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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)

PROFIT ALERT – REDUCTION OF LOSS

This announcement is made by Shengli Oil & Gas Pipe Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**FY2021**”) and information currently available to the Board, the Group expects to record a decrease in loss attributable to owners of the Company by approximately 18.5% to not more than RMB265 million, as compared to a loss attributable to owners of the Company of approximately RMB325.4 million for the year ended 31 December 2020 (the “**FY2020**”).

The expected decrease in loss attributable to owners of the Company in FY2021 was primarily due to (i) a surge in the sales volume of the pipes business and anti-corrosion business under the Group’s pipes business segment as compared to FY2020, which mainly involved the production of submerged-arc helical welded pipes and submerged-arc longitudinal welded pipes used in the oil and infrastructure industry; and (ii) a substantial increase in sales volume (mainly representing sales to a major corporation run by the central government) of the Group’s pipes processing business with a relatively higher gross margin as compared to FY2020. The positive impact resulting from the foregoing has been partially offset by the impairment loss associated with the assignment and novation of the investment in Blossom Time as disclosed in the Company’s announcement dated 3 March 2022.

As at the date of this announcement, the Company is in the process of preparing and finalising the annual result of the Group for the year ended 31 December 2021 (the “**Annual Results**”). The information contained in this announcement is only based on the preliminary assessment of the Group’s unaudited consolidated management accounts and information currently available to the Board, which is subject to finalization and adjustments, if any, and have not been audited by the independent auditor of the Company nor reviewed by the audit committee of the Board. Shareholders and potential investors are advised to read carefully the audited Annual Results announcement of the Company, which is expected to be published before the end of March 2022.

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

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

Zibo, Shandong, 3 March 2022

As at the date of this announcement, the Directors 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*