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CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED

珠江石油天然氣鋼管控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1938)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED FINANCIAL RESULTS

The board (the “Board”) of directors (the “Directors”) of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “Company”) announces the consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 together with the comparative figures of the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	2,352,000	2,939,876
Cost of sales and services		<u>(1,916,473)</u>	<u>(2,422,462)</u>
Gross profit		435,527	517,414
Other income and gains	5	149,257	197,871
Selling and distribution expenses		(35,606)	(40,860)
Administrative expenses		(269,668)	(284,375)
Exchange gain, net		7,426	15,564
Other expenses	6	(90,275)	(123,885)
Fair value loss on investment properties		(8,000)	(5,000)
Finance costs	7	<u>(93,581)</u>	<u>(110,220)</u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT BEFORE TAX	<i>8</i>	95,080	166,509
Income tax credit	<i>9</i>	<u>151,232</u>	<u>46,162</u>
PROFIT FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>246,312</u>	<u>212,671</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		<i>RMB</i>	<i>RMB</i>
— Basic and diluted	<i>10</i>	<u>0.24</u>	<u>0.21</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>246,312</u>	<u>212,671</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>12,093</u>	<u>(51,728)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>12,093</u>	<u>(51,728)</u>
<i>Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of the Company's financial statements into the presentation currency	<u>(2,503)</u>	<u>2,113</u>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	<u>(2,503)</u>	<u>2,113</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>9,590</u>	<u>(49,615)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u><u>255,902</u></u>	<u><u>163,056</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,782,804	1,830,141
Investment properties		347,000	355,000
Right-of-use assets		572,945	589,107
Long term prepayments and deposits		52,246	46,129
		<hr/>	<hr/>
Total non-current assets		2,754,995	2,820,377
CURRENT ASSETS			
Completed properties held for sale		1,701,124	1,809,180
Inventories		430,681	816,313
Trade and bills receivables	<i>11</i>	471,458	371,731
Prepayments, other receivables and other assets		536,207	552,826
Pledged and restricted bank balances		4,704	52,953
Cash and cash equivalents		21,453	53,323
		<hr/>	<hr/>
		3,165,627	3,656,326
Assets classified as held for sale		—	29,236
		<hr/>	<hr/>
Total current assets		3,165,627	3,685,562
CURRENT LIABILITIES			
Trade and bills payables	<i>12</i>	1,039,078	1,063,366
Other payables and accruals		710,616	720,509
Contract liabilities		180,943	555,508
Fixed rate bonds and notes		—	56,488
Interest-bearing bank and other borrowings		1,036,732	967,281
Due to a director		53,340	7,701
Tax payable		388,114	659,916
Provision		44,830	44,830
Government grants		4,374	—
		<hr/>	<hr/>
		3,458,027	4,075,599
Liabilities associated with assets classified as held for sale		—	37,323
		<hr/>	<hr/>
Total current liabilities		3,458,027	4,112,922

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
NET CURRENT LIABILITIES	<u>(292,400)</u>	<u>(427,360)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>2,462,595</u>	<u>2,393,017</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	677,855	841,164
Deferred tax liabilities	157,840	171,581
Government grants	131,867	141,141
	<u>967,562</u>	<u>1,153,886</u>
Total non-current liabilities	<u>967,562</u>	<u>1,153,886</u>
Net assets	<u>1,495,033</u>	<u>1,239,131</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	88,856	88,856
Reserves	1,406,177	1,150,275
	<u>1,495,033</u>	<u>1,239,131</u>
Total equity	<u>1,495,033</u>	<u>1,239,131</u>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 9 January 2008 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Unit 605-606, 6th Floor, Tower III, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Group is involved in the following principal activities:

- manufacture and sale of welded steel pipes and the provision of related manufacturing services; and
- property development and investment.

In the opinion of the Directors, the holding company and the ultimate holding company of the Company is Bournam Profits Limited (“Bournam”), which was incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”). They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 Going concern basis

As at 31 December 2025, the Group maintained cash and cash equivalents of approximately RMB21,453,000 (2024: RMB53,323,000) and recorded net current liabilities of approximately RMB292,400,000 (2024: RMB427,360,000). In view of these circumstances, the directors of the Company have considered the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group implemented or is in the process of implementing the following measures:

(1) *Active negotiation with banks and others to obtain adequate bank and other borrowings to finance the Group's operations*

As at 31 December 2025, the Group are expected to have sufficient financial support to pay off debts in the next 12 months, so the consolidated financial statements are prepared on the basis of going concern.

Subsequent to 31 December 2025 and up to the date of this report, the Group has renewed the existing bank loan amounting to approximately RMB103,540,000 with related banks and the renewal of existing bank and other loan amounting to approximately RMB153,500,000 and RMB40,000,000 respectively is under negotiation and the Group expects that the renewal of the existing bank and other loan could be renewed with related banks and others upon expiry. The Group continues to actively negotiate with the banks and others for the renewal of the Group's borrowings when they fall due or obtain additional sources of finance to meet the Group's working capital and financial requirements in the near future. The directors of the Company have evaluated all the relevant facts available to them and are of the opinion that they have a good track record and relationship with the banks and others and considered that the Group would be able to renew the Group's loans upon expiry.

(2) *Improvement of the Group's operating cash flows*

The Group is taking measures to tighten cost control over various production costs and expenses with an aim to attain profitable and positive cash flow operations. The eventual outcome of the above measures is inherently uncertain and cannot be estimated with reasonable certainty.

The directors of the Company have prepared a cash flow forecast for the Group which covers a period of twelve months from the end of the reporting period. Taking into account the positive cash flows from the Group's steel pipes business and the continued sale of the Group's existing real estate projects, the directors considered that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than those which are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

In the current year, The Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB 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 IAS 21 Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has 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.

Amendments to IAS 21 Lack of Exchangeability

The Group has applied the amendments for the first time in the current year.

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments add a new appendix as an integral part of IAS 21.

According to the transitional provisions, the Group has applied the new accounting policy at the date of initial application, i.e 1 January 2025, without restating comparative information, as described below:

- when the Group reports foreign currency transactions in its functional currency and, at 1 January 2025, concluded that the functional currency of the Group is not exchangeable into the foreign currency or vice versa, the Group translated affected foreign currency monetary items and non-monetary items measured at fair value in a foreign currency, using the estimated spot exchange rate at that date; and recognised any effect of initially applying the amendments as an adjustment to the opening balance of retained profits.
- When the Group uses a presentation currency other than its functional currency or translates the results and financial position of a foreign operation into its functional currency, and at 1 January 2025, concluded that the functional currency of the Group or the Group's foreign operation's functional currency is not exchangeable into the presentation currency or vice versa, the Group (i) translated affected assets and liabilities using the estimated spot exchange rate at that date; (ii) translated affected equity items using the estimated spot exchange rate at that date if the entity's functional currency is hyperinflationary; and (iii) recognised any effect of initially applying the amendments as an adjustment to the cumulative amount of translation differences — accumulated in exchange fluctuate reserve.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable and operating segments, as follows:

- (a) the steel pipes segment engages in the manufacture and sale of welded steel pipes and the provision of related manufacturing services; and
- (b) the property development and investment segment engages in development of properties for sale and property investment for its rental income potential.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

There were no intersegment sales during the years ended 31 December 2025 and 2024.

