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**中國管業集團有限公司**  
**China Pipe Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00380)**

**APPOINTMENT OF EXECUTIVE DIRECTOR AND CO-CHAIRMAN,  
RE-DESIGNATION OF CO-CHAIRMAN  
AND  
CHANGE IN THE COMPOSITION OF THE BOARD COMMITTEES**

The Board is pleased to announce that with effect from 1 July 2024:

1. Mr. Lai Guanglin has been appointed as an executive director and co-chairman of the Company; and
2. Mr. Lai Guanglin has been appointed as a member of the remuneration committee and the chairman of the nomination committee of the Company.
3. Mr. Lai Fulin has been re-designated as co-chairman of the Company and has ceased to be a member of the remuneration committee and the chairman of the nomination committee of the Company.

**APPOINTMENT OF EXECUTIVE DIRECTOR AND CO-CHAIRMAN**

The board of directors (the “**Board**”) of China Pipe Group Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) is pleased to announce that, with effect from 1 July 2024, Mr. Lai Guanglin (“**Mr. Alan Lai**”) has been appointed as an executive director and co-chairman, member of the remuneration committee (the “**Remuneration Committee**”) and chairman of nomination committee (the “**Nomination Committee**”) of the Company.

The biography of the new director is set out in the paragraphs below:

**Mr. Alan Lai**

**Mr. Alan Lai**, aged 60, acted as Non-executive Director and the Chairman of the Company from February 2009 to 13 March 2012. He was also a member and Chairman of the Remuneration Committee. He was re-designated from a Non-executive Director to an Executive Director of the Company from 14 March 2012 to 30 March 2018. He was also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company from 14 March 2012 to 30 March 2018. He rejoined the Board as an Executive Director and co-chairman of the Company on 1 July 2024. He is also a Chairman of Nomination Committee and a member of Remuneration Committee of the Company.

The Company is a leading provider to the construction sector offering a wide range of pipe related products, fittings, comprehensive services and solutions to the contractors, designers, consultants and government agencies in Hong Kong and Macau. Mr. Alan Lai's wholly owned investment vehicle, Singapore Zhongxin Investment Company Limited, is the controlling shareholder of the Company.

Mr. Alan Lai is the founder and the executive Chairman of the board of directors of Agria Corporation which is primarily engaged in investment activities in Australasia. He resigned as executive Chairman on 10 December 2018. He was re-appointed as director and Chairman of the Board of Agria Corporation on 1 October 2019. PGG Wrightson Limited (“**PGW**”) is an associated company of Agria Corporation. PGW is engaged in the provision of rural services to the farmers in New Zealand and South America and listed on the New Zealand Stock Exchange. Mr. Alan Lai was appointed as a director of PGW in December 2009 and as the Chairman of the Board of the Directors of PGW in October 2013. He retired as a director and chairman of PGW on 30 October 2018. Mr. Alan Lai's wholly owned investment vehicle, Brothers Capital Limited, is Agria Corporation's largest shareholder.

Mr. Alan Lai has extensive experience in strategic investments, acquisitions and operation management. Mr. Alan Lai has established many other enterprises in China, Hong Kong and internationally, in particular, agricultural, animation, property management, health food and digital transformation etc. He takes a leading role in respect of strategic planning and business development in his investment portfolio.

Mr. Alan Lai holds Bachelor's degree in accounting from Monash University, Melbourne, Australia and a Master of business administration in finance from The Chinese University of Hong Kong.

Mr. Alan Lai is the elder brother of Mr. Lai Fulin (“**Mr. Andy Lai**”), an Executive Director of the Company. As at the date of this announcement, Mr. Alan Lai is the sole shareholder and sole director of Singapore Zhongxin Investment Company Limited, a substantial shareholder of the Company which has an interest in 438,750,620 shares of the Company that is required to be disclosed under Part XV of the Securities and Futures Ordinance (the “**SFO**”).

Mr. Alan Lai signed a service contract with the Company for a term of 3 years commencing from 1 July 2024, and his appointment will continue thereafter subject to termination in certain circumstances as stipulated in the service contract. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-Laws of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Pursuant to the service contract, the annual remuneration of Mr. Alan Lai as executive director and co-chairman of the Company is HK\$6,000,000.00, which was determined with reference to his duties and responsibilities in the Company, the prevailing market rate and the remuneration policy of the Company.

