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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Shengli Oil & Gas Pipe Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

- (1) MAJOR AND CONNECTED TRANSACTION – ENTERING INTO AN EQUITY TRANSFER AND CAPITAL INCREASE AGREEMENT IN CONNECTION WITH THE DISPOSAL OF 8.9% EQUITY INTEREST IN HUNAN SHENGLI;**  
**(2) MAJOR TRANSACTION – TRANSFER OF APPROXIMATELY 9.9% EQUITY INTEREST OF AN ASSOCIATE;**  
**AND**  
**(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**
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A notice convening the EGM to be held at 3rd Floor, Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Qingpu District, Shanghai, the PRC on Friday, 11 February 2022 at 3 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use in the EGM is enclosed and also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof, should you so wish.

6 January 2022

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## DEFINITIONS

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

“Announcements”	the announcements of the Company dated 21 December 2021 and 22 December 2021 in relation to, among others, i) the Equity Transfer and Capital Contribution; and ii) the Transfer, respectively
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Beijing Zhongdian Jieneng”	Beijing Zhongdian Jieneng Investment Centre (Limited Partnership)*(北京中電潔能投資中心(有限合夥)), a limited partnership established in the PRC and one of the existing shareholders of Xinfeng Energy holding approximately 58.97% equity interest before the Transfer
“Board”	the board of Directors of the Company
“business day(s)”	a day (not being a Saturday or Sunday or public holiday) when banks generally are open in PRC for the transaction of general banking business
“Capital Contribution”	the capital contributions of RMB17,280,000 and RMB18,720,000 to be made by Shandong Shengli and Xiangtan Steel to Hunan Shengli, respectively pursuant to the Equity Transfer and Capital Increase Agreement
“Company”	Shengli Oil & Gas Pipe Holdings Limited (勝利油氣管道控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1080)
“Completion of the Equity Transfer and Capital Contribution”	completion of the Equity Transfer and Capital Contribution in accordance with the terms and conditions of the Equity Transfer and Capital Increase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	refers to (i) Hangzhou Hanyue agreeing to pay up the unpaid registered capital of RMB81,420,000 with regard to the Transferred Shares and (ii) RMB1.00, for the Transfer pursuant to the Equity Transfer Agreement
“Director(s)”	the directors of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be convened and held at 3rd Floor, Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Qingpu District, Shanghai, the PRC on Friday, 11 February 2022 at 3 p.m. for the purpose of considering and, if thought fit, to approve the Equity Transfer and Capital Increase Agreement and the Transfer, and the transactions contemplated thereunder
“Equity Transfer”	the transfer of 8.9% equity interest of Hunan Shengli from Shandong Shengli to Xiangtan Steel at a consideration of RMB17,296,233 pursuant to the Equity Transfer and Capital Increase Agreement
“Equity Transfer and Capital Increase Agreement”	the equity transfer and capital increase agreement dated 21 December 2021 entered into Shandong Shengli, Xiangtan Steel and Hunan Shengli
“Equity Transfer Agreement”	the equity transfer agreement in respect of the transfer of the Transferred Shares dated 22 December 2021 between Zhejiang Shengguan and Hangzhou Hanyue
“Group”	the Company and its subsidiaries
“Hangzhou Hanyue”	杭州哈月新能源有限公司 (Hangzhou Hanyue New Energy Co., Ltd*), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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, which as at the Latest Practicable Date, is owned as to 56.9% by Shandong Shengli and 43.1% by Xiangtan Steel
“Hunan Shengli Group”	Hunan Shengli together with its subsidiary
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	30 December 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this circular, shall exclude Hong Kong, the Macau Special Administration Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency in the PRC
“Shandong Shengli”	山東勝利鋼管有限公司 (Shandong Shengli Steel Pipe Co., Ltd.*), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed thereto under the Listing Rules
“Transaction”	Collectively, the Equity Transfer and the Capital Contribution
“Transfer”	the transfer of the Transferred Shares, pursuant to the terms and conditions of the Equity Transfer Agreement
“Transfer Completion”	completion of the Transfer pursuant to the terms and conditions of the Equity Transfer Agreement
“Transferred Shares”	equity interest of registered capital of RMB81,420,000, representing approximately 9.9% of the entire equity interest in Xinfeng Energy
“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

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## DEFINITIONS

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“Xinfeng Energy”	新鋒能源集團有限公司 (Xinfeng Energy Enterprise Group Co., Ltd*) (formerly known as Shanghai Xinfeng Enterprise Group Co., Ltd.* (上海新鋒企業集團有限公司)), a company incorporated in the PRC with limited liability, an associate of the Company, with Zhejiang Shengguan holding approximately 31.88% equity interest as at the Latest Practicable Date
“Xinfeng Holding”	Xinfeng Holding (Beijing) Co., Ltd.* (新鋒控股(北京)有限公司), a company incorporated in the PRC with Limited liability and one of the existing shareholders of Xinfeng Energy holding approximately 9.15% equity interest before the Transfer
“Zhejiang Shengguan”	浙江勝管實業有限公司 (Zhejiang Shengguan Industrial Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

\* *for identification purpose only*

\* *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.*

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LETTER FROM THE BOARD

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勝利管道  
SHENGLI PIPE

**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)**

*Executive Directors:*

Mr. Zhang Bizhuang (*Co-Chief Executive Officer*)  
Mr. Wang Kunxian  
Ms. Han Aizhi  
Mr. Zhang Bangcheng

*Non-executive Directors:*

Mr. Wei Jun (*Chairman*)  
Mr. Huang Guang

*Independent Non-Executive Directors:*

Mr. Chen Junzhu  
Mr. Wu Geng  
Mr. Qiao Jianmin

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business in  
Hong Kong*

Room 2111  
21st Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

*Headquarters in the PRC:*

Zhongbu Town  
Zhangdian District, Zibo City  
Shandong Province, PRC  
Postal Code: 255082

6 January 2022

*To the Shareholders,*

Dear Sir or Madam,

- (1) MAJOR AND CONNECTED TRANSACTION – ENTERING INTO AN EQUITY TRANSFER AND CAPITAL INCREASE AGREEMENT IN CONNECTION WITH THE DISPOSAL OF 8.9% EQUITY INTEREST IN HUNAN SHENGLI;**  
**(2) MAJOR TRANSACTION – TRANSFER OF APPROXIMATELY 9.9% EQUITY INTEREST OF AN ASSOCIATE;**  
**AND**  
**(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The Board refers to the announcements of the Company dated 21 December 2021 and 22 December 2021 in relation to, among others, i) the Equity Transfer and the Capital Contribution; and ii) the Transfer. The Equity Transfer and the Capital Contribution constitutes a major and connected transaction for the Company under the Listing Rules and is subject to Shareholders' approval but exempt from the circular, independent financial advice and independent Shareholders' approval requirements under 14A.101 of the Listing Rules. The Transfer constitutes a major transaction for the Company under the Listing Rules and is subject to Shareholders' approval. The circular is prepared to provide you further details of, among others, the Equity Transfer and Capital Increase Agreement, the Equity Transfer Agreement, the transactions contemplated thereunder and notice of the EGM at which resolution will be proposed to consider and, if thought fit, approve the Equity Transfer and Capital Increase Agreement, the Equity Transfer Agreement, and the transactions contemplated thereunder.

### II. THE EQUITY TRANSFER AND CAPITAL CONTRIBUTION

On 21 December 2021, Shandong Shengli (an indirectly wholly-owned subsidiary of the Company), Xiangtan Steel and Hunan Shengli entered into the Equity Transfer and Capital Increase Agreement, pursuant to which Shandong Shengli agreed to transfer and Xiangtan Steel agreed to acquire 8.9% equity interest of Hunan Shengli for a consideration of RMB17,296,233. Further, subject to the completion of the Equity Transfer, Shandong Shengli and Xiangtan Steel agreed to make capital contributions of RMB17,280,000 and RMB18,720,000 to Hunan Shengli, respectively, in proportion to their respective shareholding percentage in Hunan Shengli immediately upon the completion of the Equity Transfer.

