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

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

**If you have sold or transferred** all your shares in Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited to be held at 7th Floor, W Hong Kong Hotel, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 18 June 2019 at 10:30 a.m. is set out on pages 18 to 22 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

23 April 2019

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## DEFINITIONS

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

“2018 Annual Report”	the annual report of the Company for the financial year ended 31 December 2018 despatched to the Shareholders together with this circular
“AGM”	the annual general meeting of the Company to be held at 7th Floor, W Hong Kong Hotel, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 18 June 2019 at 10:30 a.m., the notice of which is set out on pages 18 to 22 of this circular, or any adjournment thereof
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning as defined in the Listing Rules
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	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), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on the Stock Exchange
“core connected person(s)”	has the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate number of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate number of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares with an aggregate number of Shares not exceeding 20% of the number of issued Shares as at the date of passing the relevant resolution at the AGM
“Latest Practicable Date”	12 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, for the time being in force
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares on the Stock Exchange with an aggregate number of Shares not exceeding 10% of the number of issued Shares as at the date of passing the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the time being in force
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning as defined in the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, for the time being in force
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. CHEN Chang (*Chairman*)  
Ms. CHEN Zhao Nian  
Ms. CHEN Zhao Hua

*Independent non-executive Directors:*

Mr. CHEN Ping  
Mr. SEE Tak Wah  
Mr. TIAN Xiao Ren

*Registered office:*

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

*Head office and principal place of  
business in the PRC:*

Qinghe Road  
Shiji Town  
511450 Panyu District  
Guangzhou City  
Guangdong Province  
The PRC

*Principal place of business in Hong Kong:*

Suite Nos. 1, 2 and 19  
15th Floor, Tower 3  
China Hong Kong City  
33 Canton Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

23 April 2019

*Dear Shareholders,*

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you notice of the AGM and to provide you with details of the resolutions to be proposed at the AGM including (i) the Issue Mandate; (ii) the Repurchase Mandate; (iii) the Extension Mandate; and (iv) the proposed re-election of the Directors.

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## LETTER FROM THE BOARD

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### ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with unissued Shares with an aggregate number of Shares not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution at the AGM. As at the Latest Practicable Date, a total of 1,011,142,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 202,228,400 Shares.

### REPURCHASE MANDATE

At the AGM, an ordinary resolution will also be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, the Shares with an aggregate number of Shares not exceeding 10% of the aggregate number of issued Shares as at the date of passing of the relevant resolution at the AGM. Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 101,114,200 Shares.

An explanatory statement containing information regarding the Repurchase Mandate as required by the Listing Rules is set out in Appendix I to this circular.

### EXTENSION MANDATE

In addition, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by an additional amount representing the aggregate number of Shares repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or the other applicable laws of Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Pursuant to article 105(A) of the Articles, Mr. Chen Chang and Mr. Chen Ping shall retire from office by rotation at the AGM. All the retiring Directors, being eligible, offer themselves for re-election. Particulars of the retiring Directors required to be disclosed pursuant to Rule 13.74 of the Listing Rules are set out in Appendix II to this circular.

According to code provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the shareholders.

Each of Mr. Chen Ping and Mr. See Tak Wah has as an independent non-executive Director for more than nine years. The Company has received from each of Mr. Chen Ping and Mr. See Tak Wah a confirmation of independence according to Rule 3.13 of the Listing Rules. Mr. Chen Ping and Mr. See Tak Wah have not engaged in any executive management of the Group. Taking into consideration of their independent scope of work in the past years, the Board considers Mr. Chen Ping and Mr. See Tak Wah to be independent under the Listing Rules despite the fact that they have served the Company for more than nine years. The Board believes that their continued tenure brings considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Chen Ping and Mr. See Tak Wah who have over time gained valuable insight into the Group.

A separate resolution will be proposed for the re-election of each of Mr. Chen Chang, Mr. Chen Ping and Mr. See Tak Wah at the AGM.

### THE ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 18 to 22 of this circular. At the AGM, ordinary resolutions will be proposed to approve, among other matters, the granting of the Issue Mandate, the granting of the Repurchase Mandate, the granting of the Extension Mandate and the re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the AGM shall be conducted by way of poll and the results of the AGM will be announced by the Company in compliance with the Listing Rules.

