中國管業集團有限公司
CHINA PIPE GROUP LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 380)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2010

The board of directors (the "Board") of China Pipe Group Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2010, together with the comparative figures for the corresponding period in 2009, are as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2010

		Unaudited For the six months ended 30th June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
Revenue	*2*	**252,134**	206,693
Cost of sales	*4*	**(204,985)**	(169,752)
Gross profit		**47,149**	36,941
Other (losses)/gains, net	*3*	**(17,719)**	30,693
Selling and distribution costs	*4*	**(6,753)**	(5,413)
General and administrative expenses	*4*	**(44,250)**	(38,147)
Operating (loss)/profit		**(21,573)**	24,074
Finance costs, net	*5*	**(8,902)**	(5,659)
(Loss)/profit before income tax		**(30,475)**	18,415
Tax expense	*6*	**(344)**	(5,174)
(Loss)/profit for the period		**(30,819)**	13,241
Attributable to:			
Equity holders of the Company		**(28,601)**	13,241
Non-controlling interest		**(2,218)**	–
		(30,819)	13,241
		HK cents	*HK cents*
(Loss)/earning per share	*7*		
Basic and diluted		**(0.21)**	0.11

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2010

	Unaudited	
	For the six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
(Loss)/profit for the period	**(30,819)**	13,241
Other comprehensive income:		
Currency translation differences	**1,961**	986
Total comprehensive income for the period, net of tax	**(28,858)**	14,227
Attributable to:		
Equity holders of the Company	**(26,920)**	14,227
Non-controlling interest	**(1,938)**	–
	(28,858)	14,227

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2010

	Note	Unaudited 30th June 2010 HK$'000	Audited 31st December 2009 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**114,315**	118,485
Land use rights		**30,476**	30,535
Goodwill		**22,988**	22,787
Investment properties		**168,411**	185,231
Deferred tax assets		**11,314**	11,761
Rental deposits and other assets		**3,486**	3,061
		350,990	371,860
Current assets			
Inventories		**209,597**	180,448
Trade and other receivables	9	**171,904**	163,440
Pledged bank deposit		**81,921**	38,576
Cash and cash equivalents		**33,131**	55,784
		496,553	438,248
Assets held-for-sale		**–**	114,680
		496,553	552,928
Total assets		**847,543**	924,788

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2010

	Note	**Unaudited 30th June 2010** *HK$'000*	Audited 31st December 2009 *HK$'000*
EQUITY			
Equity holders			
Share capital		**26,665**	26,665
Reserves – others		**365,455**	388,385
		392,120	415,050
Non-controlling interest		**31,155**	33,093
Total equity		**423,275**	448,143
LIABILITIES			
Non-current liabilities			
Borrowings		**37,004**	39,973
Deferred tax liabilities		**18,148**	18,736
		55,152	58,709
Current liabilities			
Trade and other payables	*10*	**103,567**	95,691
Amount due to related companies		**25,139**	23,449
Amount due to a non-controlling shareholder		**196**	133
Loan from a shareholder		**45,999**	59,881
Taxation payable		**1,299**	631
Borrowings		**192,916**	238,151
		369,116	417,936
Total liabilities		**424,268**	476,645
Total equity and liabilities		**847,543**	924,788
Net current assets		**127,437**	134,992
Total assets less current liabilities		**478,427**	506,852

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited interim financial information should be read in conjunction with the audited consolidated annual financial statements for the year ended 31st December 2009.

Except for described below, the accounting policies adopted are consistent with those used in the audited consolidated annual financial statements for the year ended 31st December 2009.

Adoption of revised standards

The Group has adopted the following revised standards, which are relevant to the Group and mandatory for accounting periods beginning on or after 1st January 2010.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
Annual Improvements Project	Improvements to HKFRSs 2009

The Group has assessed the impact of the adoption of these revised standards and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the condensed consolidated interim financial information.

2. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors assesses the performance of the operating segments based on a measure of profit/(loss) attributable to equity holders of the Company.

The Group has three reportable segments, which are trading of pipes and fittings, manufacture and sale of seamless pipes and investment in properties for rental income. The segments are managed separately as each business offers different products and services.

Trading of pipes and fittings include wholesale and retail operations in Hong Kong, mainland China and Macau.

Seamless pipes segment is contributed by a subsidiary of the Group, 煙臺金裕豐無縫鋼管有限公司 ("Jinyufeng"), which manufactures and sells seamless pipes in mainland China.

Investment in properties for rental income includes properties held in Hong Kong and mainland China. All properties held in Hong Kong had been disposal in early 2010.