As at the Latest Practicable Date, Hunan Shengli is owned as to 56.9% and 43.1% by Shandong Shengli and Xiangtan Steel, respectively. Upon the Completion of the Equity Transfer and Capital Contribution, Hunan Shengli will be owned as to 48.0% and 52.0% by Shandong Shengli and Xiangtan Steel, respectively and the total registered capital of Hunan Shengli will be increased from RMB464,000,000 to RMB500,000,000. Hunan Shengli will cease to be a subsidiary of the Company and the financial results of Hunan Shengli Group will no longer be consolidated into the financial statements of the Group.

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## LETTER FROM THE BOARD

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### Equity Transfer and Capital Increase Agreement

The material terms of the Equity Transfer and Capital Increase Agreement are set out below:

- Date** : 21 December 2021 (after trading hours)
- Parties** : (a) Shandong Shengli (as the transferor), a company established in the PRC and an indirectly wholly-owned subsidiary of the Company;
- (b) Xiangtan Steel (as the transferee); and
- (c) Hunan Shengli.
- Equity Transfer and Capital Contribution** : Pursuant to the Equity Transfer and Capital Increase Agreement, Shandong Shengli agreed to transfer and Xiangtan Steel agreed to acquire 8.9% equity interest of Hunan Shengli for a consideration of RMB17,296,233. The consideration of the Equity Transfer shall be satisfied and paid by Xiangtan Steel to the designated bank account of Hunan Shengli, for settlement of the Capital Contribution (as further particularised in the paragraph below). In particular, the amount payable by Shandong Shengli as a result of the Capital Contribution shall be satisfied and paid by Xiangtan Steel on behalf of Shandong Shengli by the consideration of the Equity Transfer. Xiangtan Steel shall pay the difference in amount of RMB16,233 between the consideration of the Equity Transfer and the Capital Contribution responsible by Shandong Shengli to the designated bank account of Shandong Shengli.

Further, subject to the completion of the Equity Transfer, Shandong Shengli and Xiangtan Steel agreed to make capital contributions of RMB17,280,000 and RMB18,720,000 to Hunan Shengli, respectively, in proportion to their respective shareholding percentage in Hunan Shengli upon the completion of the Equity Transfer.

The Capital Contribution shall be made by Shandong Shengli (which shall be settled by Xiangtan Steel pursuant to the Equity Transfer) and Xiangtan Steel to the designated bank account of Hunan Shengli, within fifteen days upon which the consideration of the latest of the conditions precedent having been satisfied, or any other dates as the parties otherwise agree in writing.

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## LETTER FROM THE BOARD

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- Basis of the consideration** : The consideration for the Equity Transfer was determined after arm's length negotiations between the parties, with reference to, among others, the following factors:
- (i) the appraised market value of the entire equity interest of Hunan Shengli as at 30 June 2021 of RMB194,339,700 based on a valuation carried out by an independent firm of professional valuer, 沃克森(北京)國際資產評估有限公司 (Vocation (Beijing) International Assets Assessment Limited Company\*), adopting the asset-based approach;
  - (ii) the financial performance of Hunan Shengli Group in recent financial periods; and
  - (iii) the business development and future prospects of Hunan Shengli and the reasons for and benefits of the Transaction as stated under the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" below.

Further, the Capital Contribution under the Equity Transfer and Capital Increase Agreement was agreed among the parties after arm's length negotiations taking into consideration, *inter alia*, the expected capital needs, current capital status and available financial resources of Hunan Shengli as well as future development potential of and expected stable revenue generated from oil and gas pipeline manufacturing business conducted by Hunan Shengli. The Capital Contribution by Shandong Shengli will be funded with the net proceeds from the Equity Transfer.

Based on the aforementioned, the Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer and Capital Increase Agreement (including but not limited to the consideration for the Equity Transfer and the amount to be contributed under the Capital Contribution) and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

- Conditions Precedent** : The Completion of the Equity Transfer and Capital Contribution is conditional upon the satisfaction of the following conditions precedent:

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## LETTER FROM THE BOARD

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- (a) Xiangtan Steel having obtained all necessary consents or approval and other relevant documentations from relevant departments and/or relevant third parties in accordance with its constitutional documents, the internal approval procedures and the relevant laws;
- (b) the representations and warranties made by the parties under the Equity Transfer and Capital Increase Agreement being true, accurate and not misleading in all aspects as at the Completion; and
- (c) the Equity Transfer and Capital Increase Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the EGM in compliance with the Listing Rules.

If all the conditions precedent have not been fulfilled at or before 5 p.m. of 28 February 2022 (the “**Long Stop Date**”) (or any other dates as the parties otherwise agree in writing), each of Xiangtan Steel and Shandong Shengli are entitled to give notice to each of the parties, to extend the Long Stop Date to any other dates as the parties otherwise agree in writing or terminate the Equity Transfer and Capital Increase Agreement.

- Completion of the Equity Transfer and Capital Contribution** : The Completion of the Equity Transfer and Capital Contribution shall take place on which the business registration by Hunan Shengli with the local Administration for Market Regulation (市場監督管理局) concerning the Transaction and other relevant closing procedures are completed.
- Board composition** : The board of directors of Hunan Shengli will comprise five directors, two of whom will be nominated by Shandong Shengli and the remaining three directors of Hunan Shengli will be nominated by Xiangtan Steel. The Chairman of the board, the general manager and the financial director of Hunan Shengli will be nominated or appointed by Xiangtan Steel, while the vice chairman and financial chief will be nominated or appointed by Shandong Shengli.

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## LETTER FROM THE BOARD

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Further, the board of supervisors of Hunan Shengli will comprise three supervisors, out of which Shandong Shengli and Xiangtan Steel will each be entitled to nominate one supervisor. The remaining supervisor shall be elected by the employee congress of Hunan Shengli. The chairman of the supervisory committee of Hunan Shengli will be nominated by Shandong Shengli.

Upon the Completion of the Equity Transfer and Capital Contribution, as the controlling shareholder of Hunan Shengli, Xiangtan Steel shall proactively facilitate Hunan Shengli to explore more financing channels, strive to and assist Hunan Shengli to maintain the average annual interest rate of financial assistance granted to Hunan Shengli not higher than 140% of the then prevailing Loan Prime Rate (“LPR”) of one-year loans as announced by the National Interbank Funding Center, that is, average annual interest rate  $\leq$  one-year LPR  $\times$  140%.

### **Information on the Group and Shandong Shengli**

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

Shandong Shengli is a company established in the PRC with limited liability. As at the Latest Practicable Date, Shandong Shengli is an indirectly wholly-owned subsidiary of the Company.

### **Information on Xiangtan Steel**

Xiangtan Steel is a company established in the PRC with limited liability and is primarily engaged in manufacturing and sales of cast iron, steel, coking products, cement, refractories and metallurgical machinery and equipment; and export of iron and steel products, coke and chemical by-products, and refractories. As at the Latest Practicable Date, Xiangtan Steel is directly wholly-owned by Valin Steel. 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, being the ultimate beneficial owner of Xiangtan Steel, is an Independent Third Party.