As at the date of this announcement, save as disclosed above, Mr. Alan Lai has confirmed that (i) he does not hold any directorship in other public listed companies in Hong Kong or overseas in the past three years; (ii) he does not hold any other positions with the Company or subsidiaries of the Company; (iii) he does not have any relationship with any directors, senior management or substantial shareholders (as defined under the Listing Rules) or controlling Shareholders (as defined under the Listing Rules) of the Company; (iv) he does not, and is not deemed to have any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Alan Lai has disclosed to the Board and the members of Nomination Committee that there are prior allegations against Agria Corporation, where Mr. Alan Lai was being its executive chairman and controlling shareholder at the material times, and Mr. Alan Lai with the relevant details as set out below:

A. Allegations (the “**SEC Allegations**”) by US Securities and Exchanges Commission (“**SEC**”) and settlements with SEC (the “**SEC Settlements**”)

In relation to Mr. Alan Lai,

- (1) The allegations by SEC against Mr. Alan Lai in summary, as described in an order dated 10 December 2018 made by the SEC, concerned his violation of the United States Securities Exchange Act of 1934 (“**Exchange Act**”) Section 10(b) and Rules 10b-5(a) and (c) thereunder by engaging in a fraudulent scheme of share price manipulation in 2013 when the Agria Corporation’s American Depository Shares (the “**Shares**”) were listed on the New York Stock Exchange (“**NYSE**”). SEC alleged that the scheme involved the use of nominee brokerage accounts to engage in trading, including “marking the close”, in order to inflate the price of the Shares and thereby satisfy a listing standard of the NYSE. Also, it was alleged that Mr. Alan Lai also violated the Exchange Act Section 10(b) and Rule 10b-5(b) thereunder by making materially misleading public statements regarding how Agria Corporation regained compliance with the NYSE’s listing standard;
- (2) Mr. Alan Lai reached a settlement with the SEC on a neither admit nor deny basis on 10 December 2018, under which Mr. Alan Lai agreed to pay a penalty of US\$400,000.00, and he was barred from acting as an officer or director of any issuer that has a class of securities registered pursuant to the Exchange Act Section 12 or that is required to file reports pursuant to the Exchange Act of 1934 Section 15(d) for a period of five years (the “**Bar Period**”) which has been ended as at the date of this announcement;

- (3) Mr. Alan Lai was the executive chairman of the board of directors of Agria Corporation, and he has resigned from the position of executive chairman and director of Agria Corporation with effect from 10 December 2018 and the Shares were delisted in January 2017.

In relation to Agria Corporation,

- (1) The allegations by SEC against Agria Corporation in summary, as described in an order dated 10 December 2018 made by the SEC, concerned Agria Corporation's violation of anti-fraud, reporting, books and record, and internal accounting control provisions of the federal securities laws. Between 2010 and 2013, SEC alleged that Agria Corporation engaged in course of fraudulent accounting related to its divestiture (the "**Divestiture**") of Taiyuan Primalights III Modernized Agricultural Development Co., Ltd. (the "**PRC Company**") in July 2010 and Agria Corporation materially overstated the value of the consideration it received in the transaction and concealed material losses as a result of the Divestiture;
- (2) The Divestiture involved a related-party exchange between Agria Corporation and the PRC Company's president. Agria Corporation transferred its ownership interest in the PRC Company to the PRC Company's president in exchange for 14.393 million shares of Agria Corporation's common stock. Agria Corporation incurred a loss on the transaction, which it materially underreported. SEC alleged Agria Corporation ignored controlling accounting guidance and manipulated its valuation of the shares it received;
- (3) As part of the transaction, Agria Corporation received land use rights from the PRC Company relating to 13,500 acres of leased agricultural property in China. The leased properties were located in a remote mountainous area with poor irrigation conditions. Although the PRC Company had in the past used the lands for sheep breeding, Agria Corporation was not engaged in pastoralism business and was otherwise unable to use the lands for any revenue generating purpose from the time of Divestiture and it was alleged that Agria Corporation was unable to develop a business plan that would generate future cash flows. In addition, legal defects in the leases obtained by the PRC Company from the original lessors and in the lease transfer agreements between the PRC Company and Agria Corporation precluded Agria Corporation from selling or subleasing the properties. SEC alleged the senior management of Agria Corporation was aware of these legal defects prior to the Divestiture. The changes in use of the lands and the legal defects constituted impairment indicators that required Agria Corporation to perform an impairment analysis to determine whether it would be able to recover the carrying value of the land use rights. SEC also alleged that Agria Corporation's senior financial officers knowingly or recklessly failed to perform the analysis and to impair the carrying value of the land use rights and such allegations were only made against Agria Corporation and its senior management as a whole, instead of making against Mr. Alan Lai in person;

