non wholly-owned subsidiary of the Company. Therefore, Hunan Xiangtan, Hunan Lianyuan and Valin E-Commerce are all associates of Xiangtan Steel pursuant to the Listing Rules, and are connected persons of the Company at the subsidiary level. Further, Valin Resource is wholly-owned by Valin Steel, and is therefore connected persons of the Company at the subsidiary level. As regards Valin International, it is wholly-owned by Hunan Xiangtan and is therefore a connected person of the Company at the subsidiary level pursuant to the Listing Rules. Accordingly, the entering into of the Supplemental Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Although one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Revised Annual Cap under the Supplemental Agreements exceed(s) 5%, as the transactions contemplated under the Supplemental Agreements are continuing connected transactions of the Company at the subsidiary level and the Board (including all the independent non-executive Directors) had approved the transactions and confirmed that such transactions are on normal commercial terms and conducted in the usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Supplemental Agreements are subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A.101 of the Listing Rules.

Reference is made to the Announcement of the Company dated 25 November 2020 relating to, among others, the Framework Purchase Agreements entered into between Hunan Shengli, an indirectly non wholly-owned subsidiary of the Company, and certain members of the Valin Group for the purchases of steel plates and steel coils for a term commencing from 25 November 2020 to 24 November 2021.

As at the date of this announcement, with reference to the online steel trading platform established by Shanghai Ganglian E-commerce Holdings Co., Ltd* (上海鋼聯電子商務股份有限公司), namely Mysteel* (我的鋼鐵), the market price of steel has increased by approximately 13%, as compared to the market price of which at the time the Framework Purchase Agreements were entered into, with the market price increased rapidly from March to May 2021. The market price of steel peaked in May 2021, representing an increase of market price for more than 40% by comparing the market price of which at the time the Framework Purchase Agreements were entered into with the highest market price of steel in the first half of 2021. Accordingly, on 28 July 2021, Hunan Shengli entered into the Supplemental Agreements with certain members of the Valin Group to amend the Framework Purchase Agreements by revising (i) the Existing Price Range to the Revised Price Range; and (ii) the Existing Supply Quantity to the Revised Supply Quantity. Upon revision to the Revised Price Range and the Revised Supply Quantity, it is expected that the Existing Annual Cap for the current period under the Framework Purchase Agreements may not be sufficient to meet the expected transaction amount for the year ending 31 December 2021. Save as aforementioned, all other terms and conditions under the Framework Purchase Agreements remain the same.

PRINCIPAL TERMS OF THE SUPPLEMENTAL AGREEMENTS

Date: 28 July 2021

- Parties:
- i. For the Supplemental Agreement I, the parties are Hunan Shengli and Hunan Xiangtan;
 - ii. For the Supplemental Agreement II, the parties are Hunan Shengli and Valin Resource;
 - iii. For the Supplemental Agreement III, the parties are Hunan Shengli and Valin International;
 - iv. For the Supplemental Agreement IV, the parties are Hunan Shengli and Hunan Lianyuan; and
 - v. For the Supplemental Agreement V, the parties are Hunan Shengli and Valin E-commerce.

Subject: **(A) Revision as to the purchase price range of the steel plates and/or steel coils under the Framework Purchase Agreements**

Pursuant to the Supplemental Agreements, in light of the increasing price trend of steel, the price range of the steel plates and/or steel coils for the forthcoming transactions contemplated under the Framework Purchase Agreements shall be amended from the Existing Price Range of RMB4,500 to RMB6,000 per ton to the Revised Price Range of RMB6,500 to RMB8,000 per ton, with reference to the market condition of steel plates and steel coils for the past 60 days as of 28 July 2021 and taking into account of the anticipated price trend of steel plates and steel coils.