As at the Latest Practicable Date, Xiangtan Steel is a substantial shareholder of Hunan Shengli, being an indirectly non-wholly owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

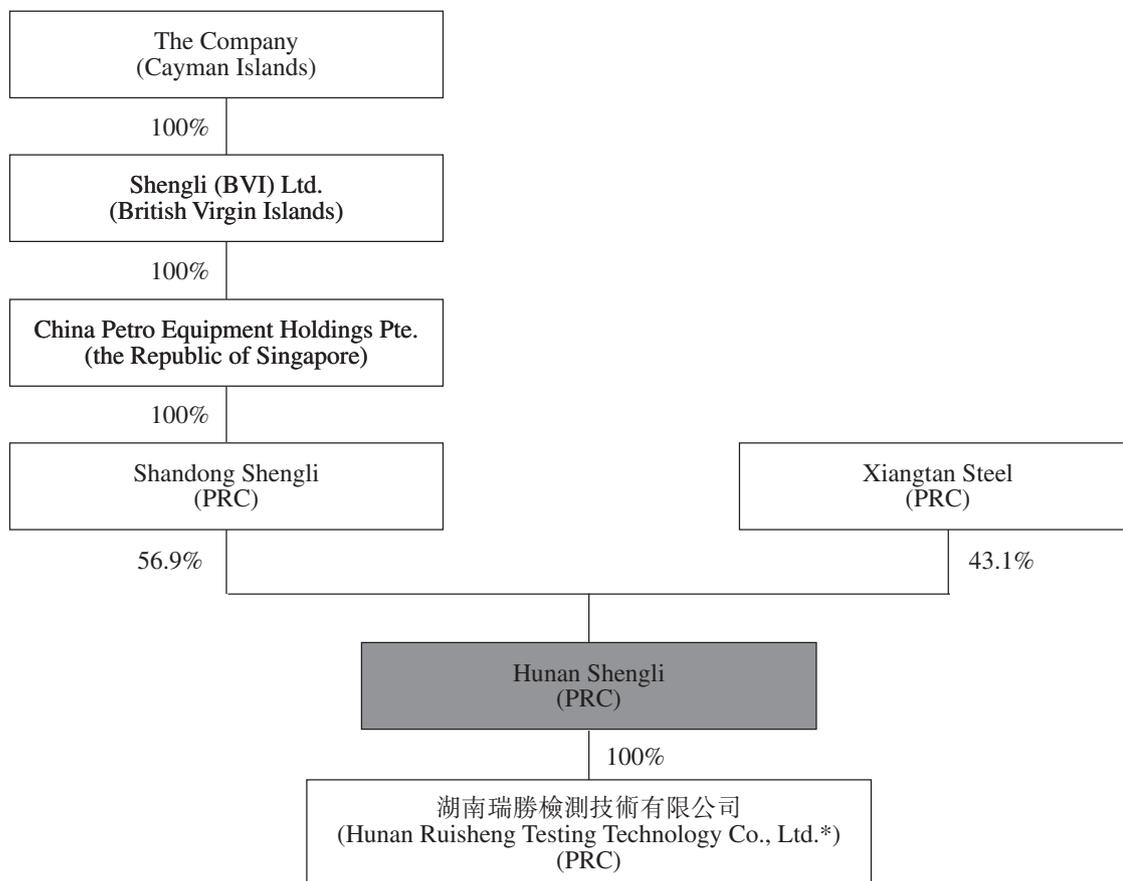
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## LETTER FROM THE BOARD

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### Information on Hunan Shengli Group

The following diagram illustrates the shareholding structure of Hunan Shengli as at the Latest Practicable Date:



### ***Hunan Shengli***

Hunan Shengli is a company established in the PRC with limited liability. It is principally engaged in the production and sales of submerged-arc longitudinal welded pipes, submerged-arc helical welded pipes and bend pipes of different specifications as well as pipes anti-corrosion processing business in the PRC. As at the Latest Practicable Date, Hunan Shengli is an indirectly non wholly-owned subsidiary of the Company, which is owned as to 56.9% and 43.1% by Shandong Shengli and Xiangtan Steel, respectively.

湖南瑞勝檢測技術有限責任公司 (Hunan Ruisheng Testing Technology Co., Ltd.\*), a wholly-owned subsidiary of Hunan Shengli as at the Latest Practicable Date, is established in the PRC with limited liability. It is principally engaged in carrying out non-destructive testing as well as physical and chemical inspection of, among others, metal materials, special equipment, steel pipes, steel structural components and mechanical equipment, as well as research and development of non-destructive testing technologies.

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## LETTER FROM THE BOARD

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### Financial information of Hunan Shengli Group

Set out below is the audited financial information of Hunan Shengli Group for each of the two financial years ended 31 December 2019 and 2020 which were prepared in accordance with the International Financial Reporting Standards:

	<b>For the year ended 31 December 2019 RMB'000</b>	<b>For the year ended 31 December 2020 RMB'000</b>
Revenue	536,796	414,540
Net loss before taxation	65,730	101,264
Net loss after taxation	68,317	101,264

As at 30 June 2021, the audited net liabilities value of Hunan Shengli Group was approximately RMB17.8 million.

### Possible Financial Effect of the Transaction and use of proceeds from the Equity Transfer

As at the Latest Practicable Date, Hunan Shengli is owned as to 56.9% and 43.1% by Shandong Shengli and Xiangtan Steel, respectively. Upon the Completion of the Equity Transfer and Capital Contribution, Hunan Shengli will be owned as to 48.0% and 52.0% by Shandong Shengli and Xiangtan Steel, respectively and the total registered capital of Hunan Shengli will be increased from RMB464,000,000 to RMB500,000,000. As a result of the foregoing, Hunan Shengli will cease to be a subsidiary of the Company and the financial results of Hunan Shengli Group will no longer be consolidated into the financial statements of the Group. Upon the Completion of the Equity Transfer and Capital Contribution, the Group will be able to exercise significant influence on Hunan Shengli and thus, the Group expects to account for the remaining 48.0% equity interest in Hunan Shengli to be held by the Group as an associate company using the equity method.

As such, the Group expects to record a net gain attributable to the Equity Transfer and Capital Contribution of approximately RMB101.1 million, calculated taking into account the net liabilities value of Hunan Shengli attributable to the Group as of 30 June 2021, the appraised market value of the entire equity interest of Hunan Shengli as at 30 June 2021, the proportionate fair value of the the remaining 48.0% equity interest in Hunan Shengli to be held by the Group upon the Completion of the Equity Transfer and Capital Contribution and the direct transaction expenses attributable to the Equity Transfer and Capital Contribution.

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## LETTER FROM THE BOARD

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Shareholders should note that the actual amount of gain from the Equity Transfer and Capital Contribution to be recognised by the Company will be subject to review by the auditors of the Company. The net proceeds from the Equity Transfer (after deducting transaction costs and professional expenses) are approximately RMB16.8 million. The Group intends to use such net proceeds to satisfy the amount payable by Shandong Shengli under the Capital contribution.

### **Reasons for and Benefits of the Transaction**

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

In view of the national policies of achieving emission peak and carbon neutrality, the latest reform of oil and gas pipeline operation mechanism and the state planning regarding oil and gas network during the “14th Five-year Plan” period, it is anticipated that the PRC government will accelerate the domestic construction of a large-scale and sophisticated oil and gas pipeline network, which will likely to boost up the demand for the oil and gas pipes manufactured by Hunan Shengli (in particular, the SAWL pipes which have been widely used in many major national pipeline projects).

Xiangtan Steel operates in the same region with Hunan Shengli and enjoys advantages such as reputable market credentials, strong financing capability and low financing cost. After Xiangtan Steel becomes the controlling shareholder of Hunan Shengli, Hunan Shengli will have easier access to the long-term support from Xiangtan Steel in various respects, particularly in terms of capital, financing and stable supply of raw materials. The Board is of the view that, leveraging the distinctive advantage of each of the Group and Xiangtan Steel, the Equity Transfer and the Capital Contribution will facilitate Hunan Shengli in meeting its future funding needs for its development and business operation as well as professional technological requirements in order to cope with the expected increasing market demand for its products. It will also further maximise the synergy values between the Group and Xiangtan Steel in terms of operations management, financing, resources allocation, technological sharing, sales & marketing and raw materials procurement, which will be conducive to strengthening the comprehensive competitiveness of Hunan Shengli and enhancing its sustainable development. Accordingly, it will be beneficial to the Group in the long run as the Group will continue to retain a substantial interest in Hunan Shengli.