Year ended 31 December 2025

	Steel pipes RMB'000	Property development and investment RMB'000	Total RMB'000
Segment revenue (note 5)			
Sales to external customers	<u>2,216,646</u>	<u>135,354</u>	<u>2,352,000</u>
Segment results	71,685	10,148	81,833
<i>Reconciliation:</i>			
Corporate and other unallocated income			20,092
Corporate and other unallocated expenses			(6,833)
Unallocated finance costs			<u>(12)</u>
Profit before tax			<u>95,080</u>
Segment assets	2,832,328	3,168,841	6,001,169
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(263,349)
Corporate and other unallocated assets			<u>182,802</u>
Total assets			<u>5,920,622</u>
Segment liabilities	2,801,078	1,816,834	4,617,912
<i>Reconciliation:</i>			
Elimination of intersegment payables			(263,349)
Corporate and other unallocated liabilities			<u>71,026</u>
Total liabilities			<u>4,425,589</u>
Other segment information			
<i>Amounts included in the measure of segment results or segment assets:</i>			
Subsidy income from the PRC government	27,357	—	27,357
Loss on disposal of property, plant and equipment	(304)	—	(304)
Written-off of property, plant and equipment	(1,414)	(32)	(1,446)
Impairment of trade receivables	(20,865)	—	(20,865)
Impairment of other receivables	(42,870)	(20,141)	(63,011)
Written-off of other receivables	—	—	—
Written-off of other payables	—	—	—
Compensation	(1,425)	(797)	(2,222)
Reversal of/(provision of) claim arising from litigation	—	—	—
Finance costs	(60,169)	(33,400)	(93,569)
Depreciation and amortisation	(83,742)	—	(83,742)
Capital expenditure	<u>(30,923)</u>	<u>—</u>	<u>(30,923)</u>

Year ended 31 December 2024

	Steel pipes RMB'000	Property development and investment RMB'000	Total RMB'000
Segment revenue (note 5)			
Sales to external customers	<u>2,787,554</u>	<u>152,322</u>	<u>2,939,876</u>
Segment results	225,487	(41,817)	183,670
<i>Reconciliation:</i>			
Corporate and other unallocated income			1
Corporate and other unallocated expenses			(7,090)
Unallocated finance costs			<u>(10,072)</u>
Profit before tax			<u>166,509</u>
Segment assets	3,437,596	3,108,952	6,546,548
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(284,954)
Corporate and other unallocated assets			<u>244,345</u>
Total assets			<u>6,505,939</u>
Segment liabilities	3,418,095	1,990,356	5,408,451
<i>Reconciliation:</i>			
Elimination of intersegment payables			(284,954)
Corporate and other unallocated liabilities			<u>143,311</u>
Total liabilities			<u>5,266,808</u>
Other segment information			
<i>Amounts included in the measure of segment results or segment assets:</i>			
Subsidy income from the PRC government	23,015	10	23,025
Loss on disposal of property, plant and equipment	(363)	—	(363)
Written-off of property, plant and equipment	(4,794)	—	(4,794)
Impairment of trade receivables	(12,662)	—	(12,662)
Reversal of impairment/(impairment) of other receivables	19,420	885	20,305
Written-off of other receivables	(91,240)	—	(91,240)
Written-off of other payables	127,794	—	127,794
Compensation	—	(1,497)	(1,497)
Reversal of/(provision of) claim arising from litigation	(8,507)	750	(7,757)
Finance costs	(60,915)	(39,233)	(100,148)
Depreciation and amortisation	(81,009)	(8)	(81,017)
Capital expenditure	<u>62,333</u>	<u>—</u>	<u>62,333</u>

Information about steel pipe products and services and sales of property

The revenue from the major products and services and sales of property is analysed as follows:

	2025	2024
	RMB'000	RMB'000
Manufacture and sale of steel pipes:		
SAWL steel pipes	1,819,541	2,195,407
SAWH steel pipes	164,757	366,895
ERW steel pipes	232	2,625
Steel pipe manufacturing services:		
SAWL steel pipes	27,440	46,932
SAWH steel pipes	90,940	62,753
ERW steel pipes	32,598	—
Others*	81,138	112,942
	2,216,646	2,787,554
Sale of properties	135,354	152,322
	2,352,000	2,939,876

* Others mainly included the manufacture and sales of steel fittings, screw-thread steels and scrap materials, and the trading of equipment and steel plates.

Geographical information

(a) The revenue information based on the locations of the customers is as follows:

	2025	2024
	RMB'000	RMB'000
Sales to external customers:		
Mainland China	799,627	721,166
Africa	819,633	1,569,378
Europe	—	5,951
Middle East	359,062	107,283
Other Asian countries	348,483	326,624
South America	25,195	166,468
North America	—	43,006
	2,352,000	2,939,876

(b) Over 90% of the Group's non-current assets and capital expenditure are located in Mainland China.

Information about major customers

Revenue of approximately RMB785,025,000 (2024: RMB1,376,554,000) was derived from sales by the steel pipe segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the invoiced value of goods sold and services rendered, net of value-added tax (“VAT”) and other sales taxes, during the year.

An analysis of the Group’s revenue, other income and gains is as follows:

	Note	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers			
Manufacture and sale of seam welded steel pipes and the provision of related manufacturing services		2,216,646	2,787,554
Sale of properties		134,394	151,362
		<u>2,351,040</u>	<u>2,938,916</u>
Revenue from lease contracts			
Rental income		960	960
		<u>2,352,000</u>	<u>2,939,876</u>
Other income and gains			
Bank interest income		1,657	175
Written-off of other payables	(a)	—	127,794
Subsidy income from the PRC government	(b)	27,357	23,025
Gain on disposal of property, plant and equipment		1,160	—
Written off principal portion of Fixed rate bonds and notes	(c)	6,413	—
Written off interest portion of Fixed rate bonds and notes	(c)	13,680	—
Gain on disposal of subsidiaries		78,665	—
Reversal of impairment of other receivables, net		1,288	20,305
Value-added tax credit		13,969	—
Others		5,068	26,572
		<u>149,257</u>	<u>197,871</u>

Notes:

- (a) It represented an interest payable in prior years was written-off during the prior year. According to the PRC lawyer’s legal opinion, the lender had lost the statute of limitations and the Group had no liability and obligation to repay interest.