The segment information for the six months ended 30th June 2010 and 2009 is as follows:

	Unaudited For the six months ended 30th June 2010					
	Reportable segments					
	Trading of pipes and fittings	Seamless pipes	Investment properties	Total	Corporate and others (note)	Group Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total segment revenue	**224,114**	**68,133**	**341**	**292,588**	**–**	**292,588**
Inter-segment revenue	**(40,261)**	**–**	**(193)**	**(40,454)**	**–**	**(40,454)**
Revenue from external customers	**183,853**	**68,133**	**148**	**252,134**	**–**	**252,134**
Operating profit/(loss) before interest	**14,927**	**(4,554)**	**(19,760)**	**(9,387)**	**(12,186)**	**(21,573)**
Interest income	**47**	**29**	**2**	**78**	**21**	**99**
Interest expense	**(1,361)**	**(2,874)**	**(1,610)**	**(5,845)**	**(3,156)**	**(9,001)**
Profit/(loss) before income tax	**13,613**	**(7,399)**	**(21,368)**	**(15,154)**	**(15,321)**	**(30,475)**
Tax (expense)/credit	**(2,202)**	**1,855**	**3**	**(344)**	**–**	**(344)**
Profit/(loss) for the period	**11,411**	**(5,544)**	**(21,365)**	**(15,498)**	**(15,321)**	**(30,819)**
Non-controlling interest	**–**	**2,218**	**–**	**2,218**	**–**	**2,218**
Profit/(loss) attributable to equity holders for the period	**11,411**	**(3,326)**	**(21,365)**	**(13,280)**	**(15,321)**	**(28,601)**
Operating profit/(loss) before interest includes:						
Depreciation and amortisation	**1,004**	**4,786**	**374**	**6,164**	**73**	**6,237**
Reversal for impairment of inventories	**6,375**	**–**	**–**	**6,375**	**–**	**6,375**
Capital expenditure	**1,021**	**151**	**9**	**1,181**	**7**	**1,188**

	Unaudited				
	For the six months ended 30th June 2009				
	Reportable segments				
	Trading of pipes and fittings	Investment properties	Total	Corporate and others (note)	Group Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total segment revenue	205,805	1,513	207,318	–	207,318
Inter-segment revenue	–	(625)	(625)	–	(625)
Revenue from external customers	205,805	888	206,693	–	206,693
Operating profit/(loss) before interest	117	24,242	24,359	(285)	24,074
Interest income	44	–	44	–	44
Interest expense	(1,591)	(1,960)	(3,551)	(2,152)	(5,703)
(Loss)/profit before income tax	(1,430)	22,282	20,852	(2,437)	18,415
Tax expense	(198)	(4,976)	(5,174)	–	(5,174)
(Loss)/profit attributable to equity holders for the period	(1,628)	17,306	15,678	(2,437)	13,241
Operating profit/(loss) before interest includes:					
Depreciation	1,039	374	1,413	68	1,481
Reversal for impairment of trade and other receivables	225	–	225	–	225
Provision for impairment of inventories	6,677	–	6,677	–	6,677
Capital expenditure	33	38	71	–	71

Note:

The amounts mainly represent corporate administrative expenses of HK$10,575,000 (2009: HK$4,971,000), interest expenses of HK$3,156,000 (2009: HK$2,152,000) and fair value gain of financial assets at fair value through profit or loss of nil (2009: HK$5,728,000) not categorised as operating segments.

The segment assets and liabilities as at 30th June 2010 and 31st December 2009 are as follows:

	Unaudited As at 30th June 2010					
	Reportable segments					
	Trading of pipes and fittings	**Seamless pipes**	**Investment properties**	**Total**	**Corporate and others (note)**	**Group Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment assets	**388,757**	**279,696**	**172,630**	**841,083**	**6,460**	**847,543**
Reportable segment liabilities	**155,770**	**146,146**	**51,714**	**353,630**	**70,638**	**424,268**

	Audited As at 31st December 2009					
	Reportable segments					
	Trading of pipes and fittings	Seamless pipes	Investment properties	Total	Corporate and others (note)	Group Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	325,782	285,653	304,436	915,871	8,917	924,788
Reportable segment liabilities	149,630	145,391	98,897	393,918	82,727	476,645

Note:

The balances represent assets and liabilities of corporate and other businesses not categorised as operating segments. As at 30th June 2010, these balances principally include cash and cash equivalents of HK$4,750,000 (31st December 2009: HK$7,556,000), amount due to related companies of HK$21,799,000 (31st December 2009: HK$21,067,000) and loan from a shareholder of HK$45,999,000 (31st December 2009: HK$59,881,000).