Taking into consideration the aforesaid, the Directors (including the independent non-executive Directors) consider that the Equity Transfer and Capital Increase Agreement has been negotiated on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms therein are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Equity Transfer and Capital Increase Agreement exceeds 25% but all of the percentage ratios are less than 75%, the Transaction constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, as at the Latest Practicable Date, Xiangtan Steel is a substantial shareholder of Hunan Shengli, being an indirectly non-wholly owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) Xiangtan Steel is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Equity Transfer and Capital Increase Agreement and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the Equity Transfer and Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms and their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Transaction is subject to the reporting and announcement requirements, and are exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors had material interests in the Transaction and hence no Director was required to abstain from voting on the Board resolutions approving the Equity Transfer and Capital Increase Agreement and the transactions contemplated thereunder.

### III. THE TRANSFER

On 22 December 2021, Zhejiang Shengguan (as transferor) and Hangzhou Hanyue (as transferee) entered into the Equity Transfer Agreement, pursuant to which Zhejiang Shengguan has conditionally agreed to transfer and Hangzhou Hanyue has conditionally agreed to acquire the Transferred Shares, representing approximately 9.9% of the equity interest in Xinfeng Energy in consideration of (i) Hangzhou Hanyue agreeing to pay up the unpaid registered capital of RMB81,420,000 with regard to the Transferred Shares and (ii) RMB1.00 in cash payable by Hangzhou Hanyue to Zhejiang Shengguan, subject to and in accordance with the terms and conditions of the Equity Transfer Agreement. Upon the Transfer Completion, the Company will hold approximately 22.0% equity interest in Xinfeng Energy and Xinfeng Energy will continue to be accounted for as an associate of the Company using the equity method.

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## LETTER FROM THE BOARD

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### The Equity Transfer Agreement

Set out below are the principal terms of the Equity Transfer Agreement:

- Date** : 22 December 2021 (after trading hours)
- Parties** :
- (i) **Transferor**: 浙江勝管實業有限公司 (Zhejiang Shengguan Industrial Co., Ltd\*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
  - (ii) **Transferee**: 杭州晗月新能源有限公司 (Hangzhou Hanyue New Energy Co., Ltd\*), a company incorporated in the PRC with limited liability

As at the Latest Practicable Date, before the Transfer, Xinfeng Energy is held as to approximately 31.88% by Zhejiang Shengguan, approximately 9.15% by Xinfeng Holding and approximately 58.97% by Beijing Zhongdian Jieneng. Hangzhou Hanyue, which in turn is wholly owned by Mr. Chen Yingyu, holds approximately 38.73% equity interest of Beijing Zhongdian Jieneng and Mr. Chen Yingyu holds 38% equity interest of Xinfeng Holding. Save as the aforesaid, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Hangzhou Hanyue and its ultimate beneficial owner are Independent Third Parties.

- Subject of the Transfer** : Approximately 9.9% of the equity interest in Xinfeng Energy

Upon the Transfer Completion, the Company will, through Zhejiang Shengguan, hold approximately 22.0% equity interest in Xinfeng Energy and Xinfeng Energy will continue to be accounted for as an associate of the Company using the equity method.

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## LETTER FROM THE BOARD

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- Consideration** :
- (i) Hangzhou Hanyue agreeing to pay up the unpaid registered capital of RMB81,420,000 with regard to the Transferred Shares, before the proposed deadline of such payment obligation (being, 30 April 2022) as set out in the articles of association of Xinfeng Energy; and
  - (ii) RMB1.00 in cash payable by Hangzhou Hanyue to Zhejiang Shengguan on the Transfer Completion

The Consideration was determined after arm's length negotiations between Zhejiang Shengguan and Hangzhou Hanyue and on normal commercial terms. In reaching the Consideration, the Group took into account:

- (i) the unpaid registered capital of RMB81,420,000 with regard to the Transferred Shares;
- (ii) the valuation of 100% equity interest of Xinfeng Energy on a market value basis as at 30 June 2021 of RMB612,052,000 conducted by an independent valuer, Knight Frank Petty Limited, adopting the asset-based approach; and
- (iii) the unaudited financial information of Xinfeng Energy including but not limited to the consolidated net asset value of Xinfeng Energy as at 30 June 2021 of approximately RMB599,500,000.

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## LETTER FROM THE BOARD

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The proposed deadline of the payment obligation of the unpaid registered capital (being 30 April 2022) was determined upon mutual negotiation between Zhejiang Shengguan and Hangzhou Hanyue and agreed among all the existing shareholders of Xinfeng Energy. The Directors considered that such arrangement would not be prejudicial to the interests of the Company because (i) after the Transfer Completion, the Company shall be released from the payment obligation of the unpaid registered capital and that the said payment obligation shall fall on Hangzhou Hanyue; (ii) pursuant to the Equity Transfer Agreement, in the event that Hangzhou Hanyue defaults at its payment obligation of the unpaid registered capital, Hangzhou Hanyue shall indemnify Zhejiang Shengguan against all relevant losses caused to it in connection with such default; and (iii) the proposed deadline of the said payment obligation were negotiated and agreed among all the existing shareholders of Xinfeng Energy.

**Condition  
precedent**

:

The Transfer Completion is conditional upon the satisfaction of the following conditions precedent:

- (a) Zhejiang Shengguan obtaining all necessary consents or approval and other relevant documentations from relevant departments and/or relevant third parties in accordance with Zhejiang Shengguan's constitutional documents, the internal approval procedures and the relevant laws;
- (b) Hangzhou Hanyue obtaining all necessary consents or approval and other relevant documentations from relevant departments and/or relevant third parties in accordance with Hangzhou Hanyue's constitutional documents, internal approval procedures and the relevant laws; and
- (c) Zhejiang Shengguan obtaining all necessary approvals and documentations in accordance with the Listing Rules, including the approval from the Shareholders of the Company in the EGM in compliance with the Listing Rules.

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## LETTER FROM THE BOARD

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In the event that any of the conditions precedence is not fulfilled on or before 5:00 p.m. on 28 February 2022 (or any other date as agreed between the Parties in writing), the Equity Transfer Agreement shall be terminated automatically.

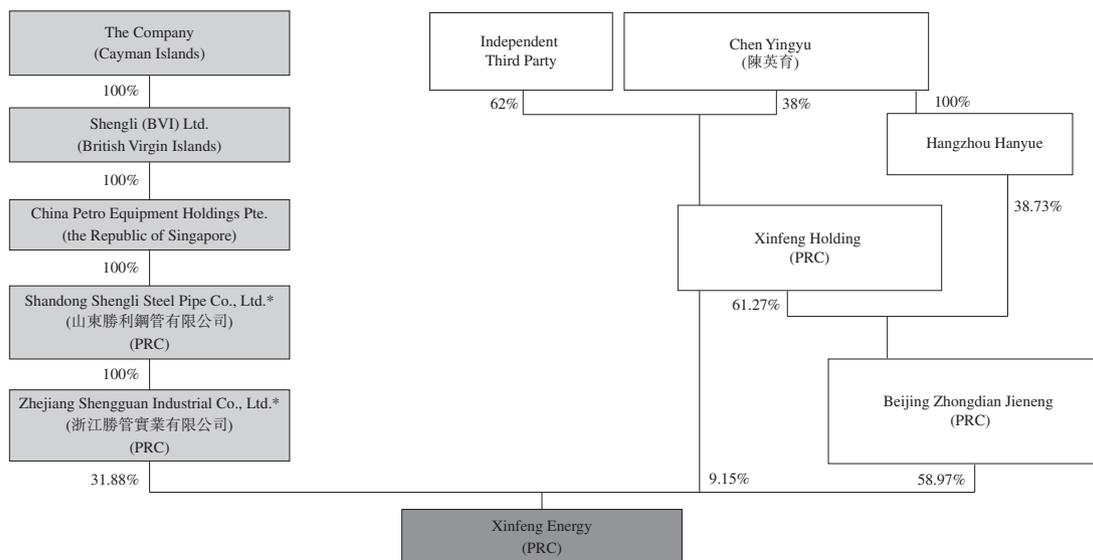
### The Transfer Completion

: The Transfer Completion shall take place upon the Completion of the registration procedures regarding the Transfer by Xinfeng Energy with the relevant local Administration for Market Regulation (市場監督管理局), in any event, not later than 15 days from the fulfillment of all conditions precedent.

