

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)**

### PROFIT WARNING

The Board wishes to inform shareholders of the Company and potential investors that, based on the information currently available to the Board, it is expected that the unaudited consolidated net profit of the Group for the six months ending 30 June 2012 may decrease significantly as compared to the corresponding period in 2011.

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

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Shengli Oil & Gas Pipe Holdings Limited (the “**Company**”) wishes to inform shareholders of the Company and potential investors that, based on the information currently available to the Board, it is expected that the unaudited consolidated net profit of the Company and its subsidiaries (the “**Group**”) for the six months ending 30 June 2012 (the “**Interim Period**”) may decrease significantly as compared to the corresponding period in 2011.

To the best knowledge of the Board, the expected decrease of profit of the Group is primarily caused by the significant increase in expenses due to (i) the depreciation expenses of new production lines and equipment; (ii) the operating expenses incurred by Xinjiang Shengli Steel Pipe Co., Ltd. (新疆勝利鋼管有限公司), a subsidiary of the Company acquired in August 2011; and (iii) an increase in finance expenses caused by bank loan. Nevertheless, the sales volume of spiral submerged arc welded (SSAW) pipes, a major product of the company, only remains comparable to the corresponding period in 2011, thus is unable to counteract the increased expenses. In addition, the loss of Beijing Golden Fortune Investment Co., Ltd. (北京慧基泰展投資有限公司), a company in which the Group has 25% interest, is expected to increase for the Interim Period.

The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the five months ended 31 May 2012, which have not yet been confirmed or reviewed by the Company's auditors or the audit committee of the Company as at the date of this announcement. Unaudited financial information of the Group for the Interim Period will be disclosed in the interim results announcement of the Company in due course.

Notwithstanding the substantial drop in net profit, the Board is of the view that the financial position of the Group remains solid and that the Group will continue to explore different options for business development covering opportunities in the pipeline markets and the Board has confidence in the long term stable development of the Group.

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

By order of the Board  
**SHENGLI OIL & GAS PIPE HOLDINGS LIMITED**  
**Han Aizhi**  
*Executive Director and Vice President*

Zibo, Shandong, 22 June 2012

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*      *Mr. Zhang Bizhuang, Mr. Wang Xu, Mr. Liu Yaohua, Ms. Han Aizhi and Mr. Song Xichen*

*Non-executive*                *Mr. Yan Tangfeng*  
*Director:*

*Independent non-*            *Mr. Huo Chunyong, Mr. Guo Changyu and Mr. Leung Ming Shu*  
*executive Directors:*