Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

中國管業集團有限公司
China Pipe Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 00380)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "Board") of China Pipe Group Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025, are as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

		Unaudited For the six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Revenue	*2*	**334,240**	327,849
Cost of sales	*4*	**(239,050)**	(229,164)
Gross profit		**95,190**	98,685
Other gains, net	*3*	**2,572**	2,683
Selling and distribution costs	*4*	**(11,224)**	(11,007)
General and administrative expenses	*4*	**(57,849)**	(56,836)
Reversal of/(provision for) impairment of financial assets	*4*	**164**	(16)
Operating profit		**28,853**	33,509
Finance income	*5*	**6,806**	6,929
Finance costs	*5*	**(2,195)**	(2,621)
Finance income, net	*5*	**4,611**	4,308
Share of results of an associate		**-**	162
Profit before income tax		**33,464**	37,979
Tax expense	*6*	**(5,114)**	(5,508)
Profit for the period attributable to equity holders of the Company		**28,350**	32,471
Earnings per share		***HK cents***	*HK cents*
Basic and diluted	*7*	**2.13**	2.44
		HK$'000	*HK$'000*
Dividend	*8*	**-**	-

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Unaudited	
	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit for the period	**28,350**	32,471
Other comprehensive income:		
Item that may be subsequently reclassified to profit or loss:		
Currency translation differences	**460**	186
Other comprehensive income for the period, net of tax	**460**	186
Total comprehensive income for the period, net of tax attributable to equity holders of the Company	**28,810**	32,657

There was no tax impact relating to the components of other comprehensive income for the six months ended 30 June 2026 and 2025.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**Unaudited 30 June 2026 *HK$'000***	Audited 31 December 2025 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,683**	8,612
Right-of-use assets		**36,343**	43,286
Investment property		**22,584**	-
Intangible assets		**1,028**	1,242
Loan to a related company	*9*	**78,566**	77,926
Rental deposits and other assets	*9*	**7,407**	6,871
		153,611	137,937
Current assets			
Loan to a related party	*9*	-	5,000
Inventories		**164,678**	196,844
Trade receivables	*9*	**170,811**	155,499
Deposits, prepayments and other receivables	*9*	**95,528**	67,368
Financial assets at fair value through profit or loss		**1,556**	1,567
Derivative financial instruments		**473**	-
Tax recoverable		**2,188**	2,648
Pledged bank deposits		**46,000**	46,000
Cash and cash equivalents		**440,092**	445,006
		921,326	919,932
Total assets		**1,074,937**	1,057,869

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Note	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
EQUITY			
Equity holders			
Share capital		**26,645**	26,645
Reserves		**875,451**	846,641
Total equity		**902,096**	873,286
LIABILITIES			
Non-current liabilities			
Lease liabilities		**14,373**	25,049
Deferred tax liabilities		**805**	804
Other non-current liabilities		**659**	1,138
		15,837	26,991
Current liabilities			
Trade payables, other payables and contract liabilities	*10*	**77,070**	80,739
Taxation payable		**850**	56
Lease liabilities		**26,964**	24,390
Borrowings		**52,120**	52,370
Derivative financial instruments		**-**	37
		157,004	157,592
Total liabilities		**172,841**	184,583
Total equity and liabilities		**1,074,937**	1,057,869
Net current assets		**764,322**	762,340
Total assets less current liabilities		**917,933**	900,277

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This condensed consolidated interim financial information should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs").

Except as described below, the accounting policies adopted are consistent with those used in the audited consolidated annual financial statements for the year ended 31 December 2025.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Adoption of amendments to standards

The Group has applied the following amendments to standards for the first time for the annual reporting period commencing 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendment to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

In the current interim period, the Group has applied for the first time the above amendments to standards issued by the HKICPA that are mandatorily effective from 1 January 2026. The adoption of the above amendments to standards do not have a material impact on the Group's results of operations or financial position.

The Group has not early adopted any amendments to standards that have been issued but are not yet effective. The Group is assessing the impact of these amendments to standards.

2. REVENUE AND SEGMENT INFORMATION

The Executive Directors of the Company have been identified as the chief operating decision-maker ("CODM"). Management determines the operating segments based on the Group's internal reports, which are then submitted to the CODM for performance assessment and resources allocation.

The Executive Directors assess the performance of the operating segment based on a measure of profit before income tax and regard there to be only one operating segment – trading of construction materials, mainly pipes and fittings. Accordingly, segment disclosures are not presented.