Upon the Transfer Completion, Xinfeng Energy will continue to be accounted for as an associate of the Company using the equity method.

### Information on Xinfeng Energy and Hangzhou Hanyue

The following diagram illustrates the shareholding structure of Xinfeng Energy before the Transfer as at the Latest Practicable Date:



### *Xinfeng Energy*

Xinfeng Energy is a company incorporated in the PRC with limited liability, an associate of the Company, with Zhejiang Shengguan holding approximately 31.88% equity interest as at the Latest Practicable Date. It is principally engaged in survey, designing and construction of wind farms, sale of the whole machine and components of wind turbine sets and mechanical equipment and software development of digital wind farm system, as well as technology development, consultation, operation and related businesses in the field of energy technology in the PRC.

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## LETTER FROM THE BOARD

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The subsidiaries and associates in which Xinfeng Energy holds 30% or more equity interests as at the Latest Practicable Date are set out as follows:

No.	Name	Principal business	Principal place of business	Directly held by Xinfeng Energy	Equity Interest/ effective equity interest held by Xinfeng Energy
1	Zhejiang Xinfeng Energy Co., Ltd* (浙江新鋒能源有限公司)	Engaged in investment construction, operation management of wind power and solar power generation projects; and development of thermal power projects	PRC	Yes	100%
2	Beijing Xinfeng Energy Co., Ltd* (北京新鋒能源有限公司)	Power supply business; construction engineering design; and construction engineering survey	PRC	Yes	100%
3	Qinghai Jinyang New Energy Co., Ltd* (青海金陽新能源有限公司)	New energy development; hydropower, wind power and photovoltaic power generation; and wind farm survey and design	PRC	Yes	Approximately 95%
4	Weichang Manchu and Mongolian Autonomous County Youneng Wind Power Co., Ltd* (圍場滿族蒙古自治縣優能風電有限公司)	Wind farm project preparation; and exchange, development and consulting services relating to wind power technology	PRC	Yes	51%
5	Shanghai Ronghe Luying New Energy Technology Co., Ltd* (上海融和祿盈新能源科技有限公司)	Technology development, consultation and services in the fields of new energy, automotive technology, power and electrical equipment; and construction and operation of new energy vehicle charging facilities	PRC	Yes	45%
6	Qinghai Taibai New Energy Co., Ltd.* (青海太白新能源有限公司)	Hydropower, wind power and photovoltaic power generation; digital wind farm system software development, and wind farm survey and design	PRC	Yes	30%

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**LETTER FROM THE BOARD**

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No.	Name	Principal business	Principal place of business	Directly held by Xinfeng Energy	Equity Interest/ effective equity interest held by Xinfeng Energy
7	Zhenglanqi Huayi Electrical Equipment Co., Ltd* (正藍旗華儀電氣設備有限公司)	Design, manufacturing, sales, after-sales service and technical consultation of wind power generation equipment, complete sets of high and low voltage equipment and industrial electrical equipment; and investment and construction of wind farm projects	PRC	Yes	30%
8	Guangxi Xinfeng Clean Energy Co., Ltd* (廣西新鋒清潔能源有限公司)	Power generation, transmission and supply business; research and development of wind farm related system; and sales of wind farm related equipment	PRC	No	100%
9	Dulan Jinyang New Energy Co., Ltd* (都蘭金陽新能源有限公司)	Investment construction, operation management of wind power and power generation	PRC	No	Approximately 95%
10	Dulan Taibai Wind Power Co., Ltd* (都蘭太白風電有限公司)	Investment construction, operation management of wind power and power generation	PRC	No	Approximately 95%
11	Henan Xinfeng Energy Co., Ltd* (河南新鋒能源有限公司)	Power generation, transmission and supply business; manufacturing of new energy primary power equipment; wind power technology service; and sales of wind turbines and parts	PRC	No	Approximately 67%
12	Xiehe New Energy Investment (Beijing) Co., Ltd* (協合新能投資(北京)有限公司)	Investment management; asset management; investment consulting; technology development and technical consultation; and conference services	PRC	No	49%
13	Cangnan Xiehe Wind Power Co., Ltd* (蒼南協合風力發電有限公司)	Development, construction and operation of wind farms; wind power project investment; and investment management and consulting	PRC	No	49%
14	Henan Jinyang New Energy Co., Ltd* (河南金陽新能源有限公司)	Sales of wind power equipment	PRC	No	Approximately 49%

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**LETTER FROM THE BOARD**

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No.	Name	Principal business	Principal place of business	Directly held by Xinfeng Energy	Equity Interest/ effective equity interest held by Xinfeng Energy
15	Mianchi Xiangyun New Energy Co., Ltd* (灑池祥雲新能源有限公司)	Development, construction, operation, production and sales of power generated by new energy; and electric power construction and technology development	PRC	No	Approximately 49%
16	Mianchi Xiangfeng New Energy Co., Ltd* (灑池祥風新能源有限公司)	Development, construction and operation of wind power generation and photovoltaic power generation	PRC	No	Approximately 34%
17	Inner Mongolia Xinfeng Tianyuan Wind Power Co., Ltd* (內蒙古新鋒天源風電有限公司)	Investment, construction, operation and management of wind power generation and photovoltaic power generation	PRC	No	30%
18	Inner Mongolia Xinfeng Tianneng Wind Power Co., Ltd* (內蒙古新鋒天能風電有限公司)	Investment, construction, operation and management of wind power generation and photovoltaic power generation; and development, sales and service of whole machine and components of wind turbine sets and mechanical equipment	PRC	No	30%

In addition, Xinfeng Energy also has 14 associates in the PRC in which it holds less than 30% equity interests.

**Financial information of Xinfeng Energy**

Set out below is the unaudited consolidated financial information of Xinfeng Energy for each of the two financial years ended 31 December 2019 and 2020 which were prepared in accordance with the International Financial Reporting Standards:

	<b>For the year ended 31 December 2019 RMB'000</b>	<b>For the year ended 31 December 2020 RMB'000</b>
Revenue	248,097	61,791
Net (loss)/profit before taxation	(9,181)	15,552
Net (loss)/profit after taxation	(9,289)	15,480

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## LETTER FROM THE BOARD

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As at 30 June 2021, the unaudited consolidated net asset value of Xinfeng Energy was approximately RMB599,500,000.

### **Information of Hangzhou Hanyue**

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Hangzhou Hanyue is a company established in the PRC with limited liability and is principally engaged in electric power installation, repair and test; power generation, transmission and supply business; wind power technology service; sales of wind turbines and components; manufacturing of electric generators and generator sets; manufacturing of new energy primary equipment and others.

As at the Latest Practicable Date, before the Transfer, Xinfeng Energy is held as to approximately 31.88% by Zhejiang Shengguan, approximately 9.15% by Xinfeng Holding and approximately 58.97% by Beijing Zhongdian Jieneng. Hangzhou Hanyue, which in turn is wholly owned by Mr. Chen Yingyu, holds approximately 38.73% equity interest of Beijing Zhongdian Jieneng and Mr. Chen Yingyu holds 38% equity interest of Xinfeng Holding. For details, please refer to the diagram on the shareholding structure of Xinfeng Energy under this section.

