

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED

珠江石油天然氣鋼管控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 1938

**POSITIVE PROFIT ALERT
FOR THE SIX MONTHS ENDING 30 JUNE 2011**

This announcement is made by the Company pursuant to Rule 13.09 (1) of the Listing Rules.

The Board wishes to inform the shareholders and potential investors of the Company that it expects significant increase in the unaudited net profit attributable to owners of the Company for the six months ending 30 June 2011.

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

This announcement is made by Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Corporation (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the review of the management accounts of the Group for the five months ended 31 May 2011, the unaudited net profit attributable to owners of the Company has increased significantly as comparing with the corresponding period in 2010. As such, the Board expects significant increase in the unaudited net profit attributable to owners of the Company for the six months ending 30 June 2011 as compared with the six months ended 30 June 2010. The unaudited net profit attributable to owners of the Company for the six months ended 30 June 2010 amounted to RMB 51.8 million.

The expected increase in the Group’s net profit for the six months ending 30 June 2011 is primarily attributable to (i) the increase in international orders for gas projects in Columbia and Peru which led to a rebound of sales volume and profit during the period; and (ii) partial delivery of products for the South China Water Gas Development Project-Mainland China section (Liwan offshore project), which led to increase in sales and profit for the period.

This positive profit alert is only based on a preliminary assessment by the management of the Company based on the management accounts of the Group for the five months ended 31 May 2011, which have not been reviewed or audited by the Company's auditors or the audit committee of the Company and are subject to possible adjustments upon further review.

The announcement of the Company's results for the six months ending 30 June 2011 will be issued in due course.

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

By order of the Board
**Chu Kong Petroleum and Natural Gas
Steel Pipe Holdings Limited**
Chen Chang
Chairman

Guangdong Province, the PRC, 6 June 2011

As at the date of this announcement, the Board comprises the following Directors: Mr Chen Chang, Ms Chen Zhao Nian and Ms Chen Zhao Hua as executive Directors; and Mr Chen Ping, Mr Liang Guo Yao and Mr See Tak Wah as independent non-executive Directors.