(B) Revision as to the supply quantity under the Framework Purchase Agreements

To accommodate the adjustment of the production schedule of the relevant members of the Valin Group at its requests, the following revisions were made to the Existing Supply Quantity under the Framework Purchase Agreements:

1. Pursuant to the Supplemental Agreement I, the quantity of steel plates supplied by Hunan Xiangtan to Hunan Shengli under the Framework Purchase Agreement I shall be amended from approximately 11,500 tons to approximately 13,000 tons.
2. Pursuant to the Supplemental Agreement II, the quantity of steel plates and steel coils supplied by Valin Resource to Hunan Shengli under the Framework Purchase Agreement II shall be amended from approximately 35,000 tons to approximately 10,000 tons.
3. Pursuant to the Supplemental Agreement III, the quantity of steel plates and steel coils supplied by Valin International to Hunan Shengli under the Framework Purchase Agreement III shall be amended from approximately 28,000 tons to approximately 54,500 tons.
4. Pursuant to the Supplemental Agreement IV, the quantity of steel coils supplied by Hunan Lianyuan to Hunan Shengli under the Framework Purchase Agreement IV shall be amended from approximately 7,500 tons to approximately 500 tons.
5. Pursuant to the Supplemental Agreement V, the quantity of steel plates and steel coils supplied by Valin E-commerce to Hunan Shengli under the Framework Purchase Agreement V shall be amended from approximately 18,000 tons to approximately 22,000 tons.

Notwithstanding the above adjustments, the aggregated amount of the Revised Supply Quantity is the same as that of the Existing Supply Quantity. The supply quantity in each of the Supplemental Agreements is adjusted with reference to the respective historical supply quantity under the respective Framework Purchase Agreements and the anticipated production volume of oil and gas pipes of the Company with reference to the existing pipes projects of the Company, out of which various national pipeline projects have elected Hunan Xiangtan, Valin International and Valin E-Commerce as the designated suppliers.

REVISION OF ANNUAL CAPS

As disclosed in the Announcement, the Existing Annual Cap is determined with reference to, among others, (i) the historical transaction amounts for the purchases of steel plates and/or steel coils for the production of oil and gas pipes from the Valin Group; and (ii) the expected purchase planning under the Framework Purchase Agreements taking into account, among others, the purchase orders received by the Group from its customers.

As at the date of this announcement, with reference to the online steel trading platform established by Shanghai Ganglian E-commerce Holdings Co., Ltd* (上海鋼聯電子商務股份有限公司), namely Mysteel* (我的鋼鐵), the market price of steel has increased by approximately 13%, as compared to the market price of which at the time the Framework Purchase Agreements were entered into, with the market price increased rapidly from March to May 2021. The market price of steel peaked in May 2021, representing an increase of market price for more than 40% by comparing the market price of which at the time the Framework Purchase Agreements were entered into with the highest market price of steel in the first half of 2021. Accordingly, on 28 July 2021, Hunan Shengli entered into the Supplemental Agreements with certain members of the Valin Group to amend the Framework Purchase Agreements by revising (i) the Existing Price Range to the Revised Price Range; and (ii) the Existing Supply Quantity to the Revised Supply Quantity. Upon revision to the Revised Price Range and the Revised Supply Quantity, it is expected that the Existing Annual Cap for the current period under the Framework Purchase Agreements may not be sufficient to meet the expected transaction amount for the year ending 31 December 2021.

To secure stable source of steel plates and steel coils as the major raw materials of the oil and gas pipes manufactured by the Group, on 28 July 2021, the Directors proposed to revise the Existing Annual Cap in respect of the transactions contemplated under the Framework Purchase Agreements for the year ending 31 December 2021, as follows:

	For the year ending 31 December 2021 <i>RMB</i> <i>(thousand)</i>
Existing Annual Cap	450,000
Revised Annual Cap	621,150

The Revised Annual Cap is arrived at by multiplying the maximum purchase price of steel plates and steel coils under the Revised Price Range with the remaining supply quantity under the Supplemental Agreements, plus the total transacted amount under the Framework Purchase Agreements since 1 January 2021 before the Supplemental Agreements were entered into.

As far as the Directors are aware, the Existing Annual Cap in respect of the transactions contemplated under the Framework Purchase Agreements for the year ending 31 December 2021 has not been exceeded as at the date of this announcement and about 57.3% of the Existing Annual Cap has been utilised up to 30 June 2021 based on the Company's available data.