### **Possible Financial Effect of the Transfer**

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

Upon the Transfer Completion, the Group will be relieved from the investment commitment of approximately RMB81,420,000, being the amount of unpaid registered capital with regard to the Transferred Shares, and Xinfeng Energy will continue to be accounted for as an associate company of the Group using the equity method. As such, save for the transaction costs in relation to the Transfer to be incurred by the Company, it is expected that the Transfer will not result in recognition of material gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income after taking into account the foregoing as well as the Consideration. Shareholders should note that the actual amount of gain/loss from the Transfer to be recorded by the Company (if any) will be subject to review by the auditors of the Company.

Based on the monetary Consideration of RMB1.00, it is expected that the net proceeds from the Transfer shall be minimal.

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## LETTER FROM THE BOARD

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### **Reasons for and Benefits of the Transfer**

The Group has been proactively evaluating the performance of each business segment, assets and investments, and is committed to constantly optimising the current business structure through streamlining business operations and remaining focused on its principal business, so as to generate long-term and stable gains for the Group, enhance the core profitability of the Group and improve returns for the Shareholders. The Directors (including the independent non-executive Directors) are of the view that, once materialized, the Transfer will relieve the Group from investment commitments in such non-core business, unleash the Group's cash resources for the principal business of the Group, and simultaneously strengthen its overall working capital condition, and provide adequate financial support for the principal business of welded pipes of the Group amid the great development opportunities in the pipeline industry, thus enhancing the core profitability and business sustainability of the Group.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Transfer exceeds 25% but are below 75%, the Transfer constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements.

### **IV. EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at 3rd Floor, Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Qingpu District, Shanghai, the PRC on Friday, 11 February 2022 at 3 p.m. is set out on pages EGM-1 to EGM-3 of this circular. Ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the Equity Transfer and Capital Increase Agreement, the Equity Transfer Agreement, and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, there is no Shareholder or any of their respective associates have any material interest in the Equity Transfer and the Capital Contribution and the Transfer, thus no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

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## LETTER FROM THE BOARD

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A form of proxy for use in the EGM is enclosed with this circular and also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof, should you so wish.

### V. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the terms of the Equity Transfer and Capital Increase Agreement, the Equity Transfer Agreement, and the relevant transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

### VI. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices of this circular.

Yours faithfully,  
By Order of the Board  
**Shengli Oil & Gas Pipe Holdings Limited**  
**Zhang Bizhuang**  
*Executive Director & Co-Chief Executive Officer*

## 1. INDEBTEDNESS STATEMENT

At close of business on 30 November 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total indebtedness of the Group are set out below:

### a. Borrowings

As at close of business on 30 November 2021, the Group's borrowings as follows:

	<i>Notes</i>	<i>RMB'000</i>
Bank loans – Secured	(i)	283,000
Bank loans – Secured and guaranteed	(ii)	230,000
Bank loans – Guaranteed	(iii)	<u>68,000</u>
		<u><u>581,000</u></u>

*Notes:*

- (i) These bank loans were secured by the pledge of certain of the Group's properties, plant and equipment and right-of-use assets.
- (ii) These bank loans were secured by the pledge of certain of the Group's properties, plant and equipment and right-of-use assets and were guaranteed by a non-controlling shareholder of the Group's subsidiary.
- (iii) These bank loans were guaranteed by a non-controlling shareholder of the Group's subsidiary.

### b. Lease liabilities

As at the close of business on 30 November 2021, the Group has lease liabilities of approximately RMB\$1,283,000.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 30 November 2021, the Group did not have (a) any debt securities issued and outstanding, and authorized or otherwise created but unissued; (b) any term loans; (c) any borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptances credits or hire purchase commitments; (d) any debentures, mortgages or charges; or (e) any guarantee or other material contingent liabilities.

## 2. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, after taking into account the existing cash and bank balances and other internal resources available, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

The Company has obtained the relevant confirmations as required under Rule 14.66(12).

## 3. FINANCIAL AND TRADING PROSPECTS

Looking to the future, with the establishment of China Oil & Gas Pipeline Network Corporation (“**PipeChina**”) and the redefinition from the dominance by the “Three Barrels” (三桶油), being China National Petroleum Corporation, China Petroleum & Chemical Corporation and China National Offshore Oil Corporation, of the tripod landscape in China’s oil industry into “Three Barrels plus one Network”\*(三油一網) with the inclusion of PipeChina, it is expected that the national oil and gas trunk pipeline network will be gradually optimized and substantially accelerates China’s oil and gas pipeline network construction. In particular, according to the goal put forward in the Medium and Long-term Oil and Gas Pipeline Network Planning\* (《中長期油氣管網規劃》) of the National Development and Reform Commission, the mileage of oil and gas pipeline network is set to reach 240,000 kilometres in 2025 and PipeChina initially proposed to build more than 25,000 kilometres of oil and gas pipelines in the next five years, offering more pipeline construction opportunities in future. Given the PRC government’s policy on achieving emission peak and carbon neutrality, it is expected that construction of national large-scale and superior oil and gas pipeline network will be accelerated, which in turn is well-positioned to further boost the sales volume of the principal business of the Group. The Group will continue to keep close track of the progress of pipeline construction and strive to secure more large-scale projects. Moreover, the Group proactively ventured into the insulation pipeline market and installed and commissioned the insulation pipes production line, thus laying the foundation for undertaking insulation pipe orders. Meanwhile, while maintaining steady growth of our principal business of pipes, we will also venture into other business fields along the oil and pipeline industry chain, in a bid to create greater value for the shareholders.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

### Long Position in Shares

Name of Director/ Chief executives	Capacity	Number of issued ordinary shares held	Number of shares subject to options granted under the Share Option Scheme	Approximate percentage of the issued share capital of the Company
Wei Jun	Interest in controlled corporation <sup>(1)</sup>	620,000,000		16.003%
Zhang Bizhuang	Interest in controlled corporation <sup>(2)</sup>	153,130,224		3.952%
Wang Kunxian	Beneficial owner	79,800,000 <sup>(3)</sup>	1,200,000 <sup>(7)</sup>	2.091%
	Interest in controlled corporation <sup>(4)</sup>	26,708,760		0.689%
Han Aizhi	Beneficial owner		960,000 <sup>(7)</sup>	0.025%
	Interest in controlled corporation <sup>(5)</sup>	26,708,760		0.689%
Huang Guang	Beneficial owner		1,200,000 <sup>(7)</sup>	0.031%
	Interest in controlled corporation <sup>(6)</sup>	600,000,000		15.486%

*Notes:*

- (1) Mefun Group Limited holds 620,000,000 shares of the Company (representing approximately 16.003% of the issued shares of the Company) and is the single largest shareholder of the Company. Mefun Group Limited is held as to 65.97% and 34.03% by Mr. Wei Jun and HZJ Holding Limited, respectively. Mr. Wei Jun is the chairman and a non-executive Director of the Company. Therefore, Mr. Wei Jun is deemed to be interested in the shares of the Company held by Mefun Group Limited by virtue of the SFO.
- (2) Goldmics Investments Limited (“**Goldmics Investments**”) holds 153,130,224 shares of the Company, representing approximately 3.952% of the issued shares of the Company. Mr. Zhang Bizhuang holds 40% interest of the issued share capital of Goldmics Investments, and Ms. Du Jichun, his spouse, holds the remaining 60% interest. Therefore, Mr. Zhang Bizhuang is deemed to be interested in the shares of the Company held by Goldmics Investments by virtue of the SFO.
- (3) Mr. Zhang Bizhuang holds 79,800,000 shares of the Company, representing approximately 2.06% of the issued shares of the Company.
- (4) Glad Sharp Limited (“**Glad Sharp**”) holds 26,708,760 shares of the Company, representing approximately 0.689% of the issued shares of the Company. Mr. Wang Kunxian owns the entire issued share capital of Glad Sharp and is therefore deemed to be interested in the shares of the Company held by Glad Sharp by virtue of the SFO.
- (5) Crownova Limited (“**Crownova**”) holds 26,708,760 shares of the Company, representing approximately 0.689% of the issued shares of the Company. Ms. Han Aizhi owns the entire issued share capital of Crownova and is therefore deemed to be interested in the shares of the Company held by Crownova by virtue of the SFO.
- (6) LM Global Asset LP holds 600,000,000 shares of the Company, representing approximately 15.486% of the issued shares of the Company. LM Global Asset LP is managed by its general partner, namely LM Asset Management Corp, which in turn is owned as to 70% by Mr. Huang Guang (one of our non-executive Directors) and 30% by Magic Group (HK) International Holdings Co., Limited. Magic Group (HK) International Holdings Co., Limited is wholly owned by Mr. Zhang Bangcheng (one of our executive Directors). Mr. Huang Guang is therefore deemed to be interested in the shares of the Company held by LM Global Asset LP by virtue of the SFO.
- (7) Underlying shares subject to the share options issued pursuant to the Share Option Schemes adopted by the Company on 21 November 2009 and 20 May 2016 respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, and chief executive of the Company or the chairman or their respective associates of the Company had registered an interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which will be required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or were deemed to have, interest or short position in the Shares of the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

