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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
FOR THE YEAR ENDED 31 DECEMBER 2022**

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(1) 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 of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a consolidated net profit of not less than RMB100 million for the year ended 31 December 2022 as compared to a loss of RMB94.4 million for the year ended 31 December 2021.

The return to profitability in 2022 was primarily 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 increase in subsidy income from the PRC government.

This positive profit alert is based on the Company’s preliminary review of the management accounts of the Group for the year ended 31 December 2022, which are being reviewed and/or audited by the Company’s auditors and are subject to possible adjustments upon further review.

The Company’s annual results announcement for the year ended 31 December 2022 will be issued on 30 March 2023. Shareholders and potential investors of the Company are advised to read the annual results announcement when it is published.

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, 28 March 2023

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.

** For identification purpose only*