REASONS FOR AND BENEFITS OF THE REVISED ANNUAL CAPS

The transactions contemplated under the Framework Purchase Agreements have been an integral part of the ordinary and usual course of business of the Group and have been conducted on normal commercial terms following arm's length negotiation between the parties to the Framework Purchase Agreements. The revision of the Existing Annual Cap is necessary to reflect the abovementioned significant increase in the market prices of steel and to secure stable source of steel plates and steel coils as the major raw materials of the oil and gas pipes manufactured by the Group.

The Board also believes that the revision of the Existing Price Range and the Existing Annual Cap will enable the Group to maintain and continue to develop the long term relationship with the Valin Group, especially when Valin Group has a proven track record as demonstrated from its previous transactions with the Group, as it has been able to supply high quality steel plates and/or steel coils in a timely manner with more favorable terms.

INFORMATION ABOUT THE GROUP AND HUNAN SHENGLI

The Group is one of the largest oil and gas line pipe manufacturers in the PRC. The Group (including Hunan Shengli) focuses on the design, manufacture, anti-corrosion processing and servicing of pipes (including SAWH pipes and SAWL pipes) which are used to transport crude oil, refined petroleum products and natural gas.

Hunan Shengli is a company established in the PRC with limited liability. It is an indirectly non wholly-owned subsidiary of the Company, which is owned as to 43.1% by Xiangtan Steel and 56.9% by 山東勝利鋼管有限公司 (Shandong Shengli Steel Pipe Co., Ltd.*), being a wholly-owned subsidiary of the Company as at the date of this announcement.

INFORMATION ABOUT HUNAN XIANGTAN

Hunan Xiangtan is a company established in the PRC with limited liability and is primarily engaged in manufacturing of steel plates, wires, rods and metal products. Hunan Xiangtan is a wholly-owned subsidiary of Hunan Valin. Hunan Valin is a company listed on the Shenzhen Stock Exchange, and is owned as to approximately 48.64%, 12.06% and 0.73% by Valin Steel, Lianyuan Steel and Hunan Hengyang respectively, and both Lianyuan Steel and Hunan Hengyang are wholly-owned subsidiaries of Valin Steel. Hunan Valin is therefore a subsidiary of Valin Steel. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the other shareholders of Hunan Valin are all Independent Third Parties.

Valin Steel is ultimately wholly-owned by the State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government* (湖南省人民政府國有資產監督管理委員會) ("Hunan SASAC"), which acts as a contributor of state-owned assets on behalf of the Hunan Provincial People's Government and is primarily responsible for monitoring and managing the state-owned operating assets in Hunan Province, the PRC. Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Hunan SASAC is an Independent Third Party.

INFORMATION ABOUT VALIN RESOURCE

Valin Resource is a company established in the PRC and is primarily engaged in the sales of steel products as well as raw materials and ingredients used in metallurgy production. Valin Resource is a wholly-owned subsidiary of Valin Steel.

INFORMATION ABOUT VALIN INTERNATIONAL

Valin International is a company established in the PRC and is primarily engaged in the sales of steel and metal products, as well as the import and export of goods and technologies. Valin International is a wholly-owned subsidiary of Hunan Xiangtan.

INFORMATION ABOUT HUNAN LIANYUAN

Hunan Lianyuan is a company established in the PRC and is primarily engaged in the production of steel, iron and metal products. Hunan Lianyuan is a wholly-owned subsidiary of Hunan Valin.

