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MAIKE TUBE INDUSTRY HOLDINGS LIMITED

(迈科管业控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1553)

ANNOUNCEMENT OF RESULT FOR THE YEAR ENDED 31 DECEMBER 2025

The Board hereby announces results of the Group for the year ended 31 December 2025.

FINANCIAL HIGHLIGHTS	2025	2024	Change
	RMB'000	RMB'000	
Revenue	2,217,925	2,574,330	-13.8%
Gross profit	427,330	378,421	12.9%
Gross profit margin	19.3%	14.7%	
Profit for the year	140,015	141,820	-1.3%
Earnings per share			
— Basic (RMB yuan)	0.32	0.33	-3.0%
Dividend per share			
— Interim	Nil	Nil	
— Final	Nil	HKD12 cents	
— Full year	Nil	HKD12 cents	

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“AGM”	Annual General Meeting
“ASP”	Average selling price
“Board”	The board of Directors
“China” or “PRC”	The People’s Republic of China
“Company”	Maike Tube Industry Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 1 February 2019 and the Shares of which are listed on the Main Board of the Stock Exchange
“Delta Electric (Thailand)”	Delta Electric (Thailand) Company Limited (泰國達美電力有限公司), a company incorporated under the laws of Thailand on 13 January 2021 and is an indirectly non wholly owned subsidiary of the Company
“Director(s)”	Director(s) of the Company
“ERW” or “electric technology resistance welding”	The acronym for electric resistance welding, a welding used in the manufacture of pipes under which pipes are made from strips of hot rolled steel coil which are passed through forming rolls and welded by using heat generated by high frequency electric current passing over the surface of the strips
“ERW steel pipe(s)”	Steel pipes formed by utilising ERW technology
“Group”	The Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HVAC”	Heating, ventilation and air conditioning
“Jinan Ma Steel”	Jinan Magang Steel Pipes Manufacturing Company* (濟南瑪鋼鋼管製造有限公司), a company established under the laws of the PRC as a limited liability company on 7 November 2001 and is an indirect wholly-owned subsidiary of the Company

“Jinan Mech”	Jinan Mech Piping Technology Co., Ltd* (濟南邁科管道科技有限公司), a company established under the laws of the PRC with limited liability company on 21 May 2013 and is an indirect wholly-owned subsidiary of the Company
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Prospectus”	prospectus of the Company dated 29 November 2019
“reporting period”	the year ended 31 December 2025
“RMB”	Renminbi Yuan, the lawful currency of the PRC
“Shareholder(s)”	holders of the ordinary shares of the Company with a nominal value of USD0.0001 each
“SSAW steel pipe(s)”	spiral submerged arc welded steel pipes which formed by utilising submerged arc welding technology with spiral weld seam, i.e., pipes made from strips of hot rolled steel plates formed helically into cylinders and then welded as they are formed
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai Baht, the lawful currency of Thailand
“USD” or “US\$”	United States dollar, the lawful currency of United States
“Vietnam Piping”	Viet Nam Piping Industries Company Limited (越南管業科技有限公司), a company incorporated under the laws of Vietnam on 7 January 2019 and is an indirectly wholly-owned subsidiary of the Company
“VND”	Vietnamese Dong, the lawful currency of Vietnam

In this announcement, “we”, “us” or “our” refers to the Company and where the context otherwise requires, the Group (as defined above).

* *For identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group primarily engages in (i) the manufacturing and sales of standard prefabricated pipe nipple products; (ii) the manufacturing and sales of steel pipe products; and (iii) the design and supply assembled piping systems. We also conducted sales of raw materials that were procured from the suppliers and left unused, including steel coils.

The standard prefabricated pipe nipple products of the Group are used in pipe system to connect straight pipes or pipe sections, which can be adjusted to different sizes or shapes. Standard prefabricated pipe nipple products and steel pipes products feature different specifications, such as length, outside diameter and surface treatment, which cater for various needs of the Group's customers and comply with international standards. We directly or indirectly sold most of our standard prefabricated pipe nipple products and customized steel pipe products to overseas markets. Our welded steel pipe products are roughly classified into standard ERW steel pipes and SSAW steel pipes. Our Group has received certifications in quality control including, among other things, the ISO9001 certification, ISO14001 certification and OHSAS18001 certification. Our products are widely applied in the municipal pipeline system designed for natural gas, water supply, sewage, HVAC and fire extinguish water pipes. Leveraging our industry knowledge and expertise, we also design and supply assembled piping system for our customers.

During the reporting period, the domestic market continued to experience pressure from the ongoing adjustment of the real estate sector and subdued demand from traditional downstream industries, intensifying competition across the steel pipe sector. In overseas markets, the Group also faced mounting challenges arising from increasing trade barriers and heightened geopolitical volatility. Under the leadership of the Board, the Group strengthened market and technology synergies, enhanced lean operations and structural optimisation, and steadily advanced various initiatives to improve quality and efficiency. All employees worked with determination, overcame challenges and pursued progress while ensuring stability, thereby safeguarding operational resilience and supporting the Group's high-quality development. For the year ended 31 December 2025, the Group recorded revenue of approximately RMB2,217.9 million, representing a year-on-year decrease of 13.8%, and achieved an accumulated net profit of approximately RMB140.0 million, representing a year-on-year decrease of 1.3%.

NEW ORDERS

For the year ended 31 December 2025, the Group received new orders for approximately 27,500 tons of standard prefabricated pipe products, of which approximately 98.7% were from overseas customers; we also received new orders for approximately 325,000 tons of steel pipe products, of which approximately 63.7% were from domestic customers. During the year ended 31 December 2025, the Group had delivered approximately 26,400 tons of standard prefabricated pipe products (including Vietnam Piping and Delta Electric (Thailand)) and approximately 316,800 tons of steel pipe products.

STANDARD PREFABRICATED PIPE PRODUCTS

The standard prefabricated pipe products are our key competitive products. For the year ended 31 December 2025, our revenue from standard prefabricated pipe products amounted to approximately RMB490.8 million, accounting for 22.1% of the total revenue of the Group; for the year ended 31 December 2024, our revenue from standard prefabricated pipe products amounted to approximately RMB393.6 million, accounting for 15.3% of the total revenue of the Group. The revenue of standard prefabricated pipe products increased by 24.7% as compared to the corresponding period, due to an increase in sales volume.