### **RECOMMENDATION**

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the re-election of Directors are in the best interests of the Company and the Shareholders as a whole. The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. Exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that such repurchase of Shares will benefit the Company and the Shareholders. An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at 31 December 2018, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital requirements or the gearing levels of the Company. The Board also considers that it is in the interests of the Company and the Shareholders as a whole to re-elect the retiring Directors and Mr. See Tak Wah who has served the Company for more than nine years. Accordingly, the Directors recommend that Shareholders vote in favour of all resolutions to be proposed at the AGM.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 13 June 2019 to Tuesday, 18 June 2019, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 12 June 2019.

### **RESPONSIBILITY OF DIRECTORS**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and there are no other facts the omission of which would make any statement contained herein misleading.



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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

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

### LANGUAGE

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,

For and on behalf of the Board of

**Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited**

**Chen Chang**

*Chairman*

This Appendix I includes an explanatory statement as required under the Listing Rules to provide the requisite information to you for consideration of the Repurchase Mandate.

### **1. LISTING RULES FOR REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution in a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,011,142,000 Shares.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 101,114,200 Shares, which represents 10% of the entire issued share capital of the Company as at the date of passing the resolution.

### **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. Such repurchases which will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders, may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

### **4. FUNDING OF REPURCHASES**

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its Articles, the Listing Rules, the Companies Law and other applicable laws of the Cayman Islands.

Taking into account the current financial position of the Company, the Directors consider that if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position disclosed in its latest published audited consolidated financial statements as at 31 December 2018. However, the Directors do not intend to exercise the Repurchase Mandate to

such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

## 5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months immediately prior to the Latest Practicable Date were as follows:

	Share prices (per Share)	
	Highest	Lowest
	HK\$	HK\$
<b>2018</b>		
April	0.90	0.80
May	0.86	0.80
June	0.85	0.75
July	0.78	0.66
August	0.69	0.59
September	0.68	0.61
October	0.68	0.60
November	0.63	0.57
December	0.61	0.55
<b>2019</b>		
January	0.61	0.53
February	0.74	0.58
March	0.80	0.72
April (up to the Latest Practicable Date)	0.74	0.70

## 7. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a Shareholder or the group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholder's or the Group of Shareholders interest, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of interests in shares and short positions kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued share capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column "Before repurchase" while their respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the AGM (and assuming that the issued share capital of the Company remains unchanged up to the date of the AGM) is shown under the column "After repurchase"

	<b>Before repurchase</b>	<b>After repurchase</b>
Bournam Profits Limited ( <i>Note 2</i> )	69.42%	77.13%
Chen Chang ( <i>Note 1</i> )	69.85%	77.61%

The above are calculated based on 1,011,142,000 Shares in issue as at the Latest Practicable Date.

*Notes:*

- 701,911,000 Shares are registered in the name of Bournam Profits Limited. The entire issued share capital of Bournam Profits Limited is solely and beneficially owned by Mr. Chen Chang. In addition, Mr. Chen Chang has personal interest of 4,350,000 Shares. Mr. Chen Chang is deemed under the SFO to be interested in 706,261,000 Shares.
- Bournam Profits Limited has pledged 525,742,000 shares, representing 52.00% of total number of issued shares, in favour of independent parties.

On the basis that the Shares held by the Shareholders named above and the number of Shares in issue would remain the same, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Assuming that there is no issue of Shares between the date of this circular and the date of a repurchase and no disposal by any of the substantial Shareholders of their interests in the Shares, an exercise of the Repurchase Mandate whether in whole or in part may result in less than 25% of the Shares being held by the public. The Directors do not intend to repurchase Shares which would result in a public shareholding of less than the prescribed minimum percentage of Shares in public hands.

