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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)

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

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

Reference is made to (i) 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; and (ii) the announcement of the Company dated 28 July 2021 relating to, among others, the First Supplemental Agreements entered into between Hunan Shengli and certain members of the Valin Group to amend the Framework Purchase Agreements by revising (i) the Previous Price Range to the Revised Price Range; and (ii) the Previous Supply Quantity to the Revised Supply Quantity and the revision of the Previous Annual Cap.

In view of the increasing number of sales orders for pipes required to be manufactured and delivered by Hunan Shengli for September 2021 to November 2021, it is expected that Hunan Shengli will have to source more steel plates and steel coils in contemplation of the delivery arrangements under the aforementioned sales orders for pipes. On 29 September 2021, Hunan Shengli entered into the Second Supplemental Agreements with Valin International and Valin E-Commerce to amend the Framework Purchase Agreement III (as supplemented by the First Supplemental Agreement III) and the Framework Purchase Agreement V (as supplemented by the First Supplemental Agreement V) respectively by revising the supply quantity to the Further Revised Supply Quantity. Upon further revision to the Revised Supply Quantity, it is expected that the Revised Annual Cap for the current period under the Framework Purchase Agreements (as supplemented by the First Supplemental 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 (as supplemented by the First Supplemental 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 Second 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 Further Revised Annual Cap under the Framework Purchase Agreements (as supplemented by the Supplemental Agreements) exceed(s) 5%, as the transactions contemplated under the Second 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 Second 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 (i) 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; and (ii) the announcement of the Company dated 28 July 2021 relating to, among others, the First Supplemental Agreements entered into between Hunan Shengli and certain members of the Valin Group to amend the Framework Purchase Agreements by revising (i) the Previous Price Range to the Revised Price Range; and (ii) the Previous Supply Quantity to the Revised Supply Quantity and the revision of the Previous Annual Cap.

In view of the increasing number of sales orders for pipes required to be manufactured and delivered by Hunan Shengli for September 2021 to November 2021, it is expected that Hunan Shengli will have to source more steel plates and steel coils in contemplation of the delivery arrangements under the aforementioned sales orders for pipes. On 29 September 2021, Hunan Shengli entered into the Second Supplemental Agreements with Valin International and Valin E-Commerce to amend the Framework Purchase Agreement III (as supplemented by the First Supplemental Agreement III) and the Framework Purchase Agreement V (as supplemented by the First Supplemental Agreement V) respectively by revising the supply quantity to the Further Revised Supply Quantity. Upon further revision to the Revised Supply Quantity, it is expected that the Revised Annual Cap for the current period under the Framework Purchase Agreements (as supplemented by the First Supplemental 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 (as supplemented by the First Supplemental Agreements) remain the same.

PRINCIPAL TERMS OF THE SECOND SUPPLEMENTAL AGREEMENTS

Date: 29 September 2021

Parties:

- i. For the Second Supplemental Agreement I, the parties are Hunan Shengli and Valin International; and
- ii. For the Second Supplemental Agreement II, the parties are Hunan Shengli and Valin E-commerce.

Subject: **Revision as to the supply quantity under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements)**

To accommodate the increasing number of sales orders for pipes required to be manufactured and delivered, the following revisions were made to the supply quantity under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements):

1. Pursuant to the Second Supplemental Agreement I, the quantity of steel plates and steel coils supplied by Valin International to Hunan Shengli under the Framework Purchase Agreement III (as supplemented by the First Supplemental Agreement III) shall be amended from approximately 54,500 tons to approximately 70,800 tons.
2. Pursuant to the Second Supplemental Agreement II, the quantity of steel plates and steel coils supplied by Valin E-commerce to Hunan Shengli under the Framework Purchase Agreement V (as supplemented by the First Supplemental Agreement V) shall be amended from approximately 22,000 tons to approximately 39,000 tons.

The supply quantity in each of the Second Supplemental Agreements is adjusted with reference to the anticipated production volume of oil and gas pipes of Hunan Shengli under the sales orders for pipes required to be manufactured and delivered of approximately 33,300 tons, comprising of (i) national pipeline projects which have elected, among others, Hunan Xiangtan, Valin International and Valin E-Commerce as the designated suppliers, of approximately 10,300 tons; (ii) other pipeline projects with new sales orders for pipes of approximately 14,000 tons and (iii) projects engaged previously but not proceeded to production as of the date of this announcement of approximately 9,000 tons.

FURTHER REVISION OF ANNUAL CAPS

As disclosed in the Announcement, the Revised Annual Cap is determined with reference to, among others, (i) the historical transaction amounts for the purchases of steel plates and steel coils from the Valin Group; (ii) the expected purchase planning under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements) taking into account, among others, the purchase orders received by the Group from its customer; and (iii) the increasing market price of steel.

In view of the increasing number of sales orders for pipes required to be manufactured and delivered by Hunan Shengli for September 2021 to November 2021, it is expected that Hunan Shengli will have to source more steel plates and steel coils in contemplation of the delivery arrangements under the aforementioned sales orders for pipes. On 29 September 2021, Hunan Shengli entered into the Second Supplemental Agreements with Valin International and Valin E-Commerce to amend the Framework Purchase Agreement III (as supplemented by the First Supplemental Agreement III) and the Framework Purchase Agreement V (as supplemented by the First Supplemental Agreement V) respectively by revising the supply quantity to the Further Revised Supply Quantity. Upon further revision to the Revised Supply Quantity, it is expected that the Revised Annual Cap for the current period under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements) may not be sufficient to meet the expected transaction amount for the year ending 31 December 2021.