STEEL PIPE PRODUCTS

Our steel pipe products are made through rolling steel plate and welding the seam, and are mainly used for gas, water supply, HVAC and fire extinguishment. In order to meet the personal demand of customers, the Group produced standard steel pipes with value-added processes under customised requirements of customers, including but not limited to pipe body processing, non-standardised surface treatment, pipe end processing, thickened galvanisation, and internal smoothing. For the year ended 31 December 2025, our ERW steel pipes, SSAW steel pipes and customised steel pipes recorded revenues of approximately RMB480.3 million, RMB552.6 million and RMB377.6 million, respectively, representing a year-on-year increase of 57.7%, 8.8% and 0.2% for ERW steel pipes, SSAW steel pipes and customised steel pipes as compared to the corresponding period in 2024, respectively. The increase in ERW steel pipes, SSAW steel pipes and customised steel pipes was mainly due to the increase in sales volume. The total revenue generated from steel pipe products accounted for approximately 63.6% of the total revenue for the year ended 31 December 2025.

DESIGN AND SUPPLY ASSEMBLED PIPING SYSTEM

Leveraging our industry experience, we are able to design and supply assembled piping systems to our customers to satisfy various physical and functional characteristics of our customers' designated sites. For the year ended 31 December 2025, our design and supply assembled piping system recorded the revenue of approximately RMB27.5 million, representing a year-on-year decrease of approximately 33.1% as compared to the corresponding period in 2024. The decrease was mainly due to a decrease in the delivery of orders to our customers, accounting for approximately 1.2% of the total revenue for the year ended 31 December 2025.

TRADING OF STEEL COILS

Steel coils are the major raw materials for the Group's products. To obtain preferential purchasing terms, the Group entered into an annual sales and purchase agreement with steel mills at the beginning of the year, under which all steel coils are required to be picked up within a specified period each month and transferred to storage locations under the control of the Group. The steel coils purchased are prioritized for production and the remaining portion is sold on a cash-before-delivery basis to make a profit on the price difference. For the year ended 31 December 2025, the Group recorded revenue of approximately RMB288.9 million from trading of steel coils, representing a year-on-year decrease of approximately 69.6% compared to the corresponding period in 2024. The decrease was mainly due to the Group's strategic adjustment, which led to a deliberate reduction in the business scale of its trading of steel coils.

FINANCIAL REVIEW

The Group's revenue is generated from (i) sales of standard prefabricated pipe products; (ii) sales of steel pipe products; (iii) sales of the design and supply assembled piping systems; and (iv) sales of raw materials mainly including steel coils that were left unused and procured from its suppliers.

For the year ended 31 December 2025, our total revenue was approximately RMB2,217.9 million, representing a decrease of approximately RMB356.4 million or 13.8% as compared to the year ended 31 December 2024. The decrease in revenue was mainly due to a decrease in the sales volume of steel coils.

SALES BY PRODUCT CATEGORIES

The following table sets forth the breakdown of our revenue, sales volume, ASP by product categories for the years indicated:

	2025			
	Revenue <i>RMB'000</i>	% of total	Sales volume <i>ton'000</i>	ASP <i>RMB/ton</i>
Standard prefabricated pipe nipples	490,766	22.1%	26.4	18,590
Steel pipe products				
ERW steel pipes	480,330	21.7%	111.7	4,300
SSAW steel pipes	552,611	24.9%	134.5	4,109
Customised steel pipes	377,607	17.0%	70.6	5,349
Design and supply assembled piping system	27,468	1.2%	N/A	N/A
Trading of steel coils	288,905	13.0%	94.4	3,060
Others	238	0.1%	N/A	N/A
Total	2,217,925	100.0%	437.6	5,068
	2024			
	Revenue <i>RMB'000</i>	% of total	Sales volume <i>ton'000</i>	ASP <i>RMB/ton</i>
Standard prefabricated pipe nipples	393,604	15.3%	23.3	16,893
Steel pipe products				
ERW steel pipes	304,497	11.8%	68.2	4,465
SSAW steel pipes	507,659	19.7%	101.7	4,992
Customised steel pipes	376,973	14.7%	70.1	5,378
Design and supply assembled piping system	41,131	1.6%	N/A	N/A
Trading of steel coils	949,988	36.9%	293.7	3,235
Others	478	0.0%	N/A	N/A
Total	2,574,330	100.0%	557.0	4,622

The revenue generated from sales of standard prefabricated pipe products amounted to approximately RMB490.8 million for the year ended 31 December 2025, representing an increase of approximately RMB97.2 million or 24.7% as compared to the year ended 31 December 2024, which was mainly due to the increase in sales volume of products.

The revenue generated from ERW steel pipes increased by approximately RMB175.8 million or 57.7% from the year ended 31 December 2024 to approximately RMB480.3 million for the year ended 31 December 2025, which was mainly due to the increase in sales volume of products. The revenue generated from SSAW steel pipes increased by approximately RMB44.9 million or 8.8% from the year ended 31 December 2024 to approximately RMB552.6 million for the year ended 31 December 2025, which was mainly due to the increase in sales volume of products. The revenue generated from customised steel pipes increased by approximately RMB0.6 million or 0.2% from the year ended 31 December 2024 to approximately RMB377.6 million for the year ended 31 December 2025.

The revenue generated from design and supply assembled piping system decreased by approximately RMB13.6 million or 33.1% from approximately RMB41.1 million for the year ended 31 December 2024 to approximately RMB27.5 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in the delivery of orders to our customers during the period.

The revenue generated from steel coils decreased by approximately RMB661.1 million or 69.6% for the year ended 31 December 2024 to approximately RMB288.9 million for the year ended 31 December 2025. The decrease was mainly due to the Group's strategic adjustment, which led to a deliberate reduction in the business scale of its trading of steel coils.

SALES BY GEOGRAPHICAL REGIONS

The following table sets forth the breakdown of our revenue by geographical regions of our products for the years indicated:

	2025		2024	
	Revenue <i>RMB'000</i>	% of total revenue	Revenue <i>RMB'000</i>	% of total revenue
Domestic market				
PRC	1,214,656	54.8%	1,751,393	68.0%
Overseas markets				
The US	328,135	14.8%	313,524	12.2%
Other countries in Americas (excluding the US)	198,295	8.9%	183,057	7.1%
Other countries in Asia (excluding the PRC)	387,323	17.5%	260,933	10.1%
Europe	26,149	1.1%	25,178	1.0%
Others	63,367	2.9%	40,245	1.6%
Total	<u>2,217,925</u>	<u>100.0%</u>	<u>2,574,330</u>	<u>100.0%</u>

Note: Other countries in Americas (excluding the US) comprise the continents of North and South America; others mainly include Oceania and Africa.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit increased by approximately 12.9% or RMB48.9 million from approximately RMB378.4 million for the year ended 31 December 2024 to approximately RMB427.3 million for the year ended 31 December 2025. The increase was mainly attributable to the increase in sales volume of ERW steel pipe products, SSAW steel pipes and standard prefabricated pipe products. Gross profit margin increased by 4.6% compared to the corresponding period last year.