- (4) In early 2013, Agria Corporation did perform an impairment analysis and wrote off the full US\$57.3 million carrying value of the land use rights. The impairment decision was based on facts that were known or readily knowable in 2010: The land had no economic viability, and the legal defects precluded Agria Corporation from realizing any salvage value through resale. Because the facts giving rise to the impairment had existed since 2010, Agria Corporation's decision to record the impairment in 2013, rather than restating its financial statements for 2010 through 2012, was alleged to be improper. The delay in impairing the carrying value of the land use rights and its subsequent failure to restate its 2010-2012 financial statements allowed it to hide the impact of the impairment on its 2010 balance sheet and income statement and on its 2011 and 2012 balance sheets. Based on the abovementioned, SEC alleged that Agria Corporation violated the Exchange Act Section 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) and Rules 10b-5, 12b-20, 13a-1 and 13a-16 thereunder;
  - (5) Agria Corporation reached a settlement with the SEC on a neither admit nor deny basis on 10 December 2018, under which Agria Corporation agreed to pay a penalty of US\$3,000,000.00 (the "**Agria Corporation's Penalty with SEC**");
  - (6) Agria Corporation's Penalty with SEC was settled before 31 December 2018.
- B. Allegations by New Zealand Overseas Investment Office ("**OIO**") and the settlements of civil penalties and charges (the "**NZ Settlement**")
- (1) Based on the judgment made by Gordon J in the High Court of New Zealand Auckland Registry dated 21 March 2019, it concerned Agria (Singapore) PTE Ltd's ("**Agria Singapore**") and Mr. Alan Lai's breach of the good character conditions in two consents granted under the Overseas Investment Act 2005 (the "**2005 Act**") and the Chief Executive of Land Information New Zealand (the "**Regulator**") has sought orders under section 48 of the 2005 Act imposing civil penalties on both Agria Singapore and Mr. Alan Lai. Agria Singapore was indirectly wholly-owned by Agria Corporation. By the consents granted on 16 November 2009 and 15 April 2011 respectively (the "**Consents**"), Agria Singapore (as an entity incorporated outside New Zealand) was allowed to make overseas investment in and acquired in aggregate of 50.22% shareholding of PGG Wrightson Limited ("**PGW**"), a company registered and incorporated in New Zealand, which owned "sensitive land" in terms of section 12 of the 2005 Act. A condition of the Consents was that Agria Corporation, Agria Singapore or individual with control of Agria Corporation or Agria Singapore "continue to be of good character";
  - (2) The allegation by OIO was not an actual allegation against Agria Corporation and Mr. Alan Lai, but rather, it concerned Agria Corporation's suitability as the controlling shareholder of PGW, for it was a condition for OIO to approve the acquisition of shares of PGW for Agria Corporation, Agria Singapore and Mr. Alan Lai to remain as "good character". Both Agria Singapore and Mr. Alan Lai accepted that (i) the SEC Allegations and the SEC settlements are matters that reflect adversely on the fitness of Mr. Alan Lai under section 19(1)(b) of the 2005 Act to hold the overseas investments in PGW that are the subject of the Consents; (ii) Mr. Alan Lai failed to comply with the good character conditions of the Consents; and (iii) The SEC Allegations and the SEC Settlements have caused Agria Singapore to be in breach of the terms of the good character conditions of the Consents;

- (3) It was ordered that civil penalties of 100,000.00 New Zealand Dollars for Agria Singapore and 120,000.00 New Zealand Dollars for Mr. Alan Lai, together with a combined payment for both Agria Singapore and Mr. Alan Lai of 30,000.00 New Zealand Dollars to the Regulator towards monitoring and enforcement costs;
- (4) All penalties and charges payable to the Regulator were settled on 9 April 2019.

C. A Complaint against Mr. Alan Lai by CPA Australia (the “**Complaint**”)

Mr. Alan Lai was a member of CPA Australia since 14 March 1993. The Complaint is that CPA Australia alleged that Mr. Alan Lai, being a member of CPA Australia at the material times, was the subject of an adverse finding in respect of the SEC Settlements and the NZ Settlement. By a disciplinary tribunal hearing convened on 30 November 2020, the Complaint was determined to be sustained and particulars of which were not in keeping with high standards expected of CPA Australia members. As a result, Mr. Alan Lai was fined for 10,000.00 Australian Dollars and forfeited his CPA Australia membership and shall not be eligible for readmission until 1 December 2025.

The Board have acknowledged the SEC Settlements, the NZ Settlement and the Complaint against Mr. Alan Lai and Agria Corporation. The Board is also aware that (i) the Bar Period has ended on 10 December 2023; (ii) the SEC Settlements and the NZ Settlement were made on a neither admit and deny basis and were fully paid up in December 2018 and April 2019 respectively; (iii) Mr. Alan Lai has worked in the industry for over 14 years and has built extensive connection and network with the suppliers and customers of the Group where the suppliers and customers have confidence and faith in cooperating with Mr. Alan Lai; (iv) Mr. Alan Lai joined the Company since February 2009 and has served the Group by participating in various roles and positions over the years, including being the former director, former member of board committees and consultant during the past years, to give business strategic advice to the Group. The Board is of the view that Mr. Alan Lai can benefit the Company by (i) providing professional advice on brand building, investment and corporate strategy development; (ii) conducting market research, negotiating with potential suppliers, and exploring the opportunities to expand and source from new supplier markets; (iii) expanding the Company’s market share in the Greater Bay Area and Southeast Asia; (iv) helping the Company to maintain long-term business relationships with its business partners globally; and (v) providing guidance to the Group to streamline its operations through digitalization and the adaptation of enterprise management technologies.

