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## 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 the shareholders of the Company and potential investors that the Company is expected to record a substantial and continuing decrease in revenue and profit for the year ending 31 December 2010 as compared with that for the financial year ended 31 December 2009.

**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.

Reference is made to the profit warning announcement of Shengli Oil & Gas Pipe Holdings Limited (the “**Company**”) dated 23 July 2010 (“**23 July 2010 Profit Warning Announcement**”) and the interim results announcement of the Company for the six months ended 30 June 2010 dated 20 August 2010 (the “**Interim Results Announcement**”). The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Company is expected to record a substantial and continuing decrease in revenue and profit of the Company and its subsidiaries (the “**Group**”) for the year ending 31 December 2010 (“**FY2010**”) as compared to the year ended 31 December 2009, mainly for the same reasons stated in the 23 July 2010 Profit Warning Announcement, namely, (i) the tightening measures adopted by the PRC Government which led to tight control over the number of new and major infrastructure projects (including pipeline projects), resulting in delays in commencement of construction of a number of major national oil and gas pipelines in the PRC, and a significant decrease for FY2010 in orders received by the Group for line pipes of large-diameter, high steel grade and high pipe-wall thickness usually supplied to major national oil and gas pipelines; (ii) the decrease in orders of national oil and gas pipelines resulted in a significant drop in revenue from anti-corrosion servicing of line pipes, and line pipes of small-diameter, low steel grade and low pipe-wall thickness require less anti-corrosion servicing; (iii) the preferential rate of profit tax of the Group increased from nil to 12.5% with effect from 1 January 2010.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the ten months ended 31 October 2010, which have not yet been confirmed or reviewed by the Company's auditors or the audit committee of the Company and have not been finalized as at the date of this announcement, and on the information currently available to the Board. Financial information of the Group will be disclosed in the annual results announcement for FY2010 in due course.

**Shareholders of the Company and potential investors are advised to continue 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*

Zibo, Shandong, 21 November 2010

*As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Bizhuang, Mr. Wang Xu and Ms. Han Aizhi; the Non-executive Directors are Mr. Yan Tangfeng, Mr. Teo Yi-Dar, Mr. Ling Yong Wah and Mr. Ong Kar Loon (alternate Director to Mr. Ling Yong Wah); and the Independent Non-executive Directors are Mr. Huo Chunyong and Mr. Guo Changyu.*