- (b) The subsidy income represents subsidies granted by the local finance bureaus to Panyu Chu Kong Steel Pipe Co., Ltd., Guangdong Pearl Steel Investment Management Co., Ltd., Lianyungang Kaidi Heavy Equipment Technology Co., Ltd., Nanjing Rongyu Group Co., Ltd., Lianyungang Zhugang Coating Engineering Co., Ltd., Guangzhou Zhenzhuhe Petroleum Steel Tubes Co., Ltd., Lianyungang Pearl River Petrol-Fittings Co., Ltd. and Panyu Chu Kong Steel Pipe (Zhuhai) Co., Ltd. as awards for their products, and Panyu Chu Kong Steel Pipe (Lianyungang) Co., Ltd. as awards for investment. There are no unfulfilled conditions or contingencies relating to such subsidies.
- (c) The Group entered a settlement deed with the noteholder and had fully redeemed the Settlement Amount and the noteholder had surrendered the entire 2020 Notes and released and discharged the Group from all its obligations pursuant to or under the above transaction documents.

6. OTHER EXPENSES

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Compensation		2,222	1,497
Provision of claim arising from litigations		—	7,757
Loss on disposal of property, plant and equipment		304	363
Written-off of property, plant and equipment		1,446	4,794
Impairment of trade receivables	<i>11</i>	20,865	12,662
Impairment of other receivables		63,011	—
Written-off of other receivables		—	91,240
Others		2,427	5,572
		90,275	123,885

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Interest on bank and other borrowings (including bonds and notes)	93,180	109,796
Interest on discounted bills	373	345
Interest on lease liabilities	28	79
	93,581	110,220

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Employee benefit expenses (including directors' remuneration):			
Fees, wages and salaries		116,782	123,482
Retirement benefit scheme contributions		6,146	5,453
		122,928	128,935
Cost of inventories sold		1,619,953	2,139,845
Cost of services provided		184,305	153,135
Cost of properties sold		112,215	129,482
Auditor's remuneration		1,402	1,395
Depreciation of property, plant and equipment		68,039	65,142
Depreciation of right-of-use assets		15,703	15,875
Loss on disposal of property, plant and equipment		304	363
Written-off of property, plant and equipment		1,446	4,794
Impairment of trade receivables	<i>11</i>	20,865	12,662
Impairment of other receivables		63,011	—
Reversal of impairment of other receivables		(1,288)	(20,305)
Written-off of other receivables		—	91,240
Written-off of other payables		—	(127,794)
Fair value loss on investment properties		8,000	5,000
Research and development costs		113,121	126,996

9. INCOME TAX

The major components of the income tax (credit)/expense for the year are as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Current — Mainland China		
PRC CIT charge for the year	2,244	13,504
PRC CIT overprovision in prior years	(140,056)	(52,018)
PRC LAT	321	4,541
Deferred tax	(13,741)	(12,189)
Total income tax credit for the year	(151,232)	(46,162)

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares of 1,011,142,000 (2024: 1,011,142,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

11. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	587,558	448,739
Impairment allowance	<u>(116,686)</u>	<u>(95,821)</u>
Trade receivables, net	470,872	352,918
Bills receivable	<u>586</u>	<u>18,813</u>
	<u><u>471,458</u></u>	<u><u>371,731</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 60 days	235,382	189,852
61 to 90 days	152,507	15,399
91 to 180 days	36,012	48,738
181 to 365 days	33,313	17,383
1 to 2 years	8,212	40,080
2 to 3 years	<u>5,446</u>	<u>41,466</u>
	<u><u>470,872</u></u>	<u><u>352,918</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January		95,821	83,159
Impairment losses recognised	6	20,865	12,662
At 31 December		116,686	95,821

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables		
Within 90 days	398,931	601,752
91 to 180 days	310,136	48,251
181 to 365 days	96,123	114,183
1 to 2 years	85,224	45,581
2 to 3 years	28,503	16,282
Over 3 years	99,000	127,756
	1,017,917	953,805
Bills payable	21,161	109,561
	1,039,078	1,063,366

The trade payables are non-interest-bearing and are normally settled within a year. The maturity dates of all the bills payable are within 365 days.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “Company”, together with its subsidiaries, the “Group”), I would like to present to you the audited consolidated annual results of the Group for the year ended 31 December 2025.

Looking back at 2025, rising global geopolitical risks, increased trade tariff barriers and heightened macroeconomic uncertainties have intensified volatility in the global energy market. However, adhering to the overarching principle of “seeking progress while maintaining stability”, the Chinese government is driving the economy toward achieving its Gross Domestic Product (GDP) growth target of around 5%, maintaining a leading position among the world's major economies.

In the challenging environment, the Group recorded sales of approximately RMB2,352 million by virtue of its superior capabilities, leading edge in technology and world-class welded pipe quality, reputation and standing, representing a decrease of 20% compared to RMB2,939 million in 2024. The Group recorded a profit of approximately RMB246.3 million (2024: RMB212.7 million). Earnings per share attributable to ordinary equity holders was approximately RMB0.24 (2024: RMB0.21). The Board did not recommend the payment of final dividend for the year ended 31 December 2025.

The Group delivered a total of 419,000 tonnes of steel pipes for several important projects during the year and received orders for 514,000 tonnes of steel pipes, further consolidating the Group's leading position in the industry. The steel pipe projects received include: Kazakhstan Beineu — Bozoy — Shymkent Natural Gas Pipeline Steel Pipes, Abu Dhabi National Oil Company (ADNOC) Umm Shaif Long-Term Development Plan Phase II Project, Abu Dhabi Low-Carbon LNG Pipeline Project (P2820), Hainan Province Lingao Jinpai Port Development Zone Port and Supporting Facilities Project (Phase I), and Boluo County Urban Water Supply Source Project Phase II.

Within the year, the Group successfully delivered the final batch of steel pipes for the Total Energies East Africa Crude Oil Pipeline (EACOP) project, marking a significant milestone in the advancement of East Africa's energy infrastructure. This achievement underscores the strong competitiveness of the PCK brand in the international energy sector and solidifies the Group's leading position in the global energy engineering market. It also strengthens the economic foundation and development confidence for Chu Kong Steel Pipe to continue deepening its presence in the global energy infrastructure market and to advance the strategic vision of “Chinese Dream, Global Reach”. The EACOP project spans 1,540 kilometers, making it the world's longest heated crude oil pipeline currently. Upon completion, the project will connect Uganda and Tanzania, and significantly drive the rapid economic development of the East African region. It stands as one of Africa's most impactful large-scale energy projects in recent years.