#### **8. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months ended on the Latest Practicable Date.

#### **9. UNDERTAKING OF THE BOARD**

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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## APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

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The biographical details of the Directors proposed to be re-elected at the AGM are set out below:

### **Mr. CHEN Chang (陳昌) – Executive Director**

Mr. CHEN Chang (陳昌), aged 73, is the chief executive officer and the chairman of the Board and also a member of the Nomination Committee and Remuneration Committee of the Company. Mr. Chen is the father of Ms Chen Zhao Nian and Ms Chen Zhao Hua (both being the executive Directors). Being the founder of the Group, Mr. Chen is primarily responsible for the overall management and strategic planning and business development of the Group. Mr. Chen has over 50 years of experience in areas related to woodwork, machine tool equipment and lift/escalator equipment and has accumulated abundant experience and knowledge in the mechanical and electrical industry. Mr. Chen graduated from the graduate school of Sun Yat-Sen University\* (中山大學) in Guangdong Province in October 1995 majoring in decision management.

Mr. Chen has been appointed by several steel pipe related associations and organisations for various positions, including:

- Member of the Fourth Session of Welded Steel Pipe Academic Committee of the Steel Rolling Branch Association of the Chinese Society for Metals\* (中國金屬學會軋鋼分會第四屆焊接鋼管學術委員會會員)(2001)
- Vice president of the China Township Enterprises Association\* (中國鄉鎮企業協會副會長)(2004, 2008)
- Vice chairman of the 4th and 5th sessions of the board of directors of the China Steel Construction Society and the Steel Pipe Branch Association\* (中國鋼結構協會鋼管分會第四屆理事會及第五屆理事會副理事長)(2004, 2008)
- Vice chairman of the 4th, 5th and 6th consecutive council of the Cold-formed Steel Sub-committee of the China Steel Structure Association\* (中國鋼結構協會冷彎型鋼分會第四、五、六屆理事會副理事長)(2004, 2005 and 2010)
- Vice president of the Metallurgical Chamber of Commerce of the All-China Federation of Industry & Commerce\* (中華全國工商業聯合會冶金商會副會長)(2006)

Mr. Chen has received various awards, honours qualifications, including:

- Honoured by the Ministry of Commerce, Industry and Energy of the Republic of Korea for his contributions to Korean economic development through trade revitalisation (2004)

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## APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

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- Excellent Entrepreneur in Chinese Private Technology Enterprises awarded by the All-China Federation of Industry & Commerce\* (中華全國工商業聯合會評為中國優秀民營科技企業家)(2004)
- Awarded the First Prize of Science and Technology Awards by the Guangzhou Municipality People's Government\* (廣州市人民政府評為科學技術獎一等獎得主)(2007)
- Awarded as authority expert of welded pipe industry by the Chinese International Authority Expert's Association\* (中國國際權威專家協會評為焊管行業權威專家)(2007)
- The invention of "three-roller forming technology and equipment" was awarded the gold prize in the Sixth Session of International Exhibition of Inventions and outstanding award by the Guangdong Provincial Bureau of Personnel and the Guangdong Province Intellectual Property Department\* (發明三輓成型工藝及設備並在第六屆國際發明展覽會上榮獲金獎及獲廣東省人事廳及廣東省知識產權局評為優秀獎)(2008)
- Outstanding Individual in Earthquake Relief in Guangzhou\* (廣州市抗震救災先進個人)(2008)
- The Fourth Invention and Entrepreneur Award by the China Steel Association\* (中國鋼鐵協會第四屆“發明創業獎”)(2009)
- Guangzhou Model Labour\* (廣州市勞動模範)(2009)
- First Prize of Science and Technology Award in Guangdong Province (廣東省科學技術獎一等獎) for the research and development of LSAW manufacturing process and technology and its series of products
- Guangzhou Outstanding Entrepreneur\* (廣州市優秀企業家)(2011)
- Nationwide Outstanding Entrepreneur\* (全國優秀企業家)(2012)
- Guangzhou Outstanding Contribution Award for Science and Technology\* (廣州市科學技術突出貢獻獎)(2012)
- Outstanding Industrial Province of Science and Technology in the PRC's iron and steel industry\* (中國鋼鐵工業優秀科技工業者)(2012)
- Guangzhou Figure of Focus\* (羊城光彩人物)(2012)
- The Outstanding Entrepreneur for the Competition of the Top 10 Guangzhou Construction Project in 2012\* (2012年度廣東省十項工程勞動競賽模範企業家)(2013)

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## APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