Having considered the abovementioned factors, the members of the Nomination Committee and the Board are of the view that Mr. Alan Lai is a fit and proper candidate to hold the directorship of the Company, the benefit of Mr. Alan Lai’s appointment to be brought to the Company outweighs the risks in contemplation and therefore the appointment of Mr. Alan Lai as the executive director and co-chairman of the Company is fair and in the best interest of the Company for enhancing the future development growth of the Company.



Save as disclosed above, there is no other information that is discloseable pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter in relation to the appointment that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its warm welcome to Mr. Alan Lai joining the Board.

## **RE-DESIGNATION OF CO-CHAIRMAN**

The Board announces that Mr. Lai Fulin (“**Mr. Andy Lai**”) has been re-designated as co-chairman and has ceased to be a member of the Remuneration committee and the Chairman of the Nomination committee of the Company with effect from 1 July 2024. He will focus on development of production and purchasing of the Group.

Mr. Andy Lai, aged 58, acted as an Executive Director of the Company from October 2009 to May 2017 and continued to sit on the senior management team of the Group thereafter. Mr. Andy Lai rejoined the Board as an Executive Director of the Company on 27 November 2017 and was appointed as the Chairman of the Board since 30 March 2018. He was also the Chairman of Nomination Committee and a member of Remuneration Committee of the Company. In addition, Mr. Andy Lai is the Head of Production & Purchasing of the Group and holds directorships in certain subsidiaries of the Company. Mr. Andy Lai has over 20 years of experience in the banking sector, investment management and general management of companies in China. Mr. Andy Lai worked in the Bank of China in Shenzhen from 1986 to 2001. From 1995 to 2001, he was the deputy general manager of a subsidiary of Bank of China dealing with businesses in the securities industry. During the period from 2002 to 2008, Mr. Andy Lai was the general manager of Shenzhen Huao Guanli Technologies Company Limited\* (深圳市華奧冠力科技實業有限公司). Mr. Andy Lai holds a certificate of graduation in Chinese Language from Shenzhen Institute of Education\* (深圳教育學院). Mr. Andy Lai is the younger brother of Mr. Alan Lai, the controlling shareholding of the Company.

Mr. Andy Lai is appointed for an initial term of not more than 3 years subject to his re-election as required under the Listing Rules and the Bye-Laws of the Company. His appointment shall continue thereafter and can be terminated by either party giving three months’ written notice. Pursuant to the terms of appointment, Mr. Andy Lai is entitled to an aggregate annual remuneration of HK\$3,140,400. Mr. Andy Lai’s remuneration is recommended by the remuneration committee of the Company and determined by the Board with reference to his duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, as at the date of this announcement, Mr. Andy Lai (i) does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; (ii) does not have any relationship with any director, senior management, substantial or controlling shareholder of the Company; (iii) does not hold any other positions with the Company and/or its subsidiaries; and (iv) does not hold any directorship in the last three years immediately preceding the date of this announcement in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, there are no other matters relating to the appointment of Mr. Andy Lai that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to extend its welcome to Mr. Andy Lai on his new appointment.

## CHANGE IN THE COMPOSITION OF BOARD COMMITTEES

The Board also announces that with effect from 1 July 2024, Mr. Alan Lai has been appointed as a member of the Remuneration Committee and the Chairman of the Nomination Committee and Mr. Andy Lai has ceased to be a member of the Remuneration Committee and the Chairman of the Nomination Committee of the Company. With effect from 1 July 2024, the composition of the Board committees has been changed as follows:

Audit Committee: Mr. Wong Yee Shuen, Wilson (*Chairman*)  
Mr. Chen Wei Wen  
Mr. Guan Zhiqiang  
Mr. Wang Chaolong

Remuneration Committee: Mr. Guan Zhiqiang (*Chairman*)  
Mr. Lai Guanglin  
Mr. Chen Wei Wen  
Mr. Wang Chaolong

Nomination Committee: Mr. Lai Guanglin (*Chairman*)  
Mr. Chen Wei Wen  
Mr. Guan Zhiqiang  
Mr. Wang Chaolong

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

Hong Kong, 28 June 2024

\* *For identification purpose only*

*As at the date of this announcement, the Board consists of Mr. Lai Fulin and Mr. Yu Ben Ansheng as executive directors; Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen, Mr. Guan Zhiqiang and Mr. Wang Chaolong as independent non-executive directors.*