In April, the Group's Guangdong Engineering Technology Research Center for Oceanering Pipe Material and Equipment (廣東省海洋工程管材及裝備工程技術研究中心) was honored with the title of "Guangdong Province Advanced Collective", representing the highest recognition for this research team that has dedicated itself to deep-sea equipment manufacturing and consistently overcome critical technological bottlenecks. As the only enterprise in China to have successfully developed and manufactured ultra-deep-sea oil and gas transmission pipelines capable of operating at depths of 3,500 meters, the Group's R&D team has achieved breakthroughs in core technologies such as deep-sea pipeline steel smelting, high-precision forming and non-destructive testing after years of intensive efforts. The team has secured 8 patents and led the formulation of 4 national standards, successfully breaking the technological monopoly held by Europe and the United States and positioning China as one of the few countries globally capable of manufacturing ultra-deep-sea pipelines. This accolade marks a milestone in the Group's three decades of dedication and serves as a starting point for new journeys ahead. Chu Kong Steel Pipe will continue to draw motivation from the "Advanced Collective" honor, extending the benefits of deep-sea technology to more global engineering projects, connecting the world with high-quality products, and writing more "Deep Blue Legends" through Chinese ingenuity and manufacturing excellence.

OUTLOOK

In 2025, despite a complex and ever-changing international environment, the Chinese economy demonstrated robust resilience. As the nation concluded the successful implementation of the 14th Five-Year Plan and transitioned into the blueprint of the 15th Five-Year Plan, China's oil and gas infrastructure development achieved key strategic milestones, laying a solid foundation for building a modern energy system.

The construction of China's oil and gas pipeline network has entered a critical phase of "densifying the grid and strengthening the chain". With the full connection of the China-Russia Eastern Natural Gas Pipeline and the integration of multiple national trunk oil and gas pipelines, China's gas supply framework characterized by "west-to-east transmission, north-to-south delivery, and offshore gas landing" has been further optimized. In 2025, China continued to increase investment in pipeline interconnection projects, not only enhancing cross-regional energy allocation capabilities but also effectively alleviating supply pressures during peak periods, thereby supporting approximately 5% of the national economic growth momentum.

Under the guidance of the "Dual Carbon" strategy, the industry is undergoing profound technological transformation. Aligning closely with national policy directives, the Group has actively participated in the construction of demonstration projects for green energy networks. The Group has successfully trial-produced marine photovoltaic, carbon dioxide and hydrogen transportation pipelines, and by the end of 2025, we also took part in a marine photovoltaic bidding project. This signifies that the traditional pipeline construction industry is accelerating its transition toward green and low-carbon development.

At the new starting point of the forthcoming 15th Five-Year Plan, the pipeline construction industry is no longer merely about engineering projects and it has evolved into an integrated endeavor encompassing national security, technological innovation and green development. We will continue to uphold our mission of “ensuring energy security”, providing core support for national energy security and infrastructure development. Leveraging the Group’s technical expertise, exceptional team and steady operational strategies, we are well-positioned to overcome challenges, achieve sustained growth, and create greater value for our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group mainly (i) manufactures and sells longitudinal welded steel pipes, as well as provides manufacturing service for processing raw materials into steel pipes; and (ii) engages in property development and investment.

Steel pipe business

Our welded steel pipe products can be broadly categorised into SAWL steel pipes, SAWH steel pipes and ERW steel pipes. We are the largest SAWL steel pipe manufacturer and exporter in the PRC, and are capable of producing SAWL steel pipes that meet the X100 standard. We are also accredited with 22 international quality certifications such as Det Norske Veritas and American Petroleum Institute. In addition, we are the first and the only PRC manufacturer that has successfully produced and developed deep sea welded pipes for use at 3,500m under water. Our products are widely used in major oil and gas pipeline projects (both onshore and offshore) and infrastructure projects domestically and internationally.

Our Group is capable of manufacturing subsea pipes and drilling platforms structure pipes for offshore projects and is being classified as a member of the Offshore Engineering Equipment Industry* (海洋工程裝備製造業).

Order Status

In 2025, the Group received new orders of approximately 514,000 tonnes of welded steel pipes. The Group delivered approximately 419,000 tonnes of welded steel pipes during 2025. The Group has received some sizeable overseas and domestic orders, such as orders from steel pipes for the Beineu-Bozoishymkent Natural Gas Pipeline in Kazakhstan, second phase of the Umm Shaif Long-Term Development Plan (LTDP-2) by Abu Dhabi National Oil Company, low-carbon liquefied natural gas pipeline project (P2820) of Abu Dhabi by Abu Dhabi National Oil Company (ADNOC), Hainan Province Lingao Jinpai Port Development Zone Port and Supporting Facilities Project (Phase I) (海南省臨高金牌港開發區港口及配套工程項目*) and Boluo County Urban Water Supply Source Transmission Project Construction Section II (博羅縣縣城供水源水輸送工程項目施工II標段*).

SAWL Steel Pipes

The Group is one of the largest SAWL steel pipe manufacturers and exporters in the PRC. Sales and manufacturing of SAWL steel pipe was the major source of revenue of the Group and accounted for approximately 83.3% of our total steel pipe revenue for the year ended 31 December 2025. For the year ended 31 December 2025, revenue from the sales and manufacturing service of SAWL steel pipes amounted to approximately RMB1,819.5 million and RMB27.4 million, respectively, where sales of SAWL steel pipes were lower than that for the year ended 31 December 2024 was due to completion of delivery of SAWL steel pipes to East African Crude Oil Pipeline (“EACOP”) in 2025.

SAWH Steel Pipes

Our SAWH steel pipes are produced in our plant in Lianyungang using the pre-welding and precision welding SAWH technique, which is the most advanced technique among all SAWH technologies. Revenue from the sales and manufacturing service of SAWH steel pipes amounted to approximately RMB164.8 million and RMB90.9 million respectively. The total revenue from SAWH steel pipes accounted for approximately 11.5% of the total steel pipe revenue for the year ended 31 December 2025 which were lower than that for the year ended 31 December 2024. There was decrease in sales of SAWH steel pipes but increase in manufacturing service of SAWH steel pipes. Overall quantity sold for SAWH steel pipes increased as compared with that of 2024.

Property development

Apart from the steel pipe manufacturing business, the Group also engaged in property development and investment. Following the conversion of a land in Panyu, PRC in 2013, the Group grasped the opportunity of asset appreciation to convert the land use right of the Panyu production plant from industrial use to commercial use. The property project in relation to Golden Dragon City Fortune Plaza (金龍城財富廣場) (“GDC”), is a large scale integrated commercial complex of offices, shops, apartments and villas. The land area of the converted land accounted for approximately 25% of the total land area of our factory in Panyu. The total permitted construction area of the land (including underground construction area) is approximately 550,000 m².

