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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)

PROFIT WARNING

This announcement is made by the Company pursuant to the provisions of inside information under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group's unaudited management accounts for the year ended 31 December 2013 and the information currently available to the Board, it is expected that there would be a significant deterioration in the operating results of the Group for the year ended 31 December 2013 as compared to that of 2012.

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

This announcement is made by Shengli Oil & Gas Pipe Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of the Company hereby informs the shareholders of the Company and potential investors that based on the unaudited management accounts for the year ended 31 December 2013 and the information currently available to the Board, it is expected that there would be a significant deterioration in the operating results of the Group for the year ended 31 December 2013 as compared to that of 2012.

Based on the information currently available, the decrease in the profits is principally attributable to (i) the lower sales registered in spiral submerged arc welded (SSAW) pipe and anti-corrosion service due to the overall delays in commencement of construction works in major pipeline projects in the PRC; and (ii) the substantial increase in overall expenses following the development/expansion of the Group with its newly started projects (such as 湖南勝利湘鋼鋼管有限公司(Hunan Shengli Xianggang Steel Pipe Co., Ltd.*), a subsidiary of the Company) such as the (i) construction costs; (ii) depreciation costs for pre-welding and

precision-welding production line; and (iii) increase in finance costs. Also, the other income of the Group is expected to be lower than the previous year due to decrease in one-off government subsidies and extraordinary profit.

Despite the expected decline in the results performance of the Group for 2013, the Board considers the Group maintains an overall strong operations and financial position, and that the Group will be able to achieve long term development following the increase in the needs for oil and gas pipelines in the PRC market.

As the Group's final results for the year ended 31 December 2013 are not yet available, the information contained in this announcement represents only a preliminary assessment made by the Board based on the information made available to the Board as at the date hereof and such information or figure has not been audited nor reviewed by the Company's auditors. The actual results of the Group for the year ended 31 December 2013 may be different from what is disclosed herein. Shareholders and investors should read carefully the annual results announcement of the Company for the year ended 31 December 2013 which is expected to be published before end of March 2014.

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

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

Zibo, Shandong, 15 January 2014

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

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

Non-executive Director: *Mr. Yan Tangfeng*

Independent non-executive Directors: *Mr. Guo Changyu, Mr. Wang Xueyou and Mr. Chen Junzhu*

** For reference purpose only*