Trading of pipes and fittings includes wholesale, retail and logistics operations substantially in Hong Kong and Macau.

The revenue from contracts with customers recognised for the six months ended 30 June 2026 and 2025 are trading of construction materials, mainly pipes and fittings, all of which were recognised at a point in time.

At 30 June 2026 and 31 December 2025, the Group has only one reportable segment. Accordingly, no segment assets and liabilities analysis is presented.

Geographical information

The Group is domiciled in Hong Kong. The Group's revenue from external customers by geographical location are detailed below:

	Revenue Unaudited For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**310,391**	303,965
Macau	**22,192**	16,127
Chinese Mainland	**1,657**	7,757
	334,240	327,849

The Group's non-current assets by geographical location are detailed below:

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Hong Kong	**150,877**	134,912
Macau	**1,637**	1,882
Chinese Mainland	**1,097**	1,143
	153,611	137,937

3. OTHER GAINS, NET

	Unaudited For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Net exchange gain	**2,034**	2,468
Net gain on disposal of property, plant and equipment	**-**	141
(Loss)/gain on financial assets at fair value through profit or loss	**(16)**	32
Net fair value gain on derivative financial instruments	**510**	-
Dividend income from financial assets at fair value through profit or loss	**44**	42
	2,572	2,683

4. EXPENSES BY NATURE

Operating profit is arrived at after charging/(crediting):

	Unaudited For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Cost of inventories sold	**235,884**	224,629
Amortisation of intangible assets	**214**	194
Auditor's remuneration	**725**	715
Depreciation of property, plant and equipment	**1,933**	1,761
Depreciation of right-of-use assets	**11,321**	12,185
Employee benefit expenses (including directors' emoluments)	**40,682**	38,113
Short-term and low-value lease expenses	**962**	493
(Reversal of)/provision for impairment of financial assets	**(164)**	16
(Reversal of)/provision for and write-off of inventories, net	**(670)**	644
Other expenses	**17,072**	18,273
	307,959	297,023
Representing:		
Cost of sales	**239,050**	229,164
Selling and distribution costs	**11,224**	11,007
General and administrative expenses	**57,849**	56,836
(Reversal of)/provision for impairment of financial assets	**(164)**	16
	307,959	297,023

5. FINANCE INCOME, NET

	Unaudited For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Bank interest income	**4,625**	4,620
Other interest income	**2,181**	2,309
Finance income	**6,806**	6,929
Interest expense on bank borrowings	**(1,157)**	(1,170)
Interest expenses on lease liabilities	**(1,038)**	(1,451)
Finance costs	**(2,195)**	(2,621)
	4,611	4,308

6. TAX EXPENSE

	Unaudited For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current taxation:		
Hong Kong profits tax	**5,113**	5,626
Deferred taxation	**1**	(118)
Tax expense	**5,114**	5,508

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the period.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the profit for the period attributable to equity holders and weighted average number of ordinary shares with adjustments where applicable as follows:

	Unaudited For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company for the purpose of basic earnings per share	**28,350**	32,471
Number of shares	**Thousands**	Thousands
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,332,266**	1,332,266

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares arising from the Company's share options. Diluted earnings per share is of the same amount as the basic earnings per share as there were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2026 and 2025.

8. DIVIDEND

The Board of the Directors of the Company ("Board") does not declare interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Trade receivables	**177,221**	162,084
Less: loss allowance	**(6,410)**	(6,585)
Trade receivables – net	**170,811**	155,499
Prepayments to suppliers	**90,271**	60,925
Loan to a related party	**-**	5,000
Rental deposits	**6,484**	6,507
Other receivables, deposits and other assets	**6,210**	6,884
Less: loss allowance	**(30)**	(77)
	102,935	79,239
Loan to a related company	**78,690**	78,050
Less: loss allowance	**(124)**	(124)
	78,566	77,926
Total of trade and other receivables, deposits and prepayments	**352,312**	312,664
Less: included in non-current assets		
Rental deposits and other assets	**(7,407)**	(6,871)
Loan to a related company	**(78,566)**	(77,926)
Included in current assets	**266,339**	227,867

The Group generally grants credit period of 60 to 90 days to its customers for its trading of pipes and fittings operation. The ageing analysis of the trade receivables based on the invoice date is as follows:

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Within 30 days	**54,364**	41,043
31 to 60 days	**44,080**	39,239
61 to 90 days	**42,446**	30,905
91 to 120 days	**16,903**	21,878
Over 120 days	**19,428**	29,019
	177,221	162,084

