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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, based on the information currently available to the Board, it is expected that the profit of the Group for the six months ending 30 June 2011 will record a significant decrease as compared to the profit for the six months ended 30 June 2010.

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 profit warning announcements of Shengli Oil & Gas Pipe Holdings Limited (the “**Company**”) dated 23 July 2010 and 21 November 2010 (the “**Previous Announcements**”). The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, it is expected that the profit of the Company and its subsidiaries (the “**Group**”) for the six months ending 30 June 2011 will record a significant decrease as compared to the profit that for the six months ended 30 June 2010.

To the best knowledge of the Board, the expected decrease of profit of the Group is primarily caused by the continuing impact of the same factors which led to the decrease of the Group’s profit for the year ended 31 December 2010 compared to the year ended 31 December 2009 as stated in the Previous Announcements, in particular the tightening measures on infrastructure projects (including pipeline projects) adopted by the PRC Government, which resulted in delays in the commencement of construction of a number of major national oil and gas pipelines in the PRC, and a significant decrease in orders received by the Group for line pipes of large-diameter, high steel grade and high pipe-wall thickness. In addition, although the Board has recently seen signs of a gradual recovery of the pipeline industry, as evidenced by the Group’s winning of several tenders in April and May 2011 (further details of which were disclosed in the announcement of the Company dated 13 May 2011), it is expected that most of the revenue to be generated under such recent successful tenders will be recognized after the first half of 2011.

Notwithstanding the expected decrease of profit for the six months ending 30 June 2011, given the recent positive signs as stated above, the Board is still cautiously optimistic about the performance of the Group for the year ending 31 December 2011.

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 2011, which have not yet been confirmed or reviewed by the Company's auditors or the audit committee of the Company and finalized as at the date of this announcement. Unaudited financial information of the Group for the six months ending 30 June 2011 ("1H2011") will be disclosed in the interim results announcement of 1H2011 in due course.

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, 3 June 2011

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, Mr. Guo Changyu and Mr. Leung Ming Shu.