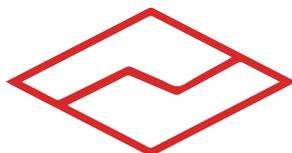


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## **MAIKE TUBE INDUSTRY HOLDINGS LIMITED**

**( 迈科管业控股有限公司 )**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1553)**

### **DISCLOSEABLE TRANSACTION**

### **SUCCESSFUL BIDDING FOR LAND USE RIGHT IN JINAN CITY, THE PRC**

#### **LAND ACQUISITION**

The Board announces that on 6 September 2021, Jinan Magang successfully bid the land use right of the Land at a total consideration of RMB81,950,000 through the Public Tender. Jinan Magang received the formal Confirmation Letter on 7 September 2021.

#### **LISTING RULES IMPLICATION**

As the highest of the applicable percentage ratio of the Land Acquisition exceeds 5% and all of the applicable percentage ratios are less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company and is subject to announcement and reporting requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

#### **LAND ACQUISITION**

The Board announces that on 6 September 2021, Jinan Magang successfully bid the land use right of the Land at a consideration of RMB81,950,000 through the Public Tender and has entered into the Confirmation Letter with Natural Resources Bureau of Pingyin County in relation to the Land Acquisition. The State-owned Land Use Right Grant Contract is expected to be entered into after the completion of the business registration regarding the Land.

Details of the Confirmation Letter are set out as follows:

Date: 6 September 2021

Parties: (i) Jinan Magang; and  
(ii) Natural Resources Bureau of Pingyin County

Subject matter: Natural Resources Bureau of Pingyin County have confirmed, and Jinan Magang has acknowledged, that Jinan Magang has won the bid for the land use right of the Land at a total consideration of RMB81,950,000

Jinan Magang has won the bid for the land use right of the Land at a total consideration of RMB81,950,000, which was determined after a public bidding process through Public Tender. The consideration was funded by the internal resources of the Group, and the total consideration of the Land was determined by reference to the minimum bid price of the Land as set by Natural Resources Bureau of Pingyin County.

As at the date of this announcement, the security deposit of RMB81,950,000 has already been paid by the Group to secure its performance. The consideration of the Land shall be settled in accordance with the State-owned Land Use Right Grant Contract in respect of the Land.

The Land is located at Yexiangou Village, Pingyin County, Jinan City, the PRC\* (中國濟南平陰縣野仙溝村) and is of a total site area of 193,036 sq.m.. The Land is for industrial use and the term of the land use right of the Land is 50 years. The Land will be used for a new factory in Jinan, Shandong Province, the PRC, which is expected to benefit the Group in its future operations and business development.

## **INFORMATION OF THE PARTIES TO THE CONFIRMATION LETTER**

### **Jinan Magang**

Jinan Magang is a limited liability company established under the laws of the PRC on 7 November 2001 and is an indirect wholly-owned subsidiary of the Company. Jinan Magang is principally engaged in the manufacture of spiral submerged arc welded (SSAW) steel pipes and anti-corrosive steel pipes.

### **Natural Resources Bureau of Pingyin County**

Natural Resources Bureau of Pingyin County is a local government body under the Jinan Municipal People's Government of the PRC and is responsible for, among others, managing the trading operations of public resources. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Natural Resources Bureau of Pingyin County is independent of and not a connected person of the Company as at the date of this announcement.

## **REASONS AND BENEFITS FOR THE LAND ACQUISITION**

The Group is principally engaged in (i) the manufacturing and sales of standard prefabricated pipe nipple products; (ii) manufacturing and sales of steel pipe products; (iii) the design and supply of assembled piping systems; and (iv) the sale of unused raw materials, including steel coils procured from the suppliers. As disclosed in the interim results announcement of the Company for the six month ended 30 June 2021 published on 27 August 2021, in order to meet the Group's need for its business operation and expansion, the Group may from time to time consider to explore opportunities for acquisition of land use right(s) within close proximity to its existing production plants in Jinan, Shandong Province, the PRC.

The Land is located on the south side of an existing production plant of the Group in Jinan, Pingyin County, with a completed surrounding road network. The Group intends to develop the Land into an intelligent manufacturing system, which may upgrade the existing technology and manufacturing methodology of the Group, thereby providing the Group with opportunities of improving product quality, reducing production costs and increasing the production capacity of certain of the Group's products. It is expected to bring synergies between the Group's two existing production plants in Jinan. It is expected that the Land Acquisition will allow the Group to achieve that purpose and thereby increasing the Group's production capacity. Accordingly, the Directors believe that the Land Acquisition is consistent with its business development strategy and will create better returns for the Shareholders in a long run.

The Directors believe that the Land Acquisition is on normal commercial terms, its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratio of the Land Acquisition exceeds than 5% and all of the applicable percentage ratios are less 25%, the Land Acquisition constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Maikē Tube Industry Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01553)
“Confirmation Letter”	the transaction confirmation letter* (成交確認書) entered into by Jinan Magang and the Natural Resources Bureau of Pingyin County on 6 September 2021 in relation to the successful bidding for the land use right of the Land
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Jinan Magang”	Jinan Magang Steel Pipes Manufacturing Company* (濟南瑪鋼鋼管製造有限公司), a limited liability company established under the laws of the PRC on 7 November 2001 and is an indirect wholly-owned subsidiary of the Company
“Land”	a piece of land located at Yexiangou Village, Pingyin County, Jinan City, the PRC* (中國濟南平陰縣野仙溝村) and is of a total site area of 193,036 sq.m.
“Land Acquisition”	the land acquisition of the land use right of the Land through the Public Tender
“Listing Rules”	the rules governing the Listing of Securities on the Stock Exchange
“Natural Resources Bureau of Pingyin County”	Natural Resources Bureau of Pingyin County* (平陰縣自然資源局), a local government body under the Jinan Municipal People’s Government of the PRC
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Public Tender”	the public tender process held by Natural Resources Bureau of Pingyin County at which the Land was offered for sale

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share in the Company
“State-owned Land Use Right Grant Contract”	the State-owned Construction Land Use Right Grant Contract* (國有建設用地使用權出讓合同) to be entered into by Jinan Magang and Natural Resources Bureau of Pingyin County pursuant to the Confirmation Letter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*In this announcement, the terms “connected person”, “percentage ratios” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

By order of the Board  
**Maike Tube Industry Holdings Limited**  
**KONG Linglei**  
*Chairman and Executive Director*

Hong Kong, 7 September 2021

*As at the date of this announcement, the executive Directors are Mr. KONG Linglei, Mr. GUO Lei, Mr. XU Jianjun and Mr. YANG Shufeng; the non-executive Director is Ms. ZHAO Xuelian and the independent non-executive Directors are Mr. LIU Fengyuan, Mr. DING Xiaodong and Mr. MA Changcheng.*