Geographical information

The Group's revenue from external customers by geographical location are detailed below:

	Revenue Unaudited For the six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**181,101**	200,208
Mainland China	**68,852**	3,311
Others	**2,181**	3,174
	252,134	206,693

The Group's non-current assets (excluding financial assets and deferred tax assets) by geographical location are detailed below:

	Unaudited	Audited
	30th June 2010	31st December 2009
	HK$'000	*HK$'000*
Hong Kong	**2,979**	2,835
Mainland China	**333,179**	354,161
Others	**32**	42
	336,190	357,038

3. OTHER (LOSSES)/GAINS, NET

	Unaudited For the six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
Fair value (losses)/gains on investment properties	**(18,352)**	25,082
Financial assets at fair value through profit or loss – fair value gains	**–**	5,728
Net exchange gains/(losses)	**642**	(117)
Net loss on disposal of property, plant and equipment	**(9)**	–
	(17,719)	30,693

4. EXPENSES BY NATURE

Operating (loss)/profit is arrived at after charging:

	Unaudited For the six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
Cost of inventories sold	**202,194**	162,107
Auditor's remuneration	**720**	553
Depreciation of property, plant and equipment	**5,911**	1,481
Amortisation of land use right	**326**	–
Employee benefit expenses (including directors' emoluments)	**27,600**	22,098
Operating lease on land and buildings	**8,130**	8,162
Reversal for impairment of trade and other receivables	**–**	(225)
(Reversal)/provision for impairment of inventories	**(6,375)**	6,677
Other expenses	**17,482**	12,459
	255,988	213,312
Representing:		
Cost of sales	**204,985**	169,752
Selling and distribution costs	**6,753**	5,413
General and administrative expenses	**44,250**	38,147
	255,988	213,312

5. FINANCE COSTS, NET

	Unaudited For the six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
Bank interest income	**(99)**	(44)
Interest expense on loan from a shareholder	**2,612**	2,152
Interest expense on amount due to related companies	**604**	34
Interest expense on bank borrowings wholly repayable within five years	**4,256**	647
Interest expense on bank borrowings not wholly repayable within five years	**1,497**	2,870
Interest expense on other loan	**32**	–
	8,902	5,659

6. TAX EXPENSE

	Unaudited For the six months ended 30th June	
	2010	2009
	HK$'000	HK$'000
Current taxation:		
Hong Kong profits tax	**635**	308
Overseas tax	**17**	41
Over-provision in prior years	**(98)**	(26)
Deferred taxation (credit)/charge	**(210)**	4,851
Tax expense	**344**	5,174

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

7. (LOSS)/EARNING PER SHARE

The calculation of the basic and diluted (loss)/earning per share is based on the (loss)/profit attributable to equity holders and weighted average number of shares with adjustments where applicable as follows:

	Unaudited For the six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
(Loss)/profit attributable to equity holders for the purpose of basic (loss)/earning per share	**(28,601)**	13,241
Number of shares	**Thousand**	Thousand
Weighted average number of ordinary shares for the purpose of basic (loss)/earning per share	**13,332,700**	12,532,700

The share options have no potential dilutive effect on basic (loss)/earning per share for 2009 and 2010.

8. DIVIDEND

No dividend was paid or declared during the period (2009: nil).

The Board of Directors does not declare the payment of interim dividend for 2010 (2009: nil).

9. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2010	Audited 31st December 2009
	HK$'000	HK$'000
Trade receivables	**138,459**	135,773
Less: provision for impairment	**(2,622)**	(2,612)
Trade receivables – net	**135,837**	133,161
Prepayments	**14,140**	7,608
Other receivables and assets, net	**21,732**	23,206
Rental deposits and other assets	**3,681**	2,526
	175,390	166,501
Less: non-current portion	**(3,486)**	(3,061)
	171,904	163,440

The Group generally granted credit term of 90-120 days under the segment of trading of pipes and fittings and 60-90 days under the segment of seamless pipes. The ageing analysis of the debtors, based on the due date is as follows:

	Unaudited 30th June 2010	Audited 31st December 2009
	HK$'000	*HK$'000*
Within credit period	**68,999**	90,986
1 to 30 days	**23,364**	25,447
31 to 60 days	**10,390**	4,734
61 to 90 days	**2,582**	2,290
91 to 120 days	**23,586**	487
Over 120 days	**9,538**	11,829
	138,459	135,773

10. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2010 *HK$'000*	Audited 31st December 2009 *HK$'000*
Trade payables	**63,039**	56,485
Accrued expenses and other payables	**40,528**	39,206
	103,567	95,691

The ageing analysis of the Group's trade payables is as follows:

	Unaudited 30th June 2010 *HK$'000*	Audited 31st December 2009 *HK$'000*
Within 30 days	**29,316**	18,619
31 to 60 days	**2,179**	3,854
61 to 90 days	**5,558**	5,588
Over 90 days	**25,986**	28,424
	63,039	56,485

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the period ended 30th June 2010, the Group recorded revenue of approximately HK$252.1 million (2009: HK$206.7 million), representing an increase of 22% as compared with the same period in 2009. The loss attributable to equity holders of the Company was approximately HK$28.6 million for the first six months of 2010, as compared with the profit attributable to equity holders of the Company of approximately HK$13.2 million for the same period in 2009. The basic loss per share was approximately HK0.21 cents (2009: basic earning per share of HK0.11 cents).

The increase in revenue was mainly attributable to contribution from the sale of seamless pipes by 煙臺金裕豐無縫鋼管有限公司 ("Jinyufeng") which was acquired in November 2009.

Before taking into account corporate and other expenses, the loss attributable to equity holders of the Company was mainly due to loss on the revaluation of investment properties amounted to approximately HK$18.4 million. (2009: gain of approximately HK$25.1 million).

Review of Operations

Trading of pipes and fittings

The trading of pipes and fittings reported revenue for the first six months (excluding inter-segment revenue) of approximately HK$183.9 million (2009: HK$205.8 million) and profit attributable to equity holders of the Company for the first six months of approximately HK$11.4 million (2009: loss of approximately HK$1.6 million).

The increase in profit attributable to equity holders of the Company was mainly attributable to improvement in profit margin and the write-back of provision for inventories amounted to approximately HK$6.4 million.

Manufacturing and sale of seamless pipes

As Jinyufeng was acquired in November 2009, its result was consolidated into the Group accounts since then. The manufacturing and sales of seamless pipes reported revenue of approximately HK$68.1 million for the first six months of this year and loss attributable to equity holders of the Company of approximately HK$3.3 million.

The loss attributable to equity holders of the Company was mainly attributable to low gross profit margin as a result of higher cost of raw materials for the first six months of 2010.

Investment properties

The investment in properties reported revenue for the period ended 30th June 2010 (excluding inter-segment revenue) of approximately HK$0.1 million (2009: HK$0.9 million) and loss attributable to equity holders of the Company for the first six months of approximately HK$21.4 million (2009: profit of approximately HK$17.3 million).

The Group recorded a loss attributable to equity holders of the Company which was mainly resulted from the loss on properties revaluation of approximately HK$18.4 million on the investment properties held in Shanghai. However, there was a gain in investment properties revaluation amounted to approximately HK$25.1 million for the same period in 2009.

PROSPECTS

The Group will continue to develop our pipe trading business in Hong Kong through our wholly owned subsidiary Bun Kee (International) Limited, and our seamless steel pipe business in China through our 60% owned subsidiary Jinyufeng. We will focus our efforts on upgrading our products and services, developing new product lines, and strengthening our relationships with our customers. Through these initiatives, we aim at growing our top line sales and improving our bottom line profits of the Group.

In addition to the piping business, the management has been actively seeking investment opportunities in the Asia Pacific Region that can potentially bring significant returns to our shareholders. On 6 August 2010, the Group entered into a subscription agreement and a sale and purchase agreement in relation to a tin mining business in the Republic of Indonesia, which will constitute a very substantial acquisition for the Company. Completion of the agreements is subject to fulfillment of a number of conditions precedent. Details concerning the agreements will be disclosed in the announcement of the Company to be release.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 30th June 2010, the cash and bank balances of the Group were approximately HK$115.1 million (31st December 2009: HK$94.4 million) including pledged bank deposit amounted to HK$81.9 million (31st December 2009: HK$38.6 million). Basically the Group's working capital requirement has been financed by its internal resources. The Group believes that funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 30th June 2010, the Group had aggregate banking facilities of term loans and trade finance of approximately HK$275.4 million (31st December 2009: HK$392.5 million), approximately HK$260.2 million (31st December 2009: HK$308.1 million) was utilised. The Group's total borrowings stood at approximately HK$229.9 million (31st December 2009: HK$278.1 million) of which approximately HK$192.9 million (31st December 2009: HK$238.2 million) borrowings will mature within one year.