OTHER INCOME

For the year ended 31 December 2025, other income mainly represents government grant and interest income, which decreased from approximately RMB22.8 million for the year ended 31 December 2024 by approximately 30.7% or RMB7.0 million to approximately RMB15.8 million for the year ended 31 December 2025. The decrease in other income was mainly due to the decrease in government grant by RMB8.3 million, and the increase in bank interest income by RMB1.3 million.

OTHER GAINS AND LOSSES

For the year ended 31 December 2025, other gains and losses mainly represent gains on sales of scrap materials, fair value gains on structured bank deposits, fair value gains or losses on foreign currency forward contracts, fair value gains or losses on derivative financial instruments and net exchange gains or losses. Other gains and losses for the year ended 31 December 2025 decreased by approximately 26.4% to approximately RMB14.5 million (2024: RMB19.7 million) as compared with the corresponding period in 2024. Changes in other gains and losses were mainly attributable to gains on sales of scrap materials of approximately RMB10.8 million as compared to the gains on scrap of RMB9.3 million in the corresponding period in 2024; and gains from foreign exchange of approximately RMB0.5 million in 2025 as compared to the gains of approximately RMB8.1 million in the corresponding period in 2024.

DISTRIBUTION AND SELLING EXPENSES

Distribution and selling expenses increased from approximately RMB94.7 million for the year ended 31 December 2024 by approximately 34.5% or RMB32.7 million to approximately RMB127.4 million for the year ended 31 December 2025, which was primarily due to (i) the increase in sea freight expenses; (ii) the increase in freight expenses.

ADMINISTRATIVE EXPENSES

Administrative expenses increased from approximately RMB64.3 million for the year ended 31 December 2024 by approximately 9.3% or RMB6.0 million to approximately RMB70.3 million for the year ended 31 December 2025, which was primarily due to the increase in certification fees and rental charges.

RESEARCH AND DEVELOPMENT COSTS

The cost of research and development increased from approximately RMB70.1 million for the year ended 31 December 2024 by approximately 13.1% or RMB9.2 million to approximately RMB79.3 million for the year ended 31 December 2025. Our research and development costs accounted for approximately 3.6% of the total revenue (corresponding period in 2024: approximately 2.7%).

IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

The impairment losses under expected credit loss model, net of reversal amounted to approximately RMB6.0 million for the year ended 31 December 2025 (corresponding period in 2024: approximately RMB12.7 million), mainly due to (1) the decrease in trade receivables by RMB52.6 million; (2) the collection of receivables from long-standing customers for the year.

FINANCE COSTS

Finance costs increased from RMB8.3 million for the year ended 31 December 2024 by approximately 7.2% or RMB0.6 million to approximately RMB8.9 million for the year ended 31 December 2025, which was primarily due to an increase in related companies borrowings.

TAXATION CHARGE

Taxation charge decreased from RMB29.0 million for the year ended 31 December 2024 to RMB25.6 million for the year ended 31 December 2025.

PROFIT FOR THE PERIOD

Profit for the period decreased by approximately 1.3% or RMB1.8 million from RMB141.8 million for the period ended 31 December 2024 to RMB140.0 million for the year ended 31 December 2025, which was mainly due to (1) the increase in distribution and selling expenses; and (2) the higher research and development costs.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

	For the year ended 31	
	December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash used in operating activities	(4,499)	(158,939)
Cash generated from/(used in) investing activities	11,364	(158,455)
Cash (used in)/generated from financing activities	(49,550)	322,302
Net (decrease)/increase in cash and cash equivalents	(42,685)	4,908
Cash and cash equivalents at the beginning of the year	77,294	71,943
Effect of foreign exchange rate changes	(363)	443
Cash and cash equivalents at the end of the year	<u>34,246</u>	<u>77,294</u>

GEARING RATIO

As at 31 December 2025, the gearing ratio of the Group, calculated based on the total interest-bearing debts divided by the total equity of the Company as at the respective period and multiplied by 100%, was approximately 5.9% (31 December 2024: approximately 6.1%). As at 31 December 2025, our total interest-bearing debts amounted to RMB72.5 million. The decrease in gearing ratio was primarily attributable to the increase in total equity.

NET CASH USED IN OPERATING ACTIVITIES

Our net cash used in operating activities changed from a net outflow of approximately RMB158.9 million for the year ended 31 December 2024 to a net outflow of approximately RMB4.5 million for the year ended 31 December 2025. The change in net cash used in operating activities was mainly due to the recovery of trade receivables and contract assets.

NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES

Our net cash used in investing activities changed from a net outflow of approximately RMB158.5 million for the year ended 31 December 2024 to a net inflow of approximately RMB11.4 million for the year ended 31 December 2025. The change in net cash was primarily due to the increase in proceeds from disposal of subsidiaries and withdrawal of pledged bank deposits.

NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES

Our net cash generated from financing activities changed from a net inflow of approximately RMB322.3 million for the year ended 31 December 2024 to a net outflow of approximately RMB49.6 million for the year ended 31 December 2025. The change in net cash generated from financing activities was primarily due to the decrease in proceeds from discounted notes and the increase in repayments of maturing discounted notes.

NET CURRENT ASSETS AND LIABILITIES

INVENTORIES

Our balance of inventories increased by approximately RMB58.2 million or 21.2% from approximately RMB274.7 million as at 31 December 2024 to approximately RMB332.9 million as at 31 December 2025, which was mainly driven by the increase in inventory of raw materials and steel coils.

TRADE RECEIVABLES AND TRADE RECEIVABLES BACKED BY BILLS

Our trade receivables decreased by approximately RMB52.6 million or 7.2% from approximately RMB731.2 million as at 31 December 2024 to approximately RMB678.6 million as at 31 December 2025, mainly due to the receivables from long-standing customers for the year.

Trade receivables over one year decreased by approximately RMB26.4 million or 15.9% from approximately RMB166.0 million as of 31 December 2024 to approximately RMB139.6 million as of 31 December 2025.

Our trade receivables backed by bills increased by approximately RMB5.8 million or 7.7% from approximately RMB75.5 million as at 31 December 2024 to approximately RMB81.3 million as at 31 December 2025, mainly due to the fact that the bank bills received have not yet matured.

CONTRACT ASSETS

Our contract assets decreased from approximately RMB30.1 million as of 31 December 2024 to approximately RMB24.0 million as of 31 December 2025, mainly due to the decrease in retention receivables on sales of pipe products.

DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Our deposits, prepayments and other receivables increased from approximately RMB197.3 million as at 31 December 2024 to approximately RMB204.1 million as at 31 December 2025, mainly due to the increase in prepayment for raw materials.

AMOUNTS DUE FROM/TO RELATED PARTIES

Amounts due from related parties increased from approximately RMB15.4 million as at 31 December 2024 to approximately RMB21.0 million as at 31 December 2025, mainly due to the increase in unsettled trade amounts at the end of the period.

Amounts due to related parties increased from approximately RMB6.1 million as at 31 December 2024 to approximately RMB43.9 million as at 31 December 2025, mainly due to the increase in related companies borrowings.

TRADE AND BILL PAYABLES

Our trade payables decreased from approximately RMB625.7 million as of 31 December 2024 to approximately RMB548.8 million as of 31 December 2025, mainly due to a decrease in bill payables.

CONTRACT LIABILITIES

Our contract liabilities decreased from approximately RMB157.0 million as of 31 December 2024 to approximately RMB81.8 million as of 31 December 2025, which was related to the timing of delivery of products to our customers.

REFUND LIABILITIES

Our refund liabilities decreased from approximately RMB5.6 million as of 31 December 2024 to approximately RMB4.6 million as of 31 December 2025.

OTHER PAYABLES AND ACCRUED CHARGES

Our other payables and accrued charges decreased from approximately RMB90.1 million as of 31 December 2024 to approximately RMB70.8 million as of 31 December 2025, which was mainly due to the decrease in accrued charges and other tax payables.

PROVISIONS

Our provisions decreased from approximately RMB2.5 million as of 31 December 2024 to approximately RMB2.1 million as of 31 December 2025. Provisions represent warranty provided for our sold products.

BORROWINGS

Our borrowings increased from approximately RMB69.1 million as of 31 December 2024 to approximately RMB72.5 million as of 31 December 2025, mainly due to the increase in bank loans. The Group's borrowing of approximately RMB72.5 million as at 31 December 2025 was repayable within one year.

LEASE LIABILITIES

As of 31 December 2025, the Group rented properties in Vietnam, PRC and Malaysia to operate its factories and the lease liabilities were measured at the present value of the lease payments that are not yet paid. We recorded lease liabilities of approximately RMB6.8 million.

FOREIGN CURRENCY RISK

A substantial majority of our assets and liabilities are denominated in RMB, except for the following items:

- (i) certain bank balances are denominated in USD, HKD, VND and THB;
- (ii) sales of goods to overseas customers and related trade receivables are denominated in USD.

The appreciation or devaluation of RMB against USD or HKD or VND or THB may have an impact on the financial performance of the Group. The Group mainly manages potential fluctuations in foreign exchange through foreign currency forward contracts, and it has not entered into any hedging transactions.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2025 (2024: HKD12 cents).

PLEDGE OF ASSETS

As at 31 December 2025, our Group pledged certain property, plant, equipment, right-of-use assets, trade receivables backed by bills and pledged bank deposits with the net carrying amount of approximately RMB297.2 million (31 December 2024: approximately RMB332.2 million) to secure banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 30 December 2024, Jinan Mech, an indirect wholly-owned subsidiary of the Company (as vendor) and Meide Group Co., Ltd. (玫德集團有限公司) (“**Meide**”) (as purchaser), entered into the equity transfer agreement, pursuant to which Jinan Mech agreed to sell, and Meide agreed to acquire the entire equity interest in Shandong Maike Smart Technology Limited (山東邁科智能科技有限公司) (“**Maike Smart**”), a direct wholly-owned subsidiary of Jinan Mech, at a total consideration of RMB45,000,000 (the “**Disposal**”). The Disposal constitutes a discloseable and connected transaction of the Company. The Disposal was completed on 28 March 2025. Upon completion of the Disposal, Maike Smart has ceased to be a subsidiary of the Group. Accordingly, the Group has ceased to hold any interest in Maike Smart and its direct wholly-owned subsidiary, Yongqing County Keqi Trading Company Limited (永清縣科啟商貿有限公司) (“**Yongqing Keqi**”).

For details, please refer to the Company’s announcement dated 30 December 2024, circular dated 28 February 2025, and announcement dated 28 March 2025.

Save as disclosed, for the year ended 31 December 2025, there were no significant investments held by the Group, and the Company had no material acquisition or disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any other plans for material investments or capital assets during the year ended 31 December 2025 and up to the date of this announcement.

EMPLOYEES

For the year ended 31 December 2025, labour costs (including Directors’ remunerations and emoluments in other forms) were approximately RMB110.6 million (for the year ended 31 December 2024: RMB122.9 million). Our Group’s employees are generally remunerated by way of fixed salary, and commission will be awarded to our marketing staff if they have achieved certain sales targets. The Group utilises an appraisal system for our employees and considers the appraisal results of individual employees when conducting their salary reviews, making promotion decisions and determining the amount of bonuses. Our Group’s employees are also entitled to a performance-based bonus, paid leave and various subsidies. As the Group believes that nurturing outstanding employees is particularly important for the development of enterprises, it provides employees with sufficient training to ensure that they can carry out their work safely and with due diligence. Employees in different positions are provided with various training and development programmes related to their necessary skills and knowledge.

As of 31 December 2025, we had 1,313 employees (31 December 2024: 1,229 employees), 1,055 of whom are in the PRC (including Hong Kong), 158 of whom work in Vietnam, 89 of whom work in Thailand and 11 of whom work in Malaysia. A breakdown of our employees by functions is set forth below:

Function	As of 31 December 2025			
	China (including Hong Kong)	Vietnam	Thailand	Malaysia
Managerial, administrative and accounts	69	10	6	3
Production	662	141	80	6
Quality control	28	4	2	1
Procurement and inventory	35	2	–	1
Research and development	121	–	–	–
Sales and marketing	140	1	1	–
	<u>1,055</u>	<u>158</u>	<u>89</u>	<u>11</u>
Total number of employees	<u>1,055</u>	<u>158</u>	<u>89</u>	<u>11</u>

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Save as disclosed, there were no significant events subsequent to 31 December 2025 which would materially affect the Group's operating and financial performance as at the date of this annual results announcement.

PROSPECTS

In 2025, the steel pipe industry as a whole continued to operate under pressure, with structural challenges becoming more pronounced. Domestically, the prolonged downturn in the real estate sector and weak downstream construction demand continued to drag on the market, leading to a significant decline in demand for traditional construction steel pipes. Homogeneous competition intensified among mid-to-low-end products, resulting in escalating price-cutting pressure. Internationally, the market environment remained severe, with trade protectionism continuing to proliferate, rising green-trade barriers driving up export compliance costs, and global economic recovery stagnating amid geopolitical conflicts, all of which further slowed export growth.

