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CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED

珠江石油天然氣鋼管控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 1938

POSITIVE PROFIT ALERT

This announcement is made by Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “**Company**” and, 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 (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (“**1H2022**”), it is expected that the Company would record a consolidated net profit of not less than RMB100 million for the 1H2022 as compared to the audited consolidated net loss of RMB94.4 million recorded for the year ended 31 December 2021 and the unaudited consolidated net loss of RMB41.7 million for the six months ended 30 June 2021. Such net profit was mainly due to the combined effect of (i) the contribution of profits from the sales of steel pipes of both Zhuhai and Lianyungang production bases, the core business of the Group; (ii) the recognition of property sales of Phase II of Golden Dragon City Fortune Plaza (金龍城財富廣場) by the Group, (iii) the decrease in finance cost due to a decrease in average loan balance and interest rate, and (iv) the gain on resumption of land use rights for the six months ended 30 June 2021 but nil amount in 1H2022.

This positive profit alert is based on the Company’s preliminary review of the management accounts of the Group for the 1H2022, which have neither been audited, confirmed nor reviewed by the Company’s auditors or the audit committee of the Company as at the date of this announcement. Shareholders of the Company and potential investors are advised to peruse the financial results for the 1H2022 with care when it is released. Detailed financial information of the Group for the 1H2022 will be disclosed in the interim results announcement of the Group for the 1H2022, which is expected to be published on 30 August 2022.

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

By order of the Board
**Chu Kong Petroleum and Natural Gas
Steel Pipe Holdings Limited**
Chen Chang
Chairman

Guangdong Province, the PRC, 19 August 2022

As at the date of this announcement, the Board comprises the following Directors: Mr Chen Chang, Mr Chen Guo Xiong and Ms Chen Zhao Nian as executive Directors; and Mr Chen Ping, Mr Tian Xiao Ren and Mr Au Yeung Kwong Wah as independent non-executive Directors.