Below are the details of GDC:

Address: Golden Dragon City, Yayun Avenue,
Panyu District, Guangzhou City,
Guangdong, PRC

Usage: Large scale integrated commercial complex of offices, shops,
apartments and villas

The total permitted construction area	Phase I: 135,000 m ²
(including underground	Phase II: 191,000 m ²
construction area)	Phase III: 224,000 m ²

The Group recorded most of the sales of the first phase of GDC in 2018 and recognised the sale of the second phase of GDC in 2022. The third phase of GDC was sold to Guangzhou City Panyu District Land Development Centre* (廣州市番禺區土地開發中心) in 2019.

The steel pipe business will remain as the Group's core business.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group had net current liabilities of approximately RMB292,400,000 as at 31 December 2025. The conditions, along with other matters as set out in note 2.1, indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. As set out in note 2.1 to the consolidated financial statements, the directors of the Company have implemented a number of plans and measures to improve the Group's liquidity and consider that the Group will have sufficient funds to meet its financial obligations for at least the next twelve months from the date of approval of these consolidated financial statements. Our opinion is not modified in respect of this matter.

FINANCIAL REVIEW

Revenue and gross profit

Revenue of the Group mainly comprises (i) sales of steel pipe, and (ii) sales of property.

Our revenue decreased from RMB2,939 million for the year ended 31 December 2024 to approximately RMB2,352 million in 2025. Decrease in steel pipe revenue was mainly due to sales of steel pipes decreased but manufacturing services increased. Manufacturing services was the manufacturing services income from customers who supplied steel plates/ steel coils to us for processing the steel pipes. As steel plates or steel coils as major materials of steel pipes, accounted for high portion of cost of sales, manufacturing services sales in monetary value was low. Total quantity sold in 2025 was slightly higher than that of 2024.

The following table sets forth the revenue and gross profit by business segments for each of the periods indicated:

	2025		2024	
	<i>RMB'000</i>	<i>% to total</i>	<i>RMB'000</i>	<i>% to total</i>
Revenue				
Steel pipes	2,216,646	94.2	2,787,554	94.8
Property development and investment	135,354	5.8	152,322	5.2
	<u>2,352,000</u>	<u>100.0</u>	<u>2,939,876</u>	<u>100.0</u>

Steel pipes

	2025		2024	
	<i>RMB'000</i>	<i>% to total</i>	<i>RMB'000</i>	<i>% to total</i>
Sales of steel pipes				
SAWL steel pipes	1,819,541	82.1	2,195,407	78.8
SAWH steel pipes	164,757	7.4	366,895	13.1
ERW steel pipes	232	0.0	2,625	0.1
Subtotal	1,984,530	89.5	2,564,927	92.0

	2025		2024	
	<i>RMB'000</i>	<i>% to total</i>	<i>RMB'000</i>	<i>% to total</i>
Manufacturing services				
SAWL steel pipes	27,440	1.2	46,932	1.7
SAWH steel pipes	90,940	4.1	62,753	2.3
ERW steel pipes	32,598	1.5	—	—
Subtotal	150,978	6.8	109,685	4.0
Others	81,138	3.7	112,942	4.0
Grand total	2,216,646	100.0	2,787,554	100.0

Steel pipes

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Sales	2,216,646	2,787,554
Cost of sales	(1,804,258)	(2,292,980)
Gross profit	412,388	494,574

The revenue generated from the sales of steel pipes accounted for approximately 89.5% of our total steel pipe revenue in 2025 as compared with approximately 92.0% in 2024. Steel pipe manufacturing services accounted for approximately 6.8% of our total steel pipe revenue in 2025 as compared with approximately 4.0% in 2024. The revenue classified as “Others” mainly represented the trading of steel plates, sales of steel fittings and sales of scrap materials which accounted for approximately 3.7% of our total steel pipe revenue in 2025 as compared with approximately 4.0% in 2024.

Gross profit of steel pipe sales for 2025 was approximately RMB412.4 million as compared with approximately RMB494.6 million in 2024, representing an decrease of approximately 16.6% or RMB82.2 million. Gross profit margin for 2025 was approximately 18.6% which was higher than that of 17.7% in 2024. Increase in gross profit margin was due to relatively lower gross profit margin of one significant overseas project delivered in 2024 which dragged down the average gross profit margin in 2024 but returned to normal in 2025.

Overseas Sales for 2025 was approximately RMB1,552.4 million as compared with approximately RMB2,218.7 million in 2024, representing a decrease of approximately 30%. Our overseas sales accounted for approximately 70.0% of our total steel pipe revenue in 2025, as compared with approximately 79.6% in 2024.

Sales by Geographical Areas — Steel Pipes

	2025		2024	
	<i>RMB'000</i>	<i>% to total</i>	<i>RMB'000</i>	<i>% to total</i>
Overseas sales	1,552,373	70.0	2,218,710	79.6
Domestic sales	664,273	30.0	568,844	20.4
Total steel pipes and manufacturing services	<u>2,216,646</u>	<u>100.0</u>	<u>2,787,554</u>	<u>100.0</u>

Property development and investment

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	135,354	152,322
Cost of sales	<u>(112,215)</u>	<u>(129,482)</u>
Gross profit	<u>23,139</u>	<u>22,840</u>

Revenue generated from the property development and investment segment mainly comprises sales of property of GDC-Phase II and rental income from shops in Phase I of GDC. Revenue under property development and investment was approximately RMB135.4 million in 2025 as compared with approximately RMB152.3 million in 2024, representing a decrease of approximately 11.1% or RMB17.0 million. Most of sales of Phase II were recognized in 2022 and 2023. Most of the units under Phase I of GDC were sold in 2018 and 2019.

Cost of sales primarily represents the costs we incurred directly for the Group's property development activities. The principal component of cost of sales is cost of properties sold, which includes the direct costs of construction and the costs of obtaining land use rights. Cost of sales was approximately RMB112.2 million in 2025 as compared with approximately RMB129.5 million in 2024, representing a decrease of 13.3% or RMB17.3 million. Decrease in cost of sales was due to less properties sold out so as the allocation of cost of Phase II of GDC.

Gross profit of property sales was approximately RMB23.1 million in 2025 as compared with approximately RMB22.8 million in 2024, representing a decrease of 1.3% or RMB299,000. Decrease in gross profit was due to decrease in sales of Phase II of GDC.

All revenue under property development and investment was domestic in nature.

CHANGE IN FAIR VALUES OF INVESTMENT PROPERTIES

The Group has adopted the accounting policy of measuring investment properties by using fair values. Accordingly, gains or losses arising from the changes in the fair values of investment properties are reflected as profit or loss for 2025. The investment properties as at 31 December 2025 were the shops of Phase I of GDC. The Group has engaged RHL Appraisal Limited, an independent valuer, to value the investment properties as at 31 December 2025. According to the valuation report as at 31 December 2025 issued by RHL Appraisal Limited, the market value of the investment properties as at 31 December 2025 was RMB347 million. Loss in fair values of the investment properties in 2025 was approximately RMB8 million (2024: loss of RMB5 million).