To secure sufficient source of steel plates and steel coils as the major raw materials of the pipes manufactured by the Group, on 29 September 2021, the Directors proposed to further revise the Revised Annual Cap in respect of the transactions contemplated under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements) for the year ending 31 December 2021, as follows:

**For the
year ending
31 December
2021
RMB
(thousand)**

Revised Annual Cap	621,150
Further Revised Annual Cap	887,550

The Further Revised Annual Cap is arrived at by multiplying the maximum purchase price of steel plates and steel coils under the Revised Price Range (being RMB8,000 per ton) with the increase of supply quantity contemplated under the Further Revised Supply Quantity (being 33,300 tons), plus the Revised Annual Cap.

As far as the Directors are aware, the Revised 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 88.3% of the Revised Annual Cap has been utilised up to 28 September 2021 based on the Company's available data.

REASONS FOR AND BENEFITS OF THE FURTHER REVISED ANNUAL CAPS

With (i) the official commencement of operation of grid connection and commencement of production of PipeChina; (ii) increased demand for pipes in oil and gas pipeline construction in the PRC; and (iii) enhanced effort made by the Company, particularly Hunan Shengli, on sales and marketing, the sales volume of Hunan Shengli has increased significantly compared to that of last year. Further, Hunan Shengli has become the designated supplier of some of the national pipeline projects of PipeChina since April 2021. All of the above increase the demand of steel plates and steel coils as the major raw materials of the pipes manufactured by the Group.

The transactions contemplated under the Framework Purchase Agreements (as supplemented by the First Supplemental 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 further revision of the Revised Annual Cap is necessary to secure sufficient source of steel plates and steel coils as the major raw materials of the pipes manufactured by the Group in contemplation of the sales orders for pipes required to be manufactured and delivered in the remaining of 2021.

The Board also believes that the further revision of the supply quantity and the Revised 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 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 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 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 Second 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 Further Revised Annual Cap under the Framework Purchase Agreements (as supplemented by the Supplemental Agreements) exceed(s) 5%, as the transactions contemplated under the Second 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 Second 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:

“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
“First Supplemental Agreement I”	the first supplemental agreement entered into between Hunan Shengli and Hunan Xiangtan dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement I
“First Supplemental Agreement II”	the first supplemental agreement entered into between Hunan Shengli and Valin Resource dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement II
“First Supplemental Agreement III”	the first supplemental agreement entered into between Hunan Shengli and Valin International dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement III

“First Supplemental Agreement IV”	the first supplemental agreement entered into between Hunan Shengli and Hunan Lianyuan dated 28 July 2021, to amend certain terms of the Framework Purchase Agreement IV
“First Supplemental Agreement V”	the first 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
“First Supplemental Agreements”	collectively, the First Supplemental Agreement I, the First Supplemental Agreement II, the First Supplemental Agreement III, the First Supplemental Agreement IV and the First Supplemental Agreement V
“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

“Further Revised Annual Caps”	the further revised annual maximum aggregate value for the transactions contemplated under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements and the Second Supplemental Agreements) from 1 January 2021 to 31 December 2021, being RMB887,550,000
“Further Revised Supply Quantity”	the further revised supply quantity of the steel plates and/or steel coils for the transactions contemplated under the Framework Purchase Agreement III (as supplemented by the First Supplemental Agreement III) and the Framework Purchase Agreement V (as supplemented by the First Supplemental Agreement V), being 70,800 tons and 39,000 tons respectively
“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 Tube 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
“PipeChina”	國家石油天然氣管網集團有限公司 (China Oil & Gas Pipeline Network Corporation), a company established in the PRC with limited liability
“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
“Previous Annual Cap”	the previous annual maximum aggregate value for the transactions contemplated under the Framework Purchase Agreements from 1 January 2021 to 31 December 2021, being RMB450,000,000
“Previous Price Range”	the previous price range of the steel plates and/or steel coils for the transactions contemplated under the Framework Purchase Agreements, being RMB4,500 to RMB6,000 per ton
“Previous Supply Quantity”	the previous supply quantity of the steel plates and/or steel coils for the transactions contemplated under the Framework Purchase Agreements (being approximately 11,500 tons under Framework Purchase Agreement I, 35,000 tons under Framework Purchase Agreement II, 28,000 tons under Framework Purchase Agreement III, 7,500 tons under Framework Purchase Agreement IV and 18,000 tons under Framework Purchase Agreement V)
“Revised Annual Cap”	the revised annual maximum aggregate value for the transactions contemplated under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements) from 1 January 2021 to 31 December 2021, being RMB621,150,000
“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 (as supplemented by the First Supplemental Agreements), being RMB6,500 to RMB8,000 per ton

“Revised Supply Quantity”	the revised supply quantity of the steel plates and/or steel coils for the transactions contemplated under the Framework Purchase Agreements (as supplemented by the First Supplemental Agreements) (being approximately 13,000 tons under Framework Purchase Agreement I, 10,000 tons under Framework Purchase Agreement II, 54,500 tons under Framework Purchase Agreement III, 500 tons under Framework Purchase Agreement IV and 22,000 tons under Framework Purchase Agreement V)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Agreement I”	the supplemental agreement entered into between Hunan Shengli and Valin International dated 29 September 2021, to amend certain terms of the Framework Purchase Agreement III (as supplemented by the First Supplement Agreement III)
“Second Supplemental Agreement II”	the supplemental agreement entered into between Hunan Shengli and Valin E-commerce dated 29 September 2021, to amend certain terms of the Framework Purchase Agreement V (as supplemented by the First Supplemental Agreement V)
“Second Supplement Agreements”	collectively, the Second Supplemental Agreement I and the Second Supplemental Agreement II
“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 Agreements”	the First Supplemental Agreements and the Second Supplemental Agreements
“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, 29 September 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.