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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)

PROPOSED CHANGE OF AUDITORS

The Board announces that EY shall, subject to the approval by the Shareholders at the EGM, be removed as the auditors of the Group. The Board further announces that it had approached ANDA as the Company's new auditors in place of EY. Subject to the approval by the Shareholders at the EGM and the completion and satisfactory result of ANDA's client acceptance procedures, ANDA shall be appointed as auditors of the Group to fill the vacancy following the removal of EY and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

A circular containing certain information on the removal of EY and the appointment of ANDA as the new auditors of the Group together with a notice convening the EGM will be dispatched to the Shareholders as soon as possible.

Reference is made to the announcements of the Company dated 21 March 2013 and 26 April 2013, respectively. Capitalised terms used herein shall have the same meanings as those defined in the above mentioned announcements unless the context otherwise requires.

The Board announces that in view of the Unresolved Issue(s), the Company and Ernst & Young ("EY") have as of today failed to reach consensus on the manner in proceeding with the audit work for the 2012 financial statements, including the additional audit procedures required by EY, the additional fee and its estimated time for the completion of the audit for the year ended 31 December 2012. In this respect, in order not to further delay the completion of the audit work, the Company shall, subject to the approval by the shareholders of the Company (the "Shareholders") at the extraordinary general meeting of the Company (the "EGM"), remove EY as the auditors of the Group and appoint ANDA CPA Limited ("ANDA") as the new auditors of the Group in place of EY, which shall hold office until the conclusion of the forthcoming annual general meeting of the Company.

ANDA had informed the Board that subject to the completion and satisfactory result of its client acceptance procedures, ANDA would not commence the audit work of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2012.

ANDA's client acceptance procedures, which are to be done in accordance with applicable professional requirements include, but are not limited to, the following:

- a. the satisfactory result of the independent third party investigation in respect of the Unresolved Issue(s);
- b. any matters that are raised by EY in its professional clearance letter have been resolved to ANDA's satisfaction; and
- c. the satisfactory result of any additional pre-acceptance procedures which ANDA considers essential and necessary for the Unresolved Issue(s).

MATTERS TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS

The Board was informed that in spite of the positive result of the internal investigation carried out regarding the Unresolved Issue(s), EY has requested the Company to carry out an independent third party investigation in addressing the Unresolved Issue(s) and that EY will conduct certain additional procedures in auditing the 2012 financial statements. Notwithstanding the appointment of the independent professional party, the Company and EY have failed to reach consensus on the manner in proceeding with the audit work for the 2012 financial statements, including the additional procedures, the additional fee and timing for the audit work as at the date of this announcement. Taking into consideration the interests of the Company and the Shareholders as a whole, the Board resolved to replace the auditors of the Company.

To the best of the Director's knowledge, save as disclosed above and in the announcement dated 24 April 2013, there are no circumstances in respect of the proposed change of auditors which should be brought to the attention of the Shareholders. As at the date of this announcement, the Company has not received the professional clearance letter from EY. Further announcement will be made by the Company as and when appropriate.

A circular containing certain information on the removal of EY and the appointment of ANDA as the new auditors of the Group together with a notice convening the EGM will be dispatched to the Shareholders as soon as possible.

The Board would like to take this opportunity to express a sincere appreciation to EY for its professional services and support rendered to the Company in the past years.

By order of the Board
SHENGLI OIL & GAS PIPE HOLDINGS LIMITED
Zhang Bizhuang
Chairman

Zibo, Shandong, 30 April 2013

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

<i>Executive Directors:</i>	<i>Mr. Zhang Bizhuang, Mr. Jiang Yong, Mr. Liu Yaohua, Ms. Han Aizhi and Mr. Song Xichen</i>
<i>Non-executive Director:</i>	<i>Mr. Yan Tangfeng</i>
<i>Independent Non-executive Directors:</i>	<i>Mr. Guo Changyu and Mr. Wang Xueyou</i>