OTHER INCOME AND GAINS

Other income and gains in 2025 mainly represented bank interest income and subsidy income from government. Other income and gains decreased by approximately 24.6% or RMB48.6 million from approximately RMB197.9 million in 2024 to approximately RMB149.3 million in 2025. Decrease in other income and gains was mainly due to there was written-off of other payable in 2024 but nil in 2025.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by approximately 12.9% or RMB5.3 million from approximately RMB40.9 million in 2024 to approximately RMB35.6 million in 2025. Decrease in selling and distribution expenses was mainly due to decrease in sales commission and consumables.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased by approximately 5.2% or RMB14.7 million from approximately RMB284.4 million in 2024 to approximately RMB269.7 million in 2025. The decrease in administrative expenses was mainly due to decrease in research and development expenses and professional fees.

FINANCE COSTS

The finance costs for 2025 was approximately RMB93.6 million as compared with that of 2024 of approximately RMB110.2 million, representing an decrease of RMB16.6 million or 15.1%. The effective interest rate in 2025 was approximately 5.5% (2024: 5.9%). Decrease in finance costs was due to the decrease in both interest rate and average borrowing.

OTHER EXPENSES

Other expenses decreased by approximately 27.1% or RMB33.6 million from approximately RMB123.9 million in 2024 to approximately RMB90.3 million in 2025. The decrease was mainly due to decrease in write off of other receivables.

EXCHANGE GAIN, NET

The Group recorded exchange gain of approximately RMB7.4 million in 2025 as compared with exchange gain of approximately RMB15.6 million in 2024. The exchange gain was mainly due to appreciation of USD against RMB in collection of USD trade receivables.

INCOME TAX CREDIT

The Group recorded income tax credit of RMB151.2 million in 2025 as compared with income tax credit of RMB46.2 million in 2024.

PROFIT FOR THE YEAR

As a result of the reasons discussed above, the Group recorded a profit of approximately RMB246.3 million in 2025 (2024: profit of RMB212.7 million).

EXCHANGE RISK EXPOSURE

The Group mainly operates in the PRC and most of its operating transactions are settled in Renminbi except for export sales and overseas borrowings which are mostly denominated in US dollar and HK dollar. Most of the Group's assets and liabilities are denominated in Renminbi. Although the Group may be exposed to foreign currency exchange risks, the Board does not expect that future currency fluctuations would materially impact the Group's operations. The Group did not adopt formal hedging policies nor instruments of foreign currency for managing the exchange risk exposure during the year ended 31 December 2025.

CAPITAL EXPENDITURE

For the year ended 31 December 2025, the Group invested approximately RMB30.9 million for the upgrading of property, plant and equipment. These capital expenditures were fully financed by internal resources.

FINANCIAL GUARANTEE

As at 31 December 2025, the Group guaranteed RMB12.4 million (2024: RMB17.9 million) to certain purchasers of the Group's properties for mortgage facilities.

PLEDGE OF ASSETS

The Group pledged the following assets with an aggregate net book value to secure bank loans granted to the Group as at 31 December 2025:

- (i) certain property, plant and equipment of approximately RMB640.7 million (2024: RMB662.3 million);
- (ii) certain leasehold land of approximately RMB451.8 million (2024: RMB464.7 million); and
- (iii) completed properties held for sale of approximately RMB840.4 million (2024: RMB1,001.2 million).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group's gearing ratio is calculated based on the sum of bank loans, other borrowings and fixed rate bonds and notes divided by total assets. The gearing ratio of the Group as at 31 December 2025 and 2024 were approximately 29.0% and 28.7%, respectively. There was no major change in gearing ratio in 2025 as compared with that of 2024.

On 27 April 2020, the Company entered into a subscription agreement with an investment fund, pursuant to which the Company agreed to issue, and the investment fund agreed to subscribe for HK\$140,000,000 12% bonds due in April 2022 (the "Bonds"). The Company and the noteholder mutually agreed to extend the maturity date to 20 January 2025. Mr. Chen Chang, an executive Director and the controlling shareholder of the Company, undertook and covenanted that for so long as any of the Bonds remain outstanding, he should remain as (i) the single largest direct or indirect shareholder of the Company; and (ii) the chairman of the Board and executive Director (the "Specific Performance Obligations"). Any breach of the Specific Performance Obligations might constitute an event of default under the Bonds and the bondholder was entitled to redeem the Bonds immediately upon the occurrence of the breach in accordance with the terms and conditions of the Bonds. As at 31 December 2025, the Company had fully settled the Bonds.

As at 31 December 2025, the Group's total borrowings amounted to approximately RMB1,714.6 million, of which approximately 40% (2024: 45%) were long term borrowings and approximately 60% (2024: 55%) were short term borrowings. The total borrowings included, (i) a loan of RMB708.9 million in relation to the Group's property development business; and (ii) net borrowings under steel pipe business of around RMB1,005.7 million. The Group had to finance its working capital of steel pipe business by short term borrowings as around 90% of the cost of sales was incurred on the procurement of steel plates and steel coils. Once the Group received sales proceeds from

its customers, it would then repay the short term borrowings. Taking into account the Group's cash in hand, the Group has sufficient liquidity and is in a strong financial position to repay its short term borrowings.

As at 31 December 2025, (i) approximately 85% (2024: 81%) of the total borrowings were denominated in Renminbi which carried interest rates linked to the benchmark lending rate published by the People's Bank of China; (ii) approximately 15% (2024: 14%) of the total borrowings were denominated in Renminbi which carried fixed interest rate; and (iii) approximately 0% (2024: 5%) of the total borrowings were denominated in US dollar and HK dollar which carried fixed interest rate.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at the date of this announcement, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the year.

LITIGATION

The Group is involved in certain lawsuits brought by third parties alleging that the Group breached and repudiated certain purchase and construction contracts. The claims are subject to legal arbitration and are expected to conclude in 2026. As at 31 December 2025, a provision of approximately RMB44.8 million has been provided.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there is no significant event subsequent to 31 December 2025 which would materially affect the Group's operating and financing performance.

EMPLOYEE AND REMUNERATION POLICY

For the year ended 31 December 2025, staff costs (including Directors' remuneration in the form of salaries) were approximately RMB116.8 million (2024: RMB123.5 million).