Of the total HK$229.9 million borrowings outstanding at 30th June 2010 (31st December 2009: HK$278.1 million), HK$228.2 million (31st December 2009: HK$243.8 million) was subject to floating rates and HK$1.7 million (31st December 2009: HK$34.3 million) was subject to fixed rate.

As at 30th June 2010, the Group had unsecured shareholder loans amounted to approximately HK$46.0 million including principal balance of approximately HK$37.9 million bears interest at HK Dollar prime rate plus 4.75% per annum and repayable within one year.

The gearing ratio as measured by total debt to total equity was approximately 71% as at 30th June 2010 and approximately 81% as at 31st December 2009.

As at 30th June 2010, 28% (31st December 2009: 40%) of the Group's total borrowings was denominated in HK dollars, 72% (31st December 2009: 60%) was denominated in Renminbi.

The Group conducts its business transactions mainly in Hong Kong dollar, Renminbi, United States dollar, Euro and Australian dollar. In order to manage foreign exchange risk, the Group has been closely monitoring its foreign currency exposure and the Group has entered into a foreign exchange forward contract for the period under review.

CHARGE ON ASSETS

As at 30th June 2010, certain assets of the Group held by subsidiaries with an aggregate carrying value of approximately HK$428.3 million (31st December 2009: HK$479.3 million) were pledged to banks for banking facilities obtained.

CONTINGENT LIABILITIES

As at 30th June 2010, a subsidiary of the Group in mainland China has provided a corporate guarantee in favor of a bank to support the banking facilities of HK$29.4 million (31st December 2009: HK$29.2 million) obtained by an independent third party. This guarantee is provided as part of counter security arrangement entered into by the subsidiary with independent third party, whereby the independent third party also provides corporate guarantee in favor of the subsidiary for banking facilities upto approximately HK$46.1 million.

STAFF AND EMPLOYMENT

As at 30th June 2010, the Group employed a total of 528 (31st December 2009: 543) employees. Total employee benefit expenses for the period ended 30th June 2010 was approximately HK$27.6 million (2009: HK$22.1 million).

Remuneration schemes are reviewed annually and certain staff members are entitled to sales commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also pays discretionary bonus and provides staff with other benefits including medical scheme for Hong Kong employees. The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in mainland China.

INTERIM DIVIDEND

The Board does not declare interim dividend for the period ended 30th June 2010 (2009: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Listing Rules of Stock Exchange throughout the period, except for the following deviations:

Code Provision A.4.1

As disclosed in the 2009 annual report of the Company, none of the existing non-executive directors of the Company (excluding the independent non-executive directors of the Company) is appointed for a specific term, which constitutes a deviation from code provision A.4.1. However, all directors of the Company are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to Company's bye-law 99 which was amended on 15th June 2006. As such, the Board considered that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the provisions of the Code. Nevertheless, in view of good corporate governance practices, all non-executive directors of the Company have entered into a letter of appointment with the Company for a term until 31st December 2011 and that their term of appointment will be limited accordingly. As such, the Company has taken step to comply with the code provision A.4.1 of the Code.

REVIEW BY AUDIT COMMITTEE

The condensed consolidated interim financial information for the six months ended 30th June 2010 have not been audited nor reviewed by the Company's auditor, PricewaterhouseCoopers, but this report has been reviewed by audit committee of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited condensed consolidated financial information for the period. The audit committee of the Company currently consists of three non-executive directors, namely, Mr. Wong Yee Shuen, Wilson, Mr. U Kean Seng and Mr. Chen Wei Wen.

COMPLIANCE WITH MODEL CODE OF LISTING RULES

The Company has adopted the Model Code contained in Appendix 10 of the Listing Rule (the "Model Code"). Having made specific enquiry with the directors, all directors confirmed that they have fully complied with the required standard as set out in the Model Code throughout the six months ended 30th June 2010.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the website of the Company at http://www.chinapipegroup.com and the website of the Stock Exchange at www.hkexnews.hk. The 2010 interim report of the Company will be available at the websites of the Company and the Stock Exchange and despatched to shareholders of the Company in early September 2010.

By Order of the Board
China Pipe Group Limited
Lai Guanglin
Chairman

Hong Kong, 23rd August 2010

As at the date of this announcement, the Board members consists of Mr. Yu Ben Ansheng, Mr. Sam Ming Choy and Mr. Lai Fulin as executive directors, Mr. Lai Guanglin, Mr. U Kean Seng, Mr. Zhao Yue and Dr. Zia, Samuel as non-executive directors and Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Ms. Wu Xiuru as independent non-executive directors.