Name of shareholders	Capacity	Number of issued ordinary shares/ underlying shares held	Approximate percentage of the issued share capital of the Company
Mefun Group Limited	Beneficial owner <sup>(1)</sup>	620,000,000	16.003%
HZJ Holding Limited	Interest in controlled corporation <sup>(2)</sup>	620,000,000	16.003%
Chen Haili	Interest in controlled corporation <sup>(2)</sup>	620,000,000	16.003%
Yang Zhihui	Interest of spouse <sup>(2)</sup>	620,000,000	16.003%
LM Global Asset LP	Beneficial owner <sup>(3)</sup>	600,000,000	15.486%
LMT International Corporation Limited (魯民投國際有限公司)	Interest in controlled corporation <sup>(3)</sup>	600,000,000	15.486%
Shandong Private Joint Investment Holding Co., Ltd.* (山東民營聯合投資控股股份有限公司)	Interest in controlled corporation <sup>(3)</sup>	600,000,000	15.486%
LM Asset Management Corp	Interest in controlled corporation <sup>(3)</sup>	600,000,000	15.486%
Du Jichun	Interest of spouse <sup>(4)</sup>	81,000,000	2.091%
	Interest in controlled corporation <sup>(5)</sup>	153,130,224	3.952%

*Notes:*

- (1) Mefun Group Limited holds 620,000,000 shares of the Company (representing 16.003% of the issued shares of the Company), which is in turn owned as to 65.97% by Mr. Wei Jun. Mr. Wei Jun also acts as the director of Mefun Group Limited. Please refer to the paragraph headed “2. Directors’ and Chief Executive’s Interests in Shares” in this Appendix for details.
- (2) HZJ Holding Limited holds 34.03% of the issued share capital of Mefun Group Limited and HZJ Holding Limited is held as to 59% and 12% by Ms. Chen Haili and Mr. Yang Zhihui, respectively. Mr. Yang Zhihui is the spouse of Ms. Chen Haili. Therefore, 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 SFO.
- (3) LM Global Asset LP is a limited partnership registered under the laws of the British Virgin Islands and holds 600,000,000 shares of the Company, representing 15.486% of the issued shares of the Company. LMT International Corporation Limited is a limited partner of LM Global Asset LP and holds approximately 49.18% of the partnership interest in LM Global Asset LP. LMT International Corporation Limited is wholly owned by Shandong Private Joint Investment Holding Co., Ltd.\*. The general partner of LM Global Asset LP is LM Asset Management Corp, which is in turn owned as to approximately 70% by Mr. Huang Guang. Therefore, each of Mr. Huang Guang, LM Asset Management Corp, LMT International Corporation Limited and Shandong Private Joint Investment Holding Co., Ltd.\* is deemed to be interested in the shares of the Company held by LM Global Asset LP by virtue of the SFO. Please refer to the paragraph headed “2. Directors’ and Chief Executive’s Interests in Shares” in this Appendix for details. Mr. Huang Guang acts as the director of LMT International Corporation Limited and the vice president of Shandong Private Joint Investment Holding Co., Ltd.
- (4) Ms. Du Jichun is the spouse of Mr. Zhang Bizhuang. Therefore, by virtue of the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Du Jichun is deemed to be interested in all the shares held by Mr. Zhang Bizhuang.
- (5) Goldmics Investments holds 153,130,224 shares of the Company, representing 3.952% of the issued shares of the Company. Ms. Du Jichun holds 60% interest of the issued share capital of Goldmics Investments, and Mr. Zhang Bizhuang, her spouse, holds the remaining 40% interest. Therefore, Ms. Du Jichun is deemed to be interested in the shares of the Company held by Goldmics Investments by virtue of the SFO. Mr. Zhang Bizhuang is the director of Goldmics Investments.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no person (other than a Director or chief executive of the Company) had any interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Company, no other Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### **4. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES**

As at the Latest Practicable Date, none of the Directors and their respective associates has an interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest with the Group pursuant to the Listing Rules.

## 5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, each of the Directors has entered into a service contract or an appointment letter with the Company for a term of three years. The service contracts or appointment letters are subject to termination in accordance with the provisions contained therein by either party giving the other not less than 3-month prior written notice for executive Directors or 1-month prior written notice for non-executive Directors.

## 6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

## 7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 8. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up. Save as the service contracts of the Directors as disclosed above, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

## 9. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the followings, no other contract (not being contracts in the ordinary course of business) has been entered into by members of the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) The supplemental agreement entered into between Hunan Shengli Xianggang Steel Pipe Co., Ltd.\* (湖南勝利湘鋼鋼管有限公司) (“**Hunan Shengli**”) and Hunan Valin Xiangtan Iron & Steel Co., Ltd.\* (湖南華菱湘潭鋼鐵有限公司) (“**Hunan Xiangtan**”) dated 30 December 2019 to amend certain terms of the existing framework purchase agreement entered into between Hunan Shengli and Hunan Xiangtan dated 9 August 2019;

- (b) The supplemental agreement entered into between Hunan Shengli and Hunan Valin Resource Trading Co., Ltd.\* (湖南華菱資源貿易有限公司) (“**Valin Resource**”) dated 30 December 2019 to amend certain terms of the existing framework purchase agreement entered into between Hunan Shengli and Valin Resource dated 9 August 2019;
- (c) The supplemental agreement entered into between Hunan Shengli and Shanghai Valin Xianggang International Trading Co., Ltd.\* (上海華菱湘鋼國際貿易有限公司) (“**Valin International**”) dated 30 December 2019 to amend certain terms of the existing framework purchase agreement entered into between Hunan Shengli and Valin International dated 9 August 2019;
- (d) The framework purchase agreement entered into between Hunan Shengli and Hunan Valin E-Commerce Co., Ltd.\* (湖南華菱電子商務有限公司) (“**Valin E-Commerce**”) dated 30 December 2019, pursuant to which Valin E-Commerce agreed to supply certain steel plates and steel coils to Hunan Shengli;
- (e) the framework purchase agreement entered into between Hunan Shengli and Hunan Xianggang Hongsheng Logistics Co., Ltd.\* (湖南湘鋼洪盛物流有限公司) (“**Hunan Xianggang**”) dated 3 September 2020, pursuant to which Hunan Xianggang agreed to provide in-plant logistics and goods transport services to Hunan Shengli;
- (f) the termination agreement entered into between Zhejiang Shengguan Industries Company Limited\* (浙江勝管實業有限公司) (“**Zhejiang Shengguan**”) and Shenzhen Zhongcheng NEEQ Investment Corporation LLP\* (深圳中城新三板投資企業(有限合夥)) dated 5 October 2020, pursuant to which the conditional sale and purchase agreement dated 15 August 2019 entered into between the parties in relation to the disposal of 45% equity interests in Shanghai Guoxin Industrial Co., Ltd.\* (上海國心實業有限公司) by Zhejiang Shengguan shall be terminated with immediate effect;
- (g) 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, with a term from 25 November 2020 to 24 November 2021 (“**Framework Purchase Agreement I**”);
- (h) 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, with a term from 25 November 2020 to 24 November 2021 (“**Framework Purchase Agreement II**”);
- (i) 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, with a term from 25 November 2020 to 24 November 2021 (“**Framework Purchase Agreement III**”);