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- Outstanding Contribution Award for Innovation in Guangzhou\* (廣州科技創新聯盟突出貢獻獎)(2013)
- Top 10 Guangdong Economic Influential Individuals in 2013\* (2013年廣東十大經濟風雲人物)
- Nationwide “May 1st” Labour Award\* (全國五一勞動獎章)(2014)
- Gold Prize of the 8th International Invention Exhibition\* (第八屆國際發明會金獎)(2014)
- 14th World Outstanding Chinese Award\* (第十四屆世界傑出華人獎)(2015)
- National Model Worker\* (全國勞動模範)(2015)
- Guangzhou Entrepreneurial Entrepreneur for 30 years\* (廣州創業30年功勳企業家)(2016)
- Gold Prize of the 19th International Invention Exhibition\* (第十九屆國際發明金獎)(2016)
- Yu Shan Outstanding Contribution Award\* (禺山卓越貢獻獎)(2016)
- 2016 Guangzhou Industry Leader\* (2016年度廣州市產業領軍人才)(2017)
- The Most Socially Responsible Entrepreneur in Guangzhou\* (廣州最具社會責任感企業家)(2017)
- Top Ten Economic Persons in Guangzhou\* (廣州十大經濟風雲人物)(2018)

Mr. Chen is also director of Lessonstart Enterprises Limited, Lucknow Consultants Limited, Crown Central Holdings Limited, Chu Kong Steel Pipe Group Co. Limited, Panyu Chu Kong Steel Pipe (Lianyungang) Company Limited\*, Panyu Chu Kong Steel Pipe (Zhuhai) Co. Limited, Lianyungang Kaidi Heavy Equipment Technology Company Limited\*, Chu Kong Steel Pipe (Zhuhai) Co. Ltd, View Sharp International Limited, PCK Steel Middle East FZE, Al-Qahtani PCK Pipe Company, PT Chu Kong Steel Indonesia, Guangzhou Zhu Gang Property Management Co. Limited\* and Guangdong Pearl Steel Investment Management Company Limited\*, all subsidiaries of the Company.

Mr. Chen has renewed the service contract with the Company for a term of three years commencing from 1 February 2019. Under such contract, Mr. Chen is entitled to a basic annual salary of RMB2.76 million, subject to an annual increment after 1 January of each year at the discretion of the Directors of not more than 15% of the annual salary immediately prior to such increase. In addition, Mr. Chen is entitled to a discretionary management bonus provided that the

\* Unofficial transliteration from Chinese name for identification purposes only



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## APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

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aggregate amount of the bonuses payable to him for any financial year of the Company may not exceed 5% of the audited combined or consolidated audited net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company. There was no increment of Mr. Chen's basic annual salary as compared with that of 2018. Mr. Chen may not vote on any resolution of the Directors regarding the amount of the management bonus payable to him. The basis of determination of director's remuneration of Mr. Chen was with reference to the duties and level of responsibilities as well as market practice and conditions.

Save as disclosed above, Mr. Chen does not have any relationship with any Directors, senior management, other substantial shareholders of the Company. As at the Latest Practicable Date, Mr. Chen is the sole director and sole shareholder of Bournam Profits Limited, which was interested in 701,911,000 shares of the Company. Together with Mr. Chen's personal interest of 4,350,000 shares of the Company, Mr. Chen is interested in 706,261,000 Shares within the meaning of Part XV of the SFO. Mr. Chen has not held any directorship in other public listed companies in the last three years.

