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)

INSIDE INFORMATION
NOTABLE DECREASE IN LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the five months ended 31 May 2018, loss attributable to owners of the Company for the five months ended 31 May 2018 decreased by approximately 40% as compared to the loss attributable to owners of the Company for the corresponding period in 2017. Based on the sales performance of the Group for June 2018 and the information currently available to the Board, the Group is expected to record a further decrease in loss attributable to owners of the Company for the six months ended 30 June 2018.

The information contained in this announcement is only based on the preliminary assessment of the consolidated management accounts for the five months ended 31 May 2018 of the Group, the sales performance of the Group for June 2018 and other information currently available to the Board as at the date hereof, which have yet to be audited or reviewed by the Company's auditor and may be subject to adjustment.

Shareholders 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 Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Board**") of the Company hereby informs the shareholders (the "**Shareholders**") of the Company and potential investors that, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the five months ended 31 May 2018, loss attributable to owners of the Company for the five months ended 31 May 2018 decreased by approximately 40% as compared to the loss attributable to owners of the Company for the corresponding period in 2017. Based on the sales performance of the Group for June 2018 and the information currently available to the Board, the Group is expected to record a further decrease in loss attributable to owners of the Company for the six months ended 30 June 2018.

Based on the information currently available, the decrease in loss attributable to the owners of the Company in the first five months of the year 2018 is principally attributable to the followings:

(1) thanks to the orders of certain large-scale pipeline projects secured by the Group this year from China Petroleum & Chemical Corporation ("**Sinopec**"), an independent third-party customer of the Group, the Group recorded a significant increase in sales volume of pipes and sales volume of the anti-corrosion processing business in the pipes business segment for the five months ended 31 May 2018, in particular, the sales volume of large-scale pipes, which has a higher gross profit, deriving from orders for Sinopec accounted for over 50% over the total sales volume in the pipes business segment as compared to approximately 2% in the corresponding period of 2017, resulting in a significant increase in gross profit of the pipes business segment of the Company; and

(2) the operating expenses and administrative expenses have decreased notably for the five months ended 31 May 2018 as compared to the same period in 2017, which is primarily attributable to (i) the reduced cost for suspension of production due to the increase in production volume of pipes business; (ii) the decrease in transportation fees borne by the Group; (iii) the decrease in amortisation of share option; and (iv) the decrease in foreign exchange loss on certain foreign inter-company current account denominated in foreign currency.

The information contained in this announcement is only a preliminary assessment by the Board based on the consolidated management accounts of the Group for the five months ended 31 May 2018, sales performance of the Group for June 2018 and other information currently available to the Board as at the date hereof, which have not been audited nor reviewed by the Company's auditors and may be subject to adjustment. Shareholders and potential investors are advised to carefully consider the Group's interim results announcement for the six months ended 30 June 2018, which is expected to be published at the end of August 2018.

Shareholders 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
Executive Director and Chief Executive Officer

Zibo, Shandong, 25 June 2018

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

Executive directors:	*Mr. Ji Rongdi (alias Jee Rongdee), Mr. Zhang Bizhuang, Mr. Jiang Yong, Mr. Wang Kunxian, Ms. Han Aizhi and Mr. Song Xichen*
Independent non-executive directors:	*Mr. Chen Junzhu, Mr. Wu Geng and Mr. Qiao Jianmin*