- (j) the framework purchase agreement entered into between Hunan Shengli and Hunan Valin Lianyuan Iron and Steel Co., Ltd.\* (湖南華菱澧源鋼鐵有限公司) (“**Hunan Lianyuan**”) dated 25 November 2020, pursuant to which Hunan Lianyuan agreed to supply certain steel coils to Hunan Shengli, with a term from 25 November 2020 to 24 November 2021 (“**Framework Purchase Agreement IV**”);
- (k) 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, with a term from 25 November 2020 to 24 November 2021 (“**Framework Purchase Agreement V**”);
- (l) the land resumption agreement entered into between Rizhao Economic Technological Development Branch of the Natural Resources and Planning Bureau of Rizhao City, Shandong Province, the PRC\* (中國山東省日照市自然資源和規劃局日照經濟技術開發區分局) (the “**Local Authority**”) and Shandong Shengli Steel Pipe Co., Ltd.\* (山東勝利鋼管有限公司) (“**Shandong Shengli**”) dated 26 April 2021 in relation to the resumption of, among others, the land use right to a stated-owned land situated in Building No. 001, No. 101 of Xining Road West and Shanghai Road South, the Development Zone, Rizhao City, Shandong Province, the PRC\* (中國山東省日照市開發區上海路南西寧路西 001 幢 101 號等) and the surrounding area and the construction and fixtures thereon, in consideration of an aggregate compensation of RMB64,645,569;
- (m) the framework sales agreement entered into between Hunan Shengli and Hunan Xiangtan dated 30 June 2021, pursuant to which Hunan Shengli agreed to supply certain welded pipes to Hunan Xiangtan, with a term from 1 July 2021 to 31 December 2021;
- (n) 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;
- (o) 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;
- (p) 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 (the “**First Supplement Agreement III**”);
- (q) 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;
- (r) 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 (the “**First Supplement Agreement V**”);

- (s) the framework service agreement entered into between Hunan Shengli and Hunan Xianggang dated 31 August 2021, pursuant to which the parties agree to, among others, renew the logistic services framework agreement entered into between the parties dated 3 September 2020 on the provision of the in-plant goods transport and external goods transport services to Hunan Shengli, for a term commencing from 31 August 2021 to 31 August 2022;
- (t) 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);
- (u) 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);
- (v) the framework purchase agreement entered into between Hunan Shengli and Hunan Xiangtan dated 25 November 2021, pursuant to which Hunan Xiangtan agreed to supply certain steel plates to Hunan Shengli, with a term from 25 November 2021 to 30 June 2022;
- (w) the framework purchase agreement entered into between Hunan Shengli and Valin International dated 25 November 2021, pursuant to which Valin International agreed to supply certain steel plates and steel coils to Hunan Shengli, with a term from 25 November 2021 to 30 June 2022;
- (x) the framework purchase agreement entered into between Hunan Shengli and Hunan Lianyuan dated 25 November 2021, pursuant to which Hunan Lianyuan agreed to supply certain steel coils to Hunan Shengli, with a term from 25 November 2021 to 30 June 2022;
- (y) the framework purchase agreement entered into between Hunan Shengli and Valin E-commerce dated 25 November 2021, pursuant to which Valin E-commerce agreed to supply certain steel plates and steel coils to Hunan Shengli, with a term from 25 November 2021 to 30 June 2022;
- (z) the Equity Transfer and Capital Increase Agreement; and
- (aa) the Equity Transfer Agreement.

**10. MISCELLANEOUS**

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is located at Room 2111, 21st Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (c) The headquarter of the Company in the PRC is located at Zhongbu Town, Zhangdian District, Zibo City, Shandong Province, the PRC.
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The company secretary of the Company is Mr. Zhang Feng, who is an associate of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).
- (f) In the event of any inconsistency the English text of this circular shall prevail over the Chinese text.

**11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available on the website of the Company at [www.slogp.com](http://www.slogp.com) and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) from the date of this circular up to and including 20 January 2022:

- (a) the Equity Transfer and Capital Increase Agreement; and
- (b) the Equity Transfer Agreement.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of the shareholders of Shengli Oil & Gas Pipe Holdings Limited (the “**Company**”) will be held at 3rd Floor, Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Qingpu District, Shanghai, the PRC on Friday, 11 February 2022 at 3 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

**“THAT**

- (a) the conditional Equity Transfer and Capital Increase Agreement dated 21 December 2021 (the “**Equity Transfer and Capital Increase Agreement**”) entered into between Shandong Shengli Steel Pipe Co., Ltd.\* (山東勝利鋼管有限公司) (“**Shandong Shengli**”), Xiangtan Iron & Steel Group Co., Ltd.\* (湘潭鋼鐵集團有限公司) (“**Xiangtan Steel**”) and Hunan Shengli Xianggang Steel Pipe Co., Ltd.\* (湖南勝利湘鋼鋼管有限公司) (“**Hunan Shengli**”) in respect of (i) the transfer by Shandong Shengli of 8.9% equity interest of Hunan Shengli for a consideration of RMB17,296,233 to Xiangtan Steel; and (ii) the capital contributions by Shandong Shengli and Xiangtan Steel on a pro-rata basis of RMB17,280,000 and RMB18,720,000 to Hunan Shengli, a copy of which has been produced to the meeting and contained in the document marked as “A” for the purpose of identification, and the transactions contemplated under the Equity Transfer and Capital Increase Agreement, be and are hereby approved, ratified and confirmed; and the directors of the Company be and are hereby authorized for and on behalf of the Company to sign, execute, perfect and deliver all such other documents and deeds, and do all such acts, matters and things as they may in their discretion necessary to carry the Equity Transfer and Capital Increase Agreement into effect; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (b) the conditional equity transfer agreement dated 22 December 2021 (the “**Equity Transfer Agreement**”) entered into between Zhejiang Shengguan Industrial Co., Ltd\* (浙江勝管實業有限公司) (“**Zhejiang Shengguan**”) and Hangzhou Hanyue New Energy Co., Ltd\* (杭州哈月新能源有限公司) (“**Hangzhou Hanyue**”) in respect of the transfer by Zhejiang Shengguan of the equity interest of registered capital of RMB81,420,000, representing approximately 9.9% of the entire equity interest in Xinfeng Energy Enterprise Group Co., Ltd\* (新鋒能源集團有限公司), to Hangzhou Hanyue, a copy of which has been produced to the meeting and contained in the document marked “B” for the purpose of identification, and the transactions contemplated under the Equity Transfer Agreement, be and are hereby approved, ratified and confirmed; and the directors of the Company be and are hereby authorized for and on behalf of the Company to sign, execute, perfect and deliver all such other documents and deeds, and do all such acts, matters and things as they may in their discretion consider necessary to carry the Equity Transfer Agreement into effect.”

Yours Faithfully

By Order of the Board

**Shengli Oil & Gas Pipe Holdings Limited**

**Zhang Bizhuang**

*Executive Director & Co-Chief Executive Officer*

Zibo, Shandong, 6 January 2022

As at the date of this circular, 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

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. In order to ascertain the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 8 February 2022 to Friday, 11 February 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4: 30 p.m. on Monday, 7 February 2022.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, under its seal and under the hand of an officer, attorney or other person duly authorized to sign the same.
4. In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any), under which it is signed or a certified copy of such power or authority shall be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened.
6. Where there are joint holders of any Share, any one of such joint holder may vote either in person or by proxy in respect of such Share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.