

*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.*



# 中國管業集團有限公司 China Pipe Group Limited

*(Incorporated in Bermuda with limited liability)*  
(Stock code: 00380)

## POSITIVE PROFIT ALERT

This announcement is made by China Pipe Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the Company with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Reporting Period**”), it is expected that the Group may record:

- (i) an increase in profit attributable to equity holders of the Company for the Reporting Period by approximately 35%-45%, as compared with the profit attributable to equity holders of the Company over the same period of 2021 of HK\$22.6 million (as restated); or
- (ii) an increase in profit attributable to equity holders of the Company for the Reporting Period by approximately 11%-20%, as compared with the profit attributable to equity holders of the Company over the same period of 2021 of HK\$27.6 million (as previously stated).

The anticipated increase in profit was mainly attributable to:

- (1) the increased demand for pipes and fittings for the construction of community isolation facilities brought by the new wave of Covid-19 pandemic in Hong Kong in the first quarter of 2022; and
- (2) the corresponding period comparatives presented were restated due to the effects of change in accounting policy.

The Group has changed the accounting policy in relation to the costs of inventory since 1 January 2022. The change in accounting policy has been accounted for retrospectively and the financial statements for the comparable period has been restated from the first-in first-out basis to the weighted average method, as the Board (including the independent non-executive directors of the Company) considered that the change of accounting policy is made in compliance with the relevant laws and regulations and the applicable accounting standards of the Group. The accounting policy after the change would provide more relevant information on the financial performance and value of inventories in connection with the Group’s inventory management process.

Based on the preliminary assessment made by the management of the Group on the unaudited management accounts for the Reporting Period, after the change in accounting policy, the item of inventory of the Company as at 31 December 2021 shall be restated from HK\$280.1 million to HK\$273.9 million. The Board is of the view that the change in accounting policy will not have a material effect on the results and the statement of financial position of the Company for the Reporting Period.

Further information in relation to the change in accounting policy and restatement of financial statements shall be set out in the interim results announcement and the interim report of the Company for the Reporting Period, which are expected to be published in August and September 2022 respectively.

The Company is in the process of finalizing the consolidated interim results of the Group for the Reporting Period. The information contained in this announcement is only based on the preliminary assessment made by the management of the Group on the unaudited management accounts for the relevant period, which have not been reviewed by the Company's auditors and/or the Company's audit committee. The interim results of the Group may be subject to adjustments following further review by the Board and audit committee of the Company. Shareholders and potential investors of the Company are advised to read carefully the announcement on the unaudited interim results of the Group for the Reporting Period, which is expected to be published in August 2022.

**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  
**China Pipe Group Limited**  
**Lai Fulin**  
*Chairman*

Hong Kong, 18 August 2022

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