Looking ahead to 2026, the steel pipe industry is expected to enter a window of recovery and structural optimisation. In the domestic market, the comprehensive rollout of the 15th Five-Year Plan and increased national investment in infrastructure will drive the commencement of major projects such as urban underground pipe-network upgrades, natural-gas trunk pipelines, water-conservancy works and supporting infrastructure for new energy. These will become the core drivers of steel pipe demand. In overseas markets, amid lingering geopolitical tensions and a modest recovery of the global economy, opportunities are emerging in Middle Eastern hydrogen-energy infrastructure, European ageing-network upgrades, and accelerating infrastructure development across Southeast Asia and Belt and Road countries. These trends will create new opportunities for China's steel pipe exports, with high-end products expected to continue strengthening their competitive edge. In addition, as low-carbon transition and digital transformation accelerate across the industry, enterprises with technological advantages, strong cost-control capabilities and global capacity deployment will capture incremental market share and achieve high-quality development.

Based on the current situation, the Group will leverage the opportunities above to strengthen its own capacity building. It will adopt the following strategies to realize sustainable growth, further enhance its position in the pipe prefabrication industry, and create long-term value for the Shareholders: (1) Marketing: establish overseas bases and expand global deployment; domestic market penetration through front-line engagement and enhanced regional presence; (2) Technology: drive continuous iteration of new products and jointly develop national and industry standards; (3) Production: leverage digital empowerment to break operational bottlenecks and achieve zero deviation in process execution; and (4) Team: strengthen organisational capability to enhance cohesion and build a high-performance team that delivers outstanding results.

RISK MANAGEMENT

Our management has designed and implemented a risk management policy to address various potential risks identified in relation to the operation of our businesses, including strategic, operational, financial and legal risks. Our risk management policy sets forth procedures to identify, analyse, categorise, mitigate and monitor various risks. Our Board is responsible for overseeing the overall risk management system and assessing and updating our risk management policy on a quarterly basis. Our risk management policy also sets forth the reporting hierarchy of risks identified in our operations.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The major pollutants generated by the Group in the manufacturing process include various kinds of exhaust gas and wastewater which could be harmful to human body. We comply with Chinese, Vietnamese and Thai environmental laws and regulations promulgated by national and local governments. The Group strictly fulfills its primary responsibility for pollution prevention and control and has focused on air-emission treatment, hazardous-waste management, and green energy during the reporting period, implementing a series of environmental-protection upgrades to drive a green transformation of production processes.

1. Exhaust Gas Management: Precision Control and Stable Compliance

For dust-control management, one outdated dust-removal unit was replaced, and key components of other dust collectors were upgraded to enhance equipment-level dust-removal efficiency. This ensured stable and efficient operation of the dust-removal system and strict control of particulate emissions at the source, keeping emission concentrations fully compliant with national and local standards. For volatile-organic-compounds (VOCs) intelligent management, the Company completed the optimization and upgrade of the distributed control system (DCS) system and established an intelligent environmental-protection control platform. This enabled automatic data uploading for pollution-control facilities, real-time abnormality alerts, and precise notifications to responsible personnel. Intelligent power meters and data-collection devices were also deployed to provide round-the-clock monitoring of emission points and operating conditions of pollution-control systems, significantly reducing data-upload discrepancies and establishing a full-cycle “monitoring–early warning–response” management mechanism. These measures ensured the stable and compliant discharge of VOCs.

2. Hazardous Waste Management: Reduction at Source and Cost Efficiency

A waste-acid reduction project was initiated to strengthen end-to-end production control, strictly managing new acid consumption and waste-acid generation. With the installation of a waste-acid heating and evaporation system, resource-based treatment enabled a 20% annual reduction in waste-acid volume. This measure lowered environmental-operation costs while fully aligning with government requirements on hazardous-waste minimisation, achieving both environmental and economic benefits.

3. Green Energy Utilisation: Photovoltaics Enabling Low-Carbon Transformation

During the reporting period, the Group used 8.99 million kWh of green electricity, with photovoltaic power generation becoming a core support of the Company’s green transition. Building on this foundation, an intelligent power-management system was newly implemented to monitor green-power consumption and grid-connected electricity in real time, maximising the utilisation efficiency of photovoltaic power. These initiatives achieved notable results in energy conservation and emission reduction, effectively propelling the Company toward greener and low-carbon production, and contributing to regional ecological protection and high-quality development.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	3	2,217,925	2,574,330
Cost of sales		<u>(1,790,595)</u>	<u>(2,195,909)</u>
Gross profit		427,330	378,421
Other income	5	15,836	22,756
Other gains and losses	5	14,460	19,668
Distribution and selling expenses		(127,445)	(94,721)
Administrative expenses		(70,298)	(64,273)
Research and development costs		(79,282)	(70,057)
Impairment losses under expected credit loss model, net of reversal		(6,007)	(12,651)
Finance costs	7	<u>(8,939)</u>	<u>(8,304)</u>
Profit before taxation	6	165,655	170,839
Income tax expense	8	<u>(25,640)</u>	<u>(29,019)</u>
Profit for the year		<u>140,015</u>	<u>141,820</u>
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operation		<u>(2,086)</u>	<u>(4,123)</u>
Total comprehensive income for the year		<u>137,929</u>	<u>137,697</u>
Profit (loss) for the year attributable to:			
– Owners of the Company		139,896	142,338
– Non-controlling interests		<u>119</u>	<u>(518)</u>
		<u>140,015</u>	<u>141,820</u>
Total comprehensive income (expense) for the year attributable to:			
– Owners of the Company		137,461	138,206
– Non-controlling interests		<u>468</u>	<u>(509)</u>
		<u>137,929</u>	<u>137,697</u>
Earnings per share			
– Basic (RMB yuan)	9	<u>0.32</u>	<u>0.33</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		516,178	465,268
Deferred tax assets		6,108	5,052
Prepayments for plant and equipment		2,521	1,401
		<u>524,807</u>	<u>471,721</u>
Current assets			
Inventories		332,906	274,736
Trade receivables	10	678,563	731,200
Trade receivables backed by bills		81,329	75,450
Contract assets		24,020	30,107
Tax recoverable		4,173	324
Deposits, prepayments and other receivables		204,052	197,260
Amounts due from related parties		21,005	15,383
Pledged bank deposits		210,018	246,867
Time deposits		1,000	13,821
Cash and cash equivalents		34,246	77,294
		<u>1,591,312</u>	<u>1,662,442</u>
Current liabilities			
Trade and bill payables	14	548,841	625,710
Contract liabilities		81,800	157,031
Derivative financial instruments		—	186
Refund liabilities		4,605	5,562
Other payables and accrued charges		70,753	90,130
Amounts due to related parties		11,356	6,075
Provisions		2,106	2,541
Tax liabilities		9,038	5,880
Borrowings	12	72,544	69,127
Lease liabilities		6,777	1,143
Deferred income		1,637	1,466
		<u>809,457</u>	<u>964,851</u>

