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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: 380)

## PROFIT WARNING

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

It is expected that the consolidated loss of the Group for the year ended 31 December 2010 will have substantially increased over the corresponding period in 2009, mainly due to the unsatisfactory performance in the segment of manufacture and sale of seamless steel pipes in mainland China despite the fact that the Group has recorded segment operating profit in its principal business of trading of pipes and fittings. In view of the unsatisfactory performance in the segment of manufacture and sale of seamless steel pipes in mainland China, and the considerable strain which this segment places on the Group's internal resources, the Group intends to consider the disposal of such segment in future should the opportunity arise.

The information contained in this announcement is only an estimate by the Board based on the consolidated results for the year ended 31 December 2010 which is subject to the final audited financial results.

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

This announcement is made by China Pipe Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company wishes to inform the shareholders of the Company and potential investors that the consolidated loss of the Group for the year ended 31 December 2010 will have substantially increased over the corresponding period in 2009, based on the consolidated results on hand which is subject to final audit. The loss is mainly attributable to the

disappointing performance in the segment of manufacture and sale of seamless steel pipes. The financial results for the year ended 31 December 2010 for the segment of manufacture and sale of seamless steel pipes is materially affected by the imposition of anti-dumping duties on imports of steel pipes by The United States and the significant surge in commodities prices (i.e. cost of raw materials of the seamless steel pipes segment).

The Group has devoted enormous effort in the principal business of trading of pipes and fittings and achieved an operating profit for the year ended 31 December 2010 as compared to the loss in the same segment for the year ended 31 December 2009. However, the overall result of the Group is still at a substantial loss as a result of the unsatisfactory performance in the segment of manufacture and sale of seamless steel pipes in mainland China. In view of the unsatisfactory performance in the segment of manufacture and sale of seamless steel pipes in mainland China, and the considerable strain which this segment places on the Group's internal resources, the Group intends to consider the disposal of such segment in future should the opportunity arise.

As the Company is still in the process of finalizing the annual results for the year ended 31 December 2010, this profit warning announcement is only a review by the management of the Company based on the management accounts of the Group, which has not been confirmed by the Company's auditors. Audited results of the Group for the year ended 31 December 2010 will be announced as soon as practicable and the related annual report will be published thereafter.

**Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.**

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

18 March 2011, Hong Kong

*As at the date of this announcement, the Board consists of Mr. Yu Ben Ansheng, Mr. Sam Ming Choy and Mr. Lai Fulin as executive directors; Mr. Lai Guanglin and Mr. U Kean Seng as non-executive directors; and Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Ms. Yang Li as independent non-executive directors.*