INFORMATION ABOUT VALIN E-COMMERCE

Valin E-Commerce is a company established in the PRC and is primarily engaged in the development of e-commerce platform, metallic materials processing, wholesale of metals and metal mines and trading agency services. Valin E-Commerce is a wholly-owned subsidiary of Hunan Valin.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hunan Xiangtan, Hunan Lianyuan and Valin E-Commerce are wholly-owned subsidiaries of Hunan Valin, which is owned as to approximately 48.64%, 12.06% and 0.73% by Valin Steel, Lianyuan Steel and Hunan Hengyang, respectively, and Lianyuan Steel and Hunan Hengyang are both wholly-owned by Valin Steel. Hunan Valin is therefore a subsidiary of Valin Steel, which in turn is the holder of the entire equity in Xiangtan Steel, a substantial shareholder of Hunan Shengli. Hunan Shengli is an indirectly non wholly-owned subsidiary of the Company. Therefore, Hunan Xiangtan, Hunan Lianyuan and Valin E-Commerce are all associates of Xiangtan Steel pursuant to the Listing Rules, and are connected persons of the Company at the subsidiary level. Further, Valin Resource is wholly-owned by Valin Steel, and is therefore connected persons of the Company at the subsidiary level. As regards Valin International, it is wholly-owned by Hunan Xiangtan and is therefore a connected person of the Company at the subsidiary level pursuant to the Listing Rules. Accordingly, the entering into of the Supplemental Agreements and the transactions contemplated under the Framework Purchase Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Although one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Revised Annual Cap under the Supplemental Agreements exceeds 5%; as the transactions contemplated under the Supplemental Agreements are continuing connected transactions of the Company at the subsidiary level and the Board (including all the independent non-executive Directors) had approved the transactions and confirmed that such transactions are on normal commercial terms and conducted in the usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Supplemental Agreements are subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A.101 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Announcement”	the announcement of the Company dated 25 November 2020 relating to, among others, the Framework Purchase Agreements entered into between Hunan Shengli, an indirectly non wholly-owned subsidiary of the Company, and certain members of the Valin Group for the purchases of steel plates and steel coils for a term commencing from 25 November 2020 to 24 November 2021
“associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Shengli Oil & Gas Pipe Holdings Limited (勝利油氣管道控股有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange of Hong Kong Limited
“connected person”	has the same meaning ascribed thereto in the Listing Rules
“continuing connected transaction(s)”	has the same meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Annual Cap”	the existing annual maximum aggregate value for the transactions contemplated under the Framework Purchase Agreements from 1 January 2021 to 31 December 2021

“Existing Price Range”	the existing price range of the steel plates and/or steel coils for the transactions contemplated under the Framework Purchase Agreements
“Existing Supply Quantity”	the existing supply quantity of the steel plates and/or steel coils for the transactions contemplated under the Framework Purchase Agreements
“Framework Purchase Agreement I”	the framework purchase agreement entered into between Hunan Shengli and Hunan Xiangtan dated 25 November 2020, pursuant to which Hunan Xiangtan agreed to supply certain steel plates to Hunan Shengli
“Framework Purchase Agreement II”	the framework purchase agreement entered into between Hunan Shengli and Valin Resource dated 25 November 2020, pursuant to which Valin Resource agreed to supply certain steel plates and steel coils to Hunan Shengli
“Framework Purchase Agreement III”	the framework purchase agreement entered into between Hunan Shengli and Valin International dated 25 November 2020, pursuant to which Valin International agreed to supply certain steel plates and steel coils to Hunan Shengli
“Framework Purchase Agreement IV”	the framework purchase agreement entered into between Hunan Shengli and Hunan Lianyuan dated 25 November 2020, pursuant to which Hunan Lianyuan agreed to supply certain steel coils to Hunan Shengli
“Framework Purchase Agreement V”	the framework purchase agreement entered into between Hunan Shengli and Valin E-commerce dated 25 November 2020, pursuant to which Valin E-commerce agreed to supply certain steel plates and steel coils to Hunan Shengli
“Framework Purchase Agreements”	collectively, the Framework Purchase Agreement I, the Framework Purchase Agreement II, the Framework Purchase Agreement III, the Framework Purchase Agreement IV and the Framework Purchase Agreement V
“Group”	the Company and its subsidiaries
“Hunan Hengyang”	湖南衡陽鋼管(集團)有限公司 (Hunan Hengyang Steel Pipe (Group) Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Valin Steel
“Hunan Lianyuan”	湖南華菱漣源鋼鐵有限公司 (Hunan Valin Lianyuan Iron and Steel Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Hunan Valin