### **Mr. CHEN Ping (陳平) – independent non-executive Director**

Mr. CHEN Ping (陳平), aged 53, was appointed as an independent non-executive Director on 23 January 2010. Mr. Chen is also the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Mr. Chen graduated from the Jinan University, the PRC in 1984 majoring in finance and later obtained a doctoral degree in finance in Nankai University, the PRC in December 1990. Mr. Chen has lectured at the Lingnan College, Sun Yat-Sen University for more than 28 years in Guangdong Province, the PRC, teaching international finance. He is currently the head of Marine Economic Research Centre of Sun Yat-Sen University (海洋經濟研究中心). Mr. Chen also assumed various posts in societies and clubs concerning economics and finance, such as a council member at International Finance Society of China\* (中國國際金融學會), International Finance Society\* (國際金融學會) and China Society of World Economics\* (中國世界經濟學會). Mr. Chen is also engaged in academic researches with focuses on finance theories and policies, global economics and so forth, and has published a number of essays and publications. As an experienced professor, Mr. Chen has won various awards for the lecture materials used and also for the essays published. In 1997, Mr. Chen's teaching materials entitled International finance\* (《國際金融》) was awarded National Educational Achievement Award – Second Class\* (國家教學成果二等獎) by the Committee of Education of the PRC. In May 2002, Mr. Chen's paper entitled Study on the effect of merger and acquisition of listed companies on wealth\* (《上市公司兼併與收購的財富效應研究》) was selected for the Best Paper Award of the 9th Global Finance Association Annual Conference by the 9th GFA Annual Conference Program Committee. In 2005, Mr. Chen's teaching and research achievements entitled Exploration and practice of educational internationalisation\* (《教學國際化的探索與實踐》) was awarded Guangdong Province Educational Achievement Award – First Class\* (廣東省教學成果一等獎). In 2006, Mr. Chen was selected as talented person for Ministry of Education New Century Outstanding Person

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## APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

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Support Scheme\* (教育部新世紀優秀人才支持計劃). In 2007, Mr. Chen received Bao Steel Outstanding Teacher Award\* (寶鋼、花旗優秀教師獎). Mr. Chen was an independent director of Guangzhou Zhujiang Brewery Group Co., Ltd.\* (廣州珠江啤酒股份有限公司), a company listed on the Shenzhen Stock Exchange with effect from 10 October 2016. Mr. Chen was an independent director of Rising Nonferrous Metals Share Co., Ltd.\* (廣晟有色金屬股份有限公司), a company listed on the Shanghai Stock Exchange, and resigned from such post with effect from 13 April 2015. Mr. Chen was an independent director of Guangdong By-health Biotechnology Co., Ltd.\* (廣東湯臣倍健生物科技股份有限公司), a company listed on the Shenzhen Stock Exchange, and resigned from such post with effect from 25 September 2014.

Mr. Chen has been re-appointed for a term of two years commencing from 1 February 2018 and his annual director's fee is RMB198,000 which has been determined by the Company with reference on the duties and level of responsibilities as well as market practice and conditions.

Save as disclosed above, Mr. Chen does not have any relationship with any Directors, senior management, or controlling or substantial shareholders of the Company. As at the Latest Practicable Date, Mr. Chen is not interested in any Shares within the meaning of Part XV of the SFO. Mr. Chen has not held any directorship in other public listed companies in the last three years.

Save as disclosed above, the Board is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rules 13.51 (2)(h) to (v) of the Listing Rules in relation to the proposed re-election of the aforesaid Directors.

Pursuant to the Code Provision A.4.3 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, if an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Chen has served the Company as an independent non-executive Director for more than nine years. Mr. Chen has never been involved with the daily operations and business decisions of the Company. He has never been interested or deemed to be interested in any Shares of the Company or our associated corporation. The Company has received from Mr. Chen an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board is of the opinion that Mr. Chen maintains an independent view of the Company's affairs and is able to carry out his duties as an independent non-executive Director in an impartial manner. He has given much valuable advice to the Company during past years of services. The Board therefore recommends the re-election of Mr. Chen as an independent non-executive Director notwithstanding the fact that Mr. Chen has served the Company for more than nine years.

### **Mr. SEE Tak Wah (施德華) – Independent Non-executive Director**

Mr. SEE Tak Wah (施德華), aged 55, was appointed as an independent non-executive Director on 23 January 2010. Mr. See is also the chairman of the Audit Committee of the Company. Mr. See graduated from the Management School of Waikato University in New

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## **APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION**

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Zealand with first class honours in Bachelor of Management Studies. He is a member of the Institute of Chartered Accountants of Australia and New Zealand, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Hong Kong Institute of Directors. Mr. See has over 31 years of experience in financial and general management as he previously worked as the regional business controller of Nokia Mobile Phones Asia Pacific, the managing director of Nokia Mobile Phones Hong Kong, the chief operating officer of First Mobile Group Holdings Limited and held key management positions in the North Asia offices of Philips and Siemens. Mr. See currently runs his own strategic consultancy business. He is currently an independent non-executive director of Tesson Holdings Limited, which is listed on the Main Board of the Stock Exchange (Stock Code: 1201). In addition, he was an independent non-executive director of Sun East Technology (Holdings) Limited (now known as Unisplendour Technology (Holdings) Limited), which is listed on the Main Board of the Stock Exchange (Stock Code: 0365), and resigned from such post with effect from 27 September 2016.

