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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 UPDATE ON DISCLOSEABLE TRANSACTION PROPOSED ACQUISITION OF 56% OF THE ALLOTTED AND ISSUED SHARE CAPITAL OF BLOSSOM TIME

Reference is made to the announcements of the Company dated 29 March 2015, 29 September 2015, 27 May 2016, 24 January 2017, 28 April 2017, 22 December 2017, 28 September 2018 and 30 September 2021 (the “**Previous Announcements**”) in respect of a proposed acquisition of 56% of the issued share capital of Blossom Time at the Consideration of US\$32.0 million. Unless otherwise specified in this announcement, capitalized terms used in this announcement shall have the same meaning as defined in the Previous Announcements.

As stated in the Company’s announcement dated 30 September 2021, it has come to the attention of the Company that the Transferor was arrested by the Police on 29 August 2021 in connection with the Police’s criminal investigation on her for suspected fraud and embezzlement. Since then, the Group was unable to reach the Transferor, despite multiple attempt and accordingly the Group has instructed a legal adviser in Vietnam to ascertain the latest conditions on the Transferor, Thien Quang, Dat Quang Binh Thuan and the Target Mine and to evaluate the relevant potential impacts on the Acquisition.

Based on the advice of the legal advisor (the “**Legal Advice**”), the arrest of and criminal investigation on the Transferor do not have a direct impact on the Acquisition. Provided that the relevant Vietnam subsidiaries of Blossom Time (the “**Subsidiaries**”) are not involved in the suspected fraud and embezzlement, the relevant Subsidiaries can operate as usual. As of the date of this Announcement, there is no evidence that the share capital of the Subsidiaries as pledged, seized or frozen by the court. However, whilst the arrest of and criminal investigation on the Transferor *per se* will not affect the ability of the Transferor to fulfill the Closing Conditions and complete the Acquisition through a designated person pursuant to the relevant laws and regulations, the legal advisor advised that, in practice, access to the Transferor would be significantly restricted and the possibility of appointing a designated person is very remote.

In addition, on 3 November 2021, the Group received from an update from Transferor's brother that on 28 October 2021, Dat Quang Binh Thuan, the subsidiary of Blossom Time which owns the Target Mine, received a circular from Binh Thuan Provincial Bureau of Natural Resources and Environment informing the change of the mining area from Mui Da 2, Phu Long Ward, Ham Thuan Bac District, Binh Thuan Province, Vietnam to Luong Son III, Bac Binh District, Binh Thuan Province, Vietnam. The change of the mining area will render the existing Closing Conditions not being able to be fulfilled unless a further supplemental agreement is entered into between the parties.

In light of the recent developments, the Group will continue to evaluate the relevant potential impacts on the Acquisition. Given the circumstances mentioned above, the Board believes that there is material uncertainty as to (i) whether a further supplemental agreement could be executed with the Transferor, failing which the Closing Conditions could not be fulfilled; and (ii) as a result, should the Completion not be proceeded with, whether the Group will receive the return of the sum paid to the Transferor going forward as the Group has been unable to reach the Transferor despite multiple attempt as disclosed in the Company's announcement dated 30 September 2021.

The Company will continue to monitor the situation closely and take all necessary actions to protect the interest of the Group. The Company will issue further announcement(s) on any updates as and when necessary and in accordance with the Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

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

Zibo, Shandong, 22 November 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*