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net current assets		<u>781,855</u>	<u>697,591</u>
Total assets less current liabilities		<u>1,306,662</u>	<u>1,169,312</u>
Non-current liabilities			
Lease liabilities		10,143	2,023
Deferred tax liabilities		18,398	16,897
Deferred income		14,031	9,049
Amounts due to related parties		<u>32,513</u>	<u>—</u>
		<u>75,085</u>	<u>27,969</u>
Net assets		<u><u>1,231,577</u></u>	<u><u>1,141,343</u></u>
Capital and reserves			
Share capital	<i>11</i>	304	304
Reserves		<u>1,226,884</u>	<u>1,137,118</u>
Attributable to owners of the Company		<u>1,227,188</u>	<u>1,137,422</u>
Non-controlling interests		<u>4,389</u>	<u>3,921</u>
Total equity		<u><u>1,231,577</u></u>	<u><u>1,141,343</u></u>

NOTES

1. GENERAL INFORMATION

Maike Tube Industry Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The immediate holding company is Ying Stone Holdings Limited (“**Ying Stone**”), which was incorporated in the British Virgin Islands (the “**BVI**”) and entirely owned by Mr. Kong Linglei (孔令磊) (“**Mr. Kong**”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporation Information” section of the annual report.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the manufacturing of steel pipe products and the prefabricated pipe nipple products. The Company and its subsidiaries are collectively referred as the “**Group**”.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Types of goods or service:</i>		
Sales of pipe products:		
–Spiral submerged arc welded steel pipes	552,611	507,659
–ERW steel pipes	480,330	304,497
–Standard prefabricated pipe nipples	490,766	393,604
–Customised steel pipes	377,607	376,973
–Design and supply assembled piping system	27,468	41,131
	<u>1,928,782</u>	<u>1,623,864</u>
Trading of steel coils	288,905	949,988
Others	238	478
	<u>2,217,925</u>	<u>2,574,330</u>
<i>Geographical markets</i>		
PRC	1,214,656	1,751,393
Other countries(excluding PRC)	1,003,269	822,937
	<u>2,217,925</u>	<u>2,574,330</u>
<i>Timing of revenue recognition:</i>		
A point in time	2,217,687	2,573,852
Over time	238	478
	<u>2,217,925</u>	<u>2,574,330</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

The Group sells ERW steel pipes products, standard prefabricated pipe nipples products, spiral submerged arc welded steel pipes products, customised steel pipes products, design and supply assembled piping system to customers and trade steel coils with customers. For sales of goods, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location and inspected by the customers or completed the customs declaration or the goods have been loaded into shipper's trucks (delivery). Transportation and other related activities that occur before customers obtains control of the related good are considered as fulfilment activities. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The credit term is generally 15 to 360 days upon delivery.

The Group engages in trading of steel coils. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods and the Group is exposed to inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

The Group is considered as an agent for its contracts with customers relating to the sales of steel coils as the Group did not obtain the control over steel coils before passing on to customers taking into consideration indicators such as the Group is not primarily responsible for fulfilling the promise and not exposed to inventory risk. When the Group satisfies the performance obligation, the Group recognises a commission revenue in the amount it expects to be entitled as specified in the contracts, which amounted to 1% of the gross amount of consideration as specified in the contracts.

During the year ended 31 December 2025, the Group recognised revenue relating to principal trading amounted to RMB287,626,000 and agent trading amounted to RMB6,668,000 (2024: RMB949,351,000 and RMB637,000).

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from 6 to 24 months from the date of the acceptance of the pipe products. The relevant amount of contract assets is reclassified to trade receivables when the defect liability period expires.

Sales-related warranties associated with pipe products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with its previous accounting treatment.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

During the year ended 31 December 2025 and 2024, all performance obligations for sales of goods are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. SEGMENT INFORMATION

The Group's operation is derived from the production and sales of pipe products in the PRC, Vietnam and Thailand. For the purpose of resources allocation and performance assessment, the chief operating decision maker ("CODM") (i.e. the chief executive officer) reviews the overall results and financial position of the Group as a whole. Accordingly, no operating segment is presented.

Geographical information

Information about the Group's revenue from external customers is presented based on the destination of goods in the sales orders/contracts. Information about the Group's non-current assets (excluding deferred tax assets) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	Year ended 31 December		As at 31 December	
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC	1,214,656	1,751,393	374,464	397,564
The United States of America ("US")	328,135	313,524	–	–
Other countries in America (excluding US)	198,295	183,057	–	–
Other countries in Asia (excluding PRC)	387,323	260,933	144,235	69,105
Europe	26,149	25,178	–	–
Others	63,367	40,245	–	–
	<u>2,217,925</u>	<u>2,574,330</u>	<u>518,699</u>	<u>466,669</u>

Information about major customer

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	259,845	N/A

N/A: Not disclosed as amount less than 10% of total revenue.

5. OTHER INCOME/OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Government grant (<i>note i</i>)	9,832	18,104
Bank interest income	6,004	4,652
	<u>15,836</u>	<u>22,756</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other gains and losses		
Gain on sales of scrap materials	10,786	9,322
Fair value gains on financial assets at FVTPL		
– structured bank deposits	334	136
– foreign currency forward contracts (<i>note ii</i>)	186	1,451
Fair value (losses) gains on derivative financial instruments (<i>note iii</i>)	(125)	44
Losses on disposals of property, plant and equipment	(1,649)	(1,082)
Gain on disposal of subsidiaries	3,405	–
Net exchange gains	527	8,136
Others	996	1,661
	<u>14,460</u>	<u>19,668</u>

Notes:

- i. During the year ended 31 December 2025, the relevant government authorities granted one-off and unconditional subsidies to the Group amounting to RMB8,228,000 (2024: RMB16,643,000).
- ii. During the year ended 31 December 2025, gains on US\$ to RMB foreign currency forward contracts represented realised gains of RMB186,000 (2024: RMB1,637,000) and unrealised losses of Nil (2024: RMB186,000) on changes in fair value of foreign currency forward contracts.
- iii. During the year ended 31 December 2025, amount represented realised losses of RMB125,000 (2024: realised Nil) and unrealised Nil (2024: unrealised gains of RMB44,000) arising on changes in fair value of commodity derivative contracts.