Mr. See has been re-appointed for a term of two years commencing from 1 February 2018 and his annual director's fee is HKD220,000 which has been determined by the Company with reference to the duties and level of responsibilities as well as market practice and conditions.

Save as disclosed above, Mr. See does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. See is not interested in any Shares within the meaning of Part XV of the SFO. Mr. See has not held any directorship in other public listed companies in the last three years.

Save as disclosed above, the Board is not aware of any other matters or information that need to be brought to the attention of the Shareholders of the Company or to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules in relation to the proposed re-election of the aforesaid Directors.

Pursuant to the Code Provision A.4.3 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, if an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. See has served the Company as an independent non-executive Director for more than nine years. Mr. See has never been involved with the daily operations and business decisions of the Company. He has never been interested or deemed to be interested in any Shares of the Company or our associated corporation. The Company has received from Mr. See an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board is of the opinion that Mr. See maintains an independent view of the Company's affairs and is able to carry out his duties as an independent non-executive Director in an impartial manner. He has given much valuable advice to the Company during past years of services. The Board therefore recommends the re-election of Mr. See as an independent non-executive Director notwithstanding the fact that Mr. See has served the Company for more than nine years.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “**Company**”) will be held at 7th Floor, W Hong Kong Hotel, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 18 June 2019 at 10:30 a.m. for considering and, if thought fit, to transact the following businesses:

*Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 23 April 2019.*

1. To receive and consider the audited consolidated financial statements and reports of the Directors and auditors of the Company and its subsidiaries for the year ended 31 December 2018;
2. Each being a separate resolution:
  - (a) To re-elect Mr. Chen Chang as an executive Director;
  - (b) To re-elect Mr. Chen Ping as an independent non-executive Director;
  - (c) To re-elect Mr. See Tak Wah as an independent non-executive Director; and
  - (d) To authorise the Board to fix the Directors’ remuneration;
3. To re-appoint Ernst & Young as the auditors of the Company and to authorise the Board to fix the auditors’ remuneration;
4. To consider and if thought fit, pass the following resolution as ordinary resolution of the Company (with or without amendments), “**THAT:**

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## NOTICE OF ANNUAL GENERAL MEETING

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- (a) subject to paragraph (c) below, pursuant to the Listing Rules, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined (d) below) to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of 20% of the aggregate number of issued Shares on the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution;

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To consider and if thought fit, pass the following resolution as ordinary resolution of the Company (with or without amendments), “**THAT:**
- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
  - (b) the aggregate number of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate number of issued Shares as at the date of the passing of this resolution; and
  - (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, or any other applicable law of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and if thought fit, pass the following resolution as ordinary resolution of the Company (with or without amendments), “**THAT:**

subject to the ordinary resolutions nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate number of Shares repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10% of the aggregate number of the issued Shares on the date of the passing of resolution no. 5.”

By order of the Board

**Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited**

**Chen Chang**

*Chairman*

Guangdong Province, the PRC, 23 April 2019

*Notes:*

1. A form of proxy for the meeting is enclosed.
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. 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, either under its seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting (as the case may be) 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 and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

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## NOTICE OF ANNUAL GENERAL MEETING

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6. Where there are joint holders of any Share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stand first on the register in respect of such Shares shall alone be entitled to vote in respect thereof.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against ordinary resolution 5 as set out in this notice will be sent to members of the Company together with the Company's 2018 Annual Report.
8. The register of members of the Company will be closed from Thursday, 13 June 2019 to Tuesday, 18 June 2019, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 12 June 2019.

*As at the date of this notice, the Board comprises three executive Directors, namely Mr. CHEN Chang, Ms. CHEN Zhao Nian and Ms. CHEN Zhao Hua, and three independent non-executive Directors, namely Mr. CHEN Ping, Mr. SEE Tak Wah and Mr. TIAN Xiao Ren.*