The Group remunerates its employees based on their performance, experience and prevailing industry practice. The emoluments of the Directors are recommended by the Remuneration Committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics. Competitive remuneration package is offered to retain elite employees. Our package includes salaries, medical insurance, discretionary bonuses, on-job training, other benefits as well as mandatory provident funds schemes for employees in Hong Kong and state-managed retirement benefit schemes for employees in the PRC. Pursuant to the Company's share option scheme, options to subscribe for shares in the Company may be granted to eligible employees. No share option was granted under the share option scheme during the year ended 31 December 2025.

As at 31 December 2025, the Group had a total of 846 full time employees (2024: 858 employees). The following sets forth the total number of our staff by functions:

	2025	2024
Management	54	55
Production and logistics	327	334
Sales and marketing	48	51
Finance	46	44
Quality control	104	105
R&D	121	122
Procurement	19	18
General administration and others	127	129
	<hr/>	<hr/>
Total	846	858

PROSPECT

The occasional fluctuations in geopolitical risks and trade barriers and climate change have exacerbated uncertainty in the global energy market and posed challenges to the Group's international trade. The Group expects that the year 2026 will remain a challenging year for the oil and natural gas industry. In the medium and long term, it is expected that the oil and natural gas industry will continue to be supported due to the combined effects of the insufficient oil and natural gas pipeline facilities, and China's emphasis on energy security and the promotion of clean energy.

For a long time, oil and natural gas have always been the overriding primary energy in the global energy consumption structure, and China is no exception. In recent years, the output of crude oil and natural gas has continued to increase. The year 2025 marked the conclusion of the "Seven-Year Action Plan" to vigorously enhance oil and gas exploration and development efforts. In 2025, China's crude oil and natural gas production reached new highs: crude oil output reached approximately 215 million tons, while natural gas production exceeded 260 billion cubic meters, marking the ninth consecutive year of an annual increase of over 10 billion cubic meters. Domestic crude oil production had returned to the 200-million-ton threshold, and natural gas output had risen rapidly, reflecting the results of increased government investment in exploration and technological breakthroughs. Experts from the China National Petroleum Corporation noted that China continues to intensify its efforts in oil and gas exploration and development, while technological innovation is also driving the sector to "expand towards the macroscopic extremes, delve into the microscopic depths, advance under extreme conditions, and strengthen in comprehensive interdisciplinary fields". This growth in production signifies the continued expansion of upstream oil and gas field infrastructure and gathering and transportation pipeline networks. With the commissioning of new oil and gas fields, there is a need to construct new oil pipelines, long-distance natural gas

transmission lines, and gathering and transportation pipeline networks, which will directly generate substantial demand for steel line pipes. By 2025, China had already met its target of building 16,500 kilometers of oil and gas pipelines ahead of schedule as part of the “14th Five-Year Plan” period, essentially completing the construction of a “national integrated network”. The total length of the country’s main oil and gas trunk pipelines has exceeded 100,000 kilometers, and the primary natural gas pipeline transmission capacity has increased from 260 billion cubic meters per year in 2021 to 412 billion cubic meters per year. Furthermore, the National Development and Reform Commission has explicitly stated that during the “15th Five-Year Plan period”, over 700,000 kilometers of underground pipeline networks will be constructed or upgraded across the country, generating additional investment demand exceeding RMB5 trillion. Among this, pipe materials, as a core construction material, account for 30% to 40% of the total project investment. The potential market size in the pipe material sector is projected to reach RMB1.5 trillion to RMB2 trillion. The Group stands to benefit from the construction of oil and gas pipelines.

On the international market front, despite the ongoing global energy transition, mainstream energy institutions widely predict that oil and natural gas will maintain strong demand for many years to come, particularly against the backdrop of continued industrialization and population growth in emerging markets. OPEC, in its 2025 World Oil Outlook, asserts that global oil demand will peak around 2030 at approximately 113 million barrels per day before stabilizing. While demand in high-income countries declines, transportation, petrochemical and industrial energy needs in non-OECD nations, particularly in Asia, the Middle East and Africa, are expected to rise. To support this trend, OPEC emphasizes that the global upstream oil and gas sector still requires annual investments of about US\$500 to US\$600 billion to ensure supply chain stability. BP, in its 2025 Energy Outlook, has revised its peak oil demand forecast to a later date, projecting that demand will continue growing until around 2030, when it is expected to peak at approximately 103 million barrels per day, due to slower-than-anticipated improvements in energy efficiency. Should global efforts in energy conservation and emissions reduction proceed at a sluggish pace, BP even suggests that oil demand could rise to about 106 million barrels per day by 2035. The International Energy Agency (IEA), in its World Energy Outlook 2025, notes that under current policy scenarios, global oil and natural gas demand may continue growing until 2050. In particular, by 2050, global oil demand is projected to reach 113 million barrels per day, representing an increase of approximately 13% compared to 2024 levels. Global natural gas demand will reach 5.6 trillion cubic meters, reflecting a 30% rise from 2024 levels. The Group holds multiple internationally recognized certifications and boasts a long-standing track record of overseas operations, which will undoubtedly position us to capitalize on these emerging opportunities.

Since 2024, global investment and development in deepwater oil and gas have continued to heat up. Global investment in offshore oil and gas exploration and development has grown for four consecutive years, reaching approximately US\$209.6 billion in 2024, with an average annual growth rate of 11%. Deepwater oil and gas have become the main driver of new conventional reserves, accounting for about 80% of the world's newly discovered conventional reserves. Major deepwater discoveries and development projects have emerged intensively across the globe. Among them, China's deep-sea oil and gas development has achieved leapfrog progress in recent years, entering a period of harvest. The "Deep Sea No. 1" gas field, which commenced production in 2021, marked a pioneering milestone in China's independent development of ultra-deepwater resources. In September 2024, China's first deepwater high-pressure gas field, "Deep Sea No. 1" Phase II (Lingshui 25-1 Gas Field), was completed and put into operation, marking a breakthrough in solving the world-class challenge of developing deepwater high-temperature, high-pressure oil and gas reservoirs. In 2024, CNOOC also announced the discovery of the Lingshui 36-1 large gas field in the ultra-deepwater area of the eastern South China Sea, with proven geological reserves exceeding 100 billion cubic meters. This marks a critical step toward China's goal of establishing a "Trillion Cubic Meter Gas Region in the South China Sea". As of September 2025, the total length of China's subsea oil and gas pipelines had exceeded 10,000 kilometers, indicating that China's subsea pipeline engineering technology and equipment capabilities have risen to the forefront of the world. Furthermore, in 2025, the Chinese government work report included "deep-sea technology" as a national strategic focus for the first time, listing it alongside commercial aerospace and the low-altitude economy as emerging industries to be accelerated. The report emphasized the need to carry out large-scale demonstrations of new technologies, products and applications, and promote the safe and healthy development of emerging industries such as deep-sea technology. Elevating deep-sea technology as a strategic direction will help integrate national research and industrial resources and address weaknesses in the industrial chain. Currently, China has initially established a comprehensive industrial chain layout covering deep-sea exploration, resource development, equipment manufacturing and ecological protection. Policy support is expected to drive the accelerated development of related industrial chains, including deep-sea oil and gas equipment, deep-sea oil and gas field exploration and development, and offshore platform construction. As the only company in China to have achieved the research, development and industrialization of welded pipes for ultra-deepwater oil and gas transportation at depths of 3,500 meters, the Group stands to benefit from the construction of subsea oil and gas pipelines.