6. PROFIT BEFORE TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	1,680	1,680
Directors' emoluments	2,100	3,791
Other staff costs:		
– Salaries and other benefits	82,624	90,738
– Contributions to retirement benefit schemes	25,926	28,391
Less: capitalised in inventories	(55,802)	(61,528)
Total staff costs:	52,748	57,601
Depreciation of property, plant and equipment	49,488	42,898
Less: capitalised in inventories	(39,861)	(33,803)
Total depreciation	9,627	9,095
Cost of inventories sold	1,790,595	2,195,909
Reversal of inventories (included in cost of inventories sold)	(430)	(1,581)

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance costs represent interests on:		
– bank borrowings	1,505	2,737
– discounted bills	6,539	5,403
– lease liabilities	339	164
– loans from related parties	556	–
	8,939	8,304

8. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
– Hong Kong	4,160	2,147
– PRC Enterprise Income Tax	11,034	16,805
– Vietnam	4,886	2,654
– Thailand	218	–
	<u>20,298</u>	<u>21,606</u>
Under provision in prior years:		
– PRC Enterprise Income Tax	90	3,436
Deferred tax:		
– Current year	5,252	3,977
Taxation charge	<u>25,640</u>	<u>29,019</u>

Under the Law of the PRC on Enterprise Income Tax (“**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Group’s PRC subsidiaries is 25%.

Pursuant to EIT Law and Implementation Regulations of the EIT Law, distribution of the profits earned by the subsidiaries in the PRC since 1 January 2008 to holding companies is subject to the PRC withholding tax at the applicable tax rate of 10%.

Jinan Mech was recognised as a High and New Technology Enterprises in 2023, and the applicable tax rate is 15% from 1 January 2023 to 31 December 2025.

Jinan Ma Steel was recognised as a High and New Technology Enterprises in 2024, and the applicable tax rate is 15% from 1 January 2024 to 31 December 2026.

Under the tax law in Hong Kong, the tax rate of Tube Industry Investments Limited (“**Tube Industry**”) is 8.25% if the taxable income is under HK\$2,000,000 and the tax rate on the taxable income exceeding HK\$2,000,000 is 16.5%.

The Company and the group entity incorporated in the BVI are not subject to income tax in the Cayman Islands or any other jurisdiction.

Under the tax law in Vietnam, the tax rates of Viet Nam Piping Industries Company Limited (“**Viet Nam Piping**”), Viet Nam Butt welding Fittings Technology Company Limited (“**Viet Nam Fittings**”) and Vecto Piping Co., Ltd. (“**Vecto Piping**”) are 20%. Viet Nam Piping, Viet Nam Fittings and Vecto Piping have been granted to enjoy 2-years exemption of income tax followed by 4-year 50% reduction of income tax from the first profit making year. Starting from 2019, 2024 and 2025 respectively, Viet Nam Piping, Viet Nam Fittings and Vecto Piping enjoyed the 2-years exemption of income tax. Starting from 2025, Viet Nam Piping no longer enjoyed the reduction and its income tax rate was 20%. Starting from 2026, Viet Nam Fittings will enjoy the 4-year 50% reduction of income tax. Starting from 2027, Vecto Piping will enjoy the 4-year 50% reduction of income tax.

Under the tax law in Thailand, the tax rate of Delta Electric (Thailand) is 20%.

The taxation charge for the year can be reconciled to the profit before taxation as follows:

	2025	2024
	RMB'000	RMB'000
Profit before taxation	165,655	170,839
Taxation at PRC EIT rate of 25%	41,414	42,710
Tax effect of expenses not deductible for tax purpose	257	689
Tax effect of deductible temporary differences not recognised	7	351
Tax deduction on research and development expenses (<i>note a</i>)	(10,043)	(11,446)
Tax effect of tax losses not recognised	918	2,131
Under provisions in prior years	90	3,436
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,272)	(1,161)
Withholding tax on distributed profits of PRC subsidiaries	5,004	5,379
Income tax at concessionary rate	(10,735)	(13,070)
Taxation charge for the year	25,640	29,019

Note:

- a Pursuant to Caishui [2021] circular No.13, Jinan Mech and Jinan Ma Steel enjoy super deduction of 200% on qualified research and development expenditure for the year ended 31 December 2025.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the year – attributable to owners of the Company)	<u>139,896</u>	<u>142,338</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>433,800</u>	<u>433,800</u>

No diluted earnings per share was presented as there were no potential ordinary shares in issue.

10. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	714,017	763,788
Less: allowance of impairment loss	<u>(35,454)</u>	<u>(32,588)</u>
Total trade receivables	<u>678,563</u>	<u>731,200</u>

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB538,907,000.

The Group generally allows credit period of 15 to 360 days to its trade customers. The following is an aged analysis of trade receivables, net of allowance for impairment loss, presented based on the invoice date at the end of each reporting period.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–60 days	288,934	338,922
61–180 days	159,855	167,848
181 days–1 year	90,213	58,403
Over 1 year	<u>139,561</u>	<u>166,027</u>
	<u>678,563</u>	<u>731,200</u>

The Group did not hold any collateral over these balances.

Before accepting any new customer, the Group will assess the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly.

The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items using a provision matrix grouped into the following categories with reference to past default experience for recurring customers and current past due exposure for new customers.

Internal credit rating	Description	Trade receivables/ contract assets
Group A	The counterparty has a low risk of default based on historical repayment records and does not have any past-due amounts	Lifetime ECL – not credit-impaired
Group B	The counterparty usually settles within 50 days after due dates	Lifetime ECL – not credit-impaired
Group C	There have been significant increases in credit risk since initial recognition through information developed internally or external resources or the counterparty delays its payment after 50 days after due dates	Lifetime ECL – not credit-impaired
Group D	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Group E	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix within lifetime ECL (not credit-impaired).

Trade receivables with significant outstanding balances or credit-impaired with gross carrying amounts of Nil and RMB581,000 respectively as at 31 December 2025 (2024: RMB69,767,000 and RMB581,000) were assessed individually. Contract assets with significant outstanding balances with gross carrying amounts of Nil as at 31 December 2025 (2024: RMB13,279,000) were assessed individually. The estimated loss rates of trade receivables with significant outstanding balances or credit-impaired are Nil and 100.00% (2024: 2.46% and 100.00%), the allowance for impairment losses are Nil and RMB581,000 (2024: RMB1,716,000 and RMB581,000) respectively. The estimated loss rate of contract assets with significant outstanding balances is Nil (2024: 2.46%) and allowance for impairment loss is Nil (2024: RMB327,000).

