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To: Business Editor  
[For immediate release]



**China Liansu Group Holdings Limited**  
中國聯塑集團控股有限公司\*

**China Liansu Announces Proposed Listing on the Main Board of SEHK**

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**Offer Price between HK\$2.60- HK\$3.50 per share**  
**Raising up to HK\$2.625 billion**

**Industry Leader with Large-scale Operations to Further Enhance Market Leading Position**

[8 June 2010, Hong Kong] China Liansu Group Holdings Limited (“China Liansu” or the “Company”, together with its subsidiaries, the “Group”), a leading manufacturer of plastic pipes and pipe fittings in China – today announced its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”).

China Liansu plans to offer a total of 750,000,000 Shares (subject to adjustment and the exercise of the Over-allotment Option) with 90% International Offer Shares and 10% Hong Kong Public Offer Shares, representing 25% of its total issued capital after listing, at an Offer Price within the range of HK\$2.60 per share and HK\$3.50 per share. The Hong Kong Public Offering is expected to begin on 9 June 2010 (Wednesday) at 9:00am and close on 14 June 2010 (Monday) at 12:00 noon. Dealings in the Shares of the Company are expected to commence on 23 June 2010 (Wednesday). The Shares, with the stock code 2128, will be traded in board lots of 1000 Shares. The Over-allotment Option will be up to 112,500,000 additional new Shares (“Over-allotment Option”), representing 15 % of the Offer Shares initially available under the Global Offering.

In relation to the listing of the Company, J.P. Morgan Securities (Asia Pacific) Limited and UBS AG, Hong Kong Branch are the Joint Global Coordinators, Joint Sponsors, Joint Bookrunners and Joint Lead Managers.

China Liansu is the largest manufacturer of plastic pipes and pipe fittings in China and has strong research and development capabilities, offering a comprehensive range of plastic pipes and pipe fittings in the industry, covering over 70 series and over 7,000 specifications. China Liansu’s

\*For identification purposes only



products are widely applied to 7 major areas, consisting of water supply, drainage, power supply and telecommunications, gas supply, agriculture, floor heating and fire-fighting. Headquartered in Shunde, Guangdong Province, the Company has strategically located its production facilities across China and has established nationwide sales networks.

The Company has 11 operational production facilities for plastic pipes and pipe fittings located in 8 provinces across China. Moreover, China Liansu is constructing two additional production facilities in Changchun and Urumqi. The Company's geographically diverse network of production facilities allows it to effectively capture its target markets and stay close to its customers, enabling the Company to reduce transportation costs and offer timely delivery of products and services. The Company reached the design annual production capacity of approximately 905,700 tonnes of plastic pipes and pipe fittings in 2009. The Company is planning to bring in an additional 245,000, 370,000 and 330,000 tonnes of design annual production capacity in 2010, 2011 and 2012, respectively.

China's demand for plastic pipes and pipe fittings is expected to continue to grow. According to Market Avenue, the total demand for plastic pipes in China reached 5.1 million tonnes in 2009 as compared to 2.2 million tonnes in 2005. China's demand for plastic pipes is estimated by Market Avenue to increase at a CAGR of approximately 12.7% from 2009 to 2015. China Liansu, as the largest manufacturer of plastic pipes and pipe fittings in China, is well positioned to capitalise on this growth opportunity.

China Liansu's revenue reached approximately RMB5,322.2 million for the year ended 31 December 2009, a 47.1% increase compared to approximately RMB3,618.5 million in 2008. Net profit significantly increased by 373.9% from that in 2008 to approximately RMB644.0 million for the year ended 31 December 2009. This rapid growth has resulted from the large-scale operations, nationwide sales network, comprehensive product offerings, well-recognized brand, strong R&D capabilities and experienced management.

In order to strengthen product quality, the Company has been focusing on R&D; and its strong research and development capabilities have become one of China Liansu's key competitive strengths in the industry. The Group's research and development team comprises of over 600 dedicated members. The Company holds 114 patents and has applied for 128 patents in China as well as 9 international patents.

China Liansu's plastic pipe and pipe fitting products are sold under the "Liansu" brand. The "Liansu" brand was recognized as a "China Well-known Trademark" by the Trademark Office of the State Administration for Industry and Commerce of the People's Republic of China in 2005 and "China Top Brand Product" by the General Administration of Quality Supervision, Inspection of Quarantine of the People's Republic of China in 2006.

Looking ahead, Mr. Wong Luen Hei, Chairman, Executive Director and Founder of the Company, said, "As a market leader, we will continue to expand our market share by increasing our production scale and enhancing our marketing efforts, to refine our product portfolio and improve our production efficiency through our research and development capabilities, to strengthen our brand recognition and to recruit, attract and retain talents experienced in management, technology, sales and marketing, with an objective to create the optimal returns to our investors."



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This press release contains forward-looking statements which relate to future events or future financial performance and are subject to risks and uncertainties. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "feel," "potential" or "continue," the negative of such terms or other comparable terminology. Specifically, comments in this press release regarding China Liansu Group Holdings Limited's future prospects, the strength of and demand for its brand and the success of its sales and marketing initiatives are forward-looking statements and are subject to inherent risks. These statements are only predictions. Actual events or results may differ materially. Factors that could cause actual results to differ materially from those contained in the forward-looking statements include, but are not limited to: the general economic conditions in China Liansu's major markets, China Liansu's ability to meet growing demand for its products, the level of consumer demand for China Liansu's products, China Liansu 's ability to continually develop new designs and products and China Liansu 's ability to source raw materials at favourable prices. Although China Liansu believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results. Moreover, China Liansu assumes no responsibility for the accuracy or completeness of such forward-looking statements and undertakes no obligation to update any of these forward-looking statements.

Issued by Porda International (Finance) PR Company Limited for and on behalf of **China Liansu Group Holdings Limited** . For further information, please contact:

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**Factsheet**

**Offering Summary:**

Number of Offer Shares under the Global Offering	:	750,000,000 Shares (subject to adjustment and the over-allotment option)
Number of International Offer Shares	:	675,000,000 Shares(subject to adjustment)
Number of Hong Kong Public Offer Shares	:	75,000,000 Shares (subject to adjustment)
Over-allotment Option	:	Up to 112,500,000 Shares, representing 15% of the number of Offer Shares
Offer Price	:	HK\$2.60 - HK\$3.50 per Offer Share
Board Lot	:	1000 Shares
Subscription Amount per Board Lot	:	HK\$2,600 – HK\$3,500 (excluding brokerage and other fees)
Hong Kong Public Offering Begins	:	9:00 am, 9 June 2010 (Wednesday)
Hong Kong Public Offering Ends	:	12:00 noon, 14 June 2010 (Monday)
Expected Price Determination Date	:	15 June 2010 (Tuesday)
Announcement of Allotment Results	:	22 June 2010 (Tuesday)
Expected Listing Date	:	23 June 2010 (Wednesday)
Stock Code	:	2128

**Track Record:**

Set out below is the summary of the consolidated financial results of the Company for the three financial years ended 31 December of 2007 to 2009.

	For the year ended 31 December		
	2007 RMB '000	2008 RMB '000	2009 RMB '000
<b>Revenue</b>	2,618,248	3,618,526	5,322,244
<b>Gross profit</b>	332,844	504,107	1,213,239
<b>Gross profit margin</b>	12.7%	13.9%	22.8%
<b>Profit for the year</b>	81,480	135,914	643,971
<b>Net profit margin</b>	3.1%	3.8%	12.1%