“Hunan Shengli”	湖南勝利湘鋼鋼管有限公司 (Hunan Shengli Xianggang Steel Pipe Co., Ltd.*), a company established in the PRC with limited liability, and is owned as to 43.1% by Xiangtan Steel and 56.9% by 山東勝利鋼管有限公司 (Shandong Shengli Steel Pipe Co., Ltd.*), which is a wholly-owned subsidiary of the Company
“Hunan Xiangtan”	湖南華菱湘潭鋼鐵有限公司 (Hunan Valin Xiangtan Iron & Steel Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Hunan Valin
“Hunan Valin”	湖南華菱鋼鐵股份有限公司 (Hunan Valin Steel Co., Ltd.*), a company established in the PRC with limited liability, and is owned as to approximately 48.64%, 12.06% and 0.73% by Valin Steel, Lianyuan Steel and Hunan Hengyang, Respectively
“Independent Third Party(ies)”	person(s) or company(ies) which is not a connected person of the Company
“Lianyuan Steel”	漣源鋼鐵集團有限公司 (Lianyuan Iron & Steel Group Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Valin Steel
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China, which for the purpose of this announcement shall exclude the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Revised Annual Cap”	the revised annual maximum aggregate value for the transactions contemplated under the Framework Purchase Agreements and the Supplemental Agreements from 1 January 2021 to 31 December 2021 as set out in the Supplemental Agreements
“Revised Price Range”	the revised price range of the steel plates and/or steel coils for the forthcoming transactions contemplated under the Framework Purchase Agreements and the Supplemental Agreements
“Revised Supply Quantity”	the revised supply quantity of the steel plates and/or steel coils for the transactions contemplated under the Framework Purchase Agreements and the Supplemental Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company

“subsidiary(ies)”	has the same meaning ascribed thereto in the Listing Rules
“substantial shareholder(s)”	has the same meaning ascribed thereto in the Listing Rules
“Supplemental Agreement I”	the supplemental agreement entered into between Hunan Shengli and Hunan Xiangtan dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement I
“Supplemental Agreement II”	the supplemental agreement entered into between Hunan Shengli and Valin Resource dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement II
“Supplemental Agreement III”	the supplemental agreement entered into between Hunan Shengli and Valin International dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement III
“Supplemental Agreement IV”	the supplemental agreement entered into between Hunan Shengli and Hunan Lianyuan dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement IV
“Supplemental Agreement V”	the supplemental agreement entered into between Hunan Shengli and Valin E-commerce dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement V
“Supplemental Agreements”	collectively, the Supplemental Agreement I, the Supplemental Agreement II, the Supplemental Agreement III, the Supplemental Agreement IV and the Supplemental Agreement V
“Valin E-commerce”	湖南華菱電子商務有限公司 (Hunan Valin E-Commerce Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Hunan Valin
“Valin Group”	includes Valin Steel, Hunan Valin, Valin Resource, Hunan Xiangtan, Xiangtan Steel, Lianyuan Steel, Hunan Hengyang, Valin International, Hunan Lianyuan and Valin E-commerce for the purpose of this announcement
“Valin International”	上海華菱湘鋼國際貿易有限公司 (Shanghai Valin Xianggang International Trading Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Hunan Xiangtan
“Valin Resource”	湖南華菱資源貿易有限公司 (Hunan Valin Resource Trading Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Valin Steel

“Valin Steel”	湖南華菱鋼鐵集團有限責任公司 (Hunan Valin Iron & Steel Group Co., Ltd.*), a company established in the PRC with limited liability
“Xiangtan Steel”	湘潭鋼鐵集團有限公司 (Xiangtan Iron & Steel Group Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Valin Steel
“%”	per cent

* For reference purpose only, the English names of these companies, persons or documents are only a translation of their respective Chinese names. In the event of any discrepancies between the Chinese names and their respective English translations, the Chinese version shall prevail.

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

Zibo, Shandong, 28 July 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. Zhang Bangcheng

Non-executive Directors: Mr. Wei Jun and Mr. Huang Guang

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, there are no other matters the omission of which would make any statement herein or this announcement misleading.