Internal credit rating	Average loss rate		As at 31 December 2025		As at 31 December 2024	
			Gross carrying amounts of trade receivables	Gross carrying amounts of contract assets	Gross carrying amounts of trade receivables	Gross carrying amounts of contract assets
			<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Group A	0.119%	0.185%	370,656	4,092	406,330	6,433
Group B	4.286%	4.538%	224,002	13,940	180,164	2,924
Group C	20.960%	19.909%	118,778	5,988	106,946	9,916
			713,436	24,020	693,440	19,273

The estimated loss rates are estimated on historical credit loss experiences over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The contract assets have the same risk characteristics as the trade receivables for the same type of contracts would apply the same internal credit rating and loss rate. The grouping is regularly reviewed by management of the Group to ensure relevant information about specific debtors and contract assets is updated.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB237,823,000 (2024: RMB136,495,000) which are past due as at the reporting date. Out of the past due balances, RMB189,701,000 (2024: RMB67,325,000) has been past due 50 days or more and is not considered credit impaired. With reference to the historical records, past experience and also available reasonable and supportive forward-looking information to those customers, management of the Group does not consider these receivables as credit-impaired as these customers have a good business relationship and satisfactory settlement history.

Movement in the allowance for impairment loss of trade receivables and contract assets:

	Trade receivables under lifetime ECL (not credit- impaired) RMB'000	Trade receivables under lifetime ECL (credit- impaired) RMB'000	Contract assets under lifetime ECL (not credit- impaired) RMB'000
As at 1 January 2024	20,416	525	1,441
Changes due to financial instruments recognised as at 1 January:			
– Transfer to credit-impaired	(56)	56	–
– Impairment recognised	–	–	(812)
– Impairment reversed	811	–	–
New financial assets originated	<u>10,836</u>	<u>–</u>	<u>1,816</u>
As at 31 December 2024	32,007	581	2,445
Changes due to financial instruments recognised as at 1 January:			
– Impairment reversed	(12,338)	–	(2,185)
– Disposal of subsidiaries	3,369	–	–
New financial assets originated	<u>11,835</u>	<u>–</u>	<u>1,957</u>
As at 31 December 2025	<u><u>34,873</u></u>	<u><u>581</u></u>	<u><u>2,217</u></u>

11. SHARE CAPITAL

The share capital as at 31 December 2025 represented the issued share capital of the Company.

Details of the Company's shares are disclosed as follows:

	Number of shares	Amount US\$	US\$'000	RMB equivalent amount RMB'000
Ordinary Shares of US\$0.0001 each				
Authorised:				
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>500,000,000</u>	<u>50,000</u>	<u>50</u>	<u>335</u>
Issued and fully paid:				
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>433,800,000</u>	<u>43,380</u>	<u>43</u>	<u>304</u>

12. BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Secured bank borrowings (<i>note a</i>)	<u>72,544</u>	<u>69,127</u>
Carrying amounts of borrowings: – repayable within one year	<u><u>72,544</u></u>	<u><u>69,127</u></u>

Note:

- a As at 31 December 2025, the secured bank borrowings amounting RMB72,544,000 (2024: RMB69,127,000), carried fixed interest rate at 2.5% (2024: 2.5% to 3.45%) per annum.

13. PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged the following assets to secure the general banking facilities granted to the Group.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Property, plant and equipment	48,954	46,482
Right-of-use assets	38,223	38,857
Pledged bank deposits	<u>210,018</u>	<u>246,867</u>
	<u><u>297,195</u></u>	<u><u>332,206</u></u>

14. TRADE AND BILL PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	142,021	156,343
Bill payables	<u>406,820</u>	<u>469,367</u>
	<u><u>548,841</u></u>	<u><u>625,710</u></u>

The following is an ageing analysis of bills payables at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0 – 180 days	406,820	469,367

As at 31 December 2025, the balance of the bills payable which issued by the Group to the companies in the Group and the companies discounted the bills payable before maturity is RMB406,820,000 (2024: RMB387,386,000).

The average credit period on purchases of goods is 30 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0 – 30 days	122,671	125,727
31 – 60 days	9,965	6,236
61 – 120 days	4,695	6,983
121 – 180 days	608	1,208
181 – 360 days	1,199	1,118
Over 360 days	2,883	15,071
	142,021	156,343

15. DIVIDEND

	2025		2024	
	HK\$'000	RMB'000	HK\$'000	RMB'000
Dividends recognised as distribution during the year:				
2024 final dividend of HK12 cents (2024: 2023 final dividend of HK12 cents) per share	52,056	47,695	52,056	47,314

A final dividend in respect of the year ended 31 December 2024 of HK12 cents (equivalent to RMB11.0 cents) per ordinary share, in an aggregate amount of HK\$52,056,000 (equivalent to RMB47,695,000) was proposed by the Board. The Board does not recommend payment of final dividend for the year ended 31 December 2025.

USE OF PROCEEDS

The Company has raised gross proceeds of approximately HKD224.4 million (RMB201.8 million) through the global offering upon the Listing. After deducting the listing expenses, the net proceeds amounted to approximately HKD183.6 million (RMB166.4 million). Such net proceeds are intended to be applied in the same manner and the same proportion as disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

As at 31 December 2025, the net proceeds from the Listing has been fully utilised.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the Directors. Having made specific enquiry of all the Directors, all Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Board has reviewed the Company’s corporate governance practices and is of the view that during the year ended 31 December 2025, the Company has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of the subsidiaries of the Company purchased, redeemed or sold the listed securities of the Company during the year ended 31 December 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 24 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW BY THE AUDIT COMMITTEE

The annual results of the Company for the year ended 31 December 2025 has been reviewed by the audit committee of the Company.

ANNUAL GENERAL MEETING

The AGM of the Company will be held in Hong Kong on Friday, 29 May 2026. The notice of the AGM will be issued and despatched in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

From Friday, 22 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the identity of the Shareholders who are entitled to attend and vote at the annual general meeting, all completed transfer documents accompanied by the relevant share certificates have to be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 21 May 2026.

By order of the Board
Maike Tube Industry Holdings Limited
GUO Lei
Chairman and executive Director

Hong Kong, 24 March 2026

As at the date of this announcement, the executive Directors are Mr. GUO Lei, Mr. WANG Ning and Mr. YANG Shufeng; the non-executive Directors are Mr. KONG Linglei and Ms. ZHAO Xuelian; and the independent non-executive Directors are Mr. LIU Fengyuan, Mr. DING Xiaodong and Mr. SUN Yongxi.