In order to achieve the "dual carbon" strategic goal of "achieving peak carbon dioxide emission before 2030 and carbon neutrality before 2060", China indicates that ecology-focused green and low carbon development will become the leading strategy in the future. In the medium to long term, natural gas will become the focus of energy development, while oil and gas companies will also actively develop and explore clean energy, such as hydrogen, wind power and hydro-power. With the industrialization of hydrogen energy, there will be significant potential demand for specialized steel pipes (such as hydrogen embrittlement-resistant longitudinal seam welded pipes). In 2025,

China achieved a milestone breakthrough in hydrogen pipeline construction. The Kangbao — Caofeidian long-distance hydrogen pipeline officially commenced construction in October 2025. Spanning approximately 1,037.8 kilometers with a large diameter of 813 millimeters and a high pressure of 7.2 megapascals, it is currently the highest-pressure and largest-capacity pure hydrogen pipeline under construction globally. Additionally, the 1,132-kilometer hydrogen transmission demonstration project from Ulanqab in Inner Mongolia to the Beijing — Tianjin — Hebei region has passed safety evaluations, and the first batch of submerged arc welded longitudinal seam pure hydrogen pipelines has been completed. Demand for hydrogen and carbon capture, utilization and storage (CCUS) pipelines is poised to grow. Studies indicate that to achieve the carbon neutrality goal by 2060, China's carbon capture capacity must increase from the current 4 million tons per year to 2.1–2.5 billion tons per year. This implies that within the next decade, China needs to construct tens of thousands of kilometers of carbon dioxide transportation pipelines. Currently, CCUS projects in the Daqing Oilfield, Jilin Oilfield and Qilu Petrochemical have entered operational or feasibility study stages. Furthermore, the construction of a series of wind power and offshore platforms is expected to be accelerated. The continuous growth in offshore wind power installations and the commercialization of floating platforms will drive demand for large-diameter welded pipes used in offshore wind power pile foundations, jacket structures and towers. By the end of 2024, China's cumulative installed capacity of offshore wind power reached 43.31 million kilowatts. In 2025, this figure was projected to exceed 51 million kilowatts, with an additional installed capacity of approximately 7.7 million kilowatts. For the first time, the 2025 Government Work Report listed “deep-sea technology” as a strategic emerging industry, accelerating the expansion of offshore wind power into ultra-deepwater areas beyond 300 meters. The Group has successfully trial-produced marine photovoltaic, carbon dioxide and hydrogen transportation pipes. In late 2025, we also participated in a marine photovoltaic bidding project, aiming to meet the demand for green and low-carbon products. Leveraging our technical expertise and proven track record, we are committed to jointly achieving the “dual carbon” strategic goal of “carbon neutrality”.

The Group believes that it is also our mission to achieve national energy safety and dual carbon goal, which will create business opportunities for the steel pipe manufacturing industry at the same time. Therefore, the Group will firmly seize the opportunities to boost its sales. As our long-term strategic goal is to become a leading global steel pipe manufacturer, the Group will expand our customer bases and market share by participating in more global oil and gas and engineering projects, diversify the use of steel pipes by supplying steel pipes for projects in infrastructure and high-end construction fields, such as land and subsea oil and gas transmission, petrochemicals, mineral development, power energy, coal chemical industry, cross-sea bridges, wind power generation, offshore platforms, insulation pipe and water pipes. The Group will also continue to leverage its strengths in the steel pipe industry to secure more project orders.

CODE OF CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the financial year ended 31 December 2025.

CG CODE C.2.1

The Company is aware of the requirement under paragraph C.2.1 of the CG Code that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company does not separately have any officer with the title of “chief executive”. Mr. Chen Chang, the chairman and founder of the Group, is also responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the role of the chairman and chief executive. The Board is of the view that this structure provides the Group with strong and consistent leadership, facilitates effective and efficient planning and implementation of business decisions and strategies, and ensures the generation of shareholders’ benefits.

The Board shall nevertheless review the structure from time to time to ensure appropriate measures would be taken should suitable circumstance arise.

NON-COMPETITION UNDERTAKINGS

The independent non-executive Directors have also reviewed the confirmations given by Mr. Chen Chang and Bournam, being controlling shareholders of the Company, in respect of each of their compliance with the non-competition undertakings as disclosed in the prospectus of the Company dated 28 January 2010. The independent non-executive Directors are satisfied that the controlling shareholders have fully complied with the terms of the non-competition undertakings and no new competing business was reported by the controlling shareholders throughout the year ended 31 December 2025.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Chen Ping, Mr. Au Yeung Kwong Wah and Mr. Zhan Jian Zhou. Mr. Au Yeung Kwong Wah is the Chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and the internal control and risk management procedures and systems of our Group. The Audit Committee has reviewed the Company’s audited consolidated financial statements for the

year ended 31 December 2025 and the condensed unaudited consolidated interim financial statements for the six months ended 30 June 2025, including the accounting principles and practices adopted by the Company and the Group.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in this announcement of the Group's results for the year ended 31 December 2025 have been agreed by CCTH CPA Limited ("CCTH"), the Group's auditors. The work performed by CCTH in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH on the announcement.

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

During the year ended 31 December 2025, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the dealings in securities of the Company by the Directors and employees during the year ended 31 December 2025. Following a specific enquiry, all the Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

FINAL DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The 2026 annual general meeting ("AGM") of the Company will be held at 1/F., China Building, 29 Queen's Road Central, Hong Kong on Friday, 12 June 2026 at 10:30 a.m.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM is Friday, 12 June 2026. In order to determine shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both days inclusive, during which no transfer of shares of the Company (the “Shares”) will be registered. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 8 June 2026.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is required to be published on the websites of the Stock Exchange at www.hkexnews.hk under “Listed Company Information” and the designated website of the Company at <http://www.pck.com.cn>. The annual report of the Company for the year ended 31 December 2025 will be despatched to the shareholders and published on the Stock Exchange’s and the Company’s websites in due course.

By order of the Board
Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited
Chen Chang
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chen Chang and Ms. Chen Zhao Nian; and three independent non-executive Directors, namely Mr. Chen Ping, Mr. Au Yeung Kwong Wah and Mr. Zhan Jian Zhou.

** The English translation of the Chinese names or words in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English translation of such Chinese names or words.*