10. TRADE PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Trade payables	**42,657**	41,798
Contract liabilities	**25,026**	21,509
Accrued expenses and other payables	**9,387**	17,432
	77,070	80,739

The ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Within 30 days	**36,562**	40,180
31 to 60 days	**5,027**	1,367
61 to 90 days	**477**	67
Over 90 days	**591**	184
	42,657	41,798

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the period ended 30 June 2026, the Group's revenue amounted to about HK$334.2 million, a 1.9% increase from the same period in 2025 of HK$327.8 million. The profit attributable to equity holders of the Company for the six months ended 30 June 2026 was approximately HK$28.4 million (2025: HK$32.5 million), representing a decrease of 12.6% over the same period in 2025 as there was a slight decrease in gross profit margin.

The basic earnings per share for the six months ended 30 June 2026 was approximately HK2.13 cents as compared to basic earnings per share of approximately HK2.44 cents for the six months ended 30 June 2025.

Business Review

The Group is a leading provider to the construction sector offering a wide range of pipe (including copper tube, ductile iron, steel pipes and stainless steel) related products, fittings, comprehensive services and solutions to the contractors, designers, consultants and government agencies in Hong Kong and Macau.

During the period ended 30 June 2026, the Group recorded a revenue of HK$334.2 million, compared with HK$327.8 million for the corresponding period of 2025, representing a slight increase of 1.9%. Such increase was mainly due to the contribution from numerous public housing projects. Due to the keen competition in the market, our gross margin decreased and the profit attributable to equity holders of the Company was HK$28.4 million for the period ended 30 June 2026 (2025: HK$32.5 million).

As a leading provider of pipes and fittings, the Group is committed to providing customers with high-quality products and services while improving supply chain. During the period, we continued to expand our product portfolio. In addition, in recent years, the use of stainless steel pipes has become increasingly popular, and our stainless steel sales have also shown an upward trend. We will continue to source and promote a comprehensive range of products to meet customers' needs whenever, whatever and wherever, we remain.

As for the private construction sector, it has not recovered quickly. There were not many large private projects in the market. This led to the intense competition in the public construction sector and also the rising prices of materials during the period. This resulted in the margin compression for the Group during the period. For the six months ended 30 June 2026, the Group saw the orders on hand were delivered on schedule. We will continue to capture the orders in the market in order to maintain our market position.

Operation Review

The Group's selling and distribution costs increased 1.8% to HK$11.2 million for the six months ended 30 June 2026 (corresponding period of 2025: HK$11.0 million). The increase was mainly due to the increase in promotion, direct logistic staff costs and motor vehicle running expenses of HK$0.8 million which was partially offset by the decrease in sales commission and consultancy fees of approximately HK$0.6 million.

The Group's general and administrative expenses increased by 1.8% to HK$57.8 million for six months ended 30 June 2026 (corresponding period of 2025: HK$56.8 million). The increase was mainly due to the increase in staff costs and short-term and low-value lease expenses of HK$3.5 million, partially offset by decrease from depreciation on right-of-use assets, testing fees, professional fees, insurance and stationary and printing of about HK$2.5 million.

For the six months ended 30 June 2026, finance income which was mainly from a loan to a related company and party and bank deposits interest income, decreased by 1.4% to HK$6.8 million (corresponding period of 2025: HK$6.9 million). The decrease in finance income was attributable to the decrease in interest income from a related party as the loan was repaid during the period. Finance costs mainly consisted of the interest expenses on bank borrowings and lease liabilities. During the period under review, the finance costs were HK$2.2 million (corresponding period of 2025: HK$2.6 million), representing a decrease by about 15.4% over last corresponding period. Such decrease was mainly attributable to the decrease in interest on lease liabilities. As finance income outpaced costs during the period, we recorded net finance income of HK$4.6 million (corresponding period of 2025: HK$4.3 million).

PROSPECTS

Looking ahead, the Group has a positive outlook towards the construction materials business in Hong Kong. Despite the business environment remains challenging and competitive, the Group maintains a cautious view in the second half of the year. In view of the Hong Kong government's commitment in investing the Northern Metropolis, the light public housing and some major infrastructure projects, this is essential favourable to the construction industry in Hong Kong. As always, we will stay vigilant and explore more new products to diversify our product portfolio.

APPRECIATION

We would like to express our appreciation to the management and staff of the Group for their dedication and commitment. We would also like to offer our gratitude to our valued shareholders, banks and business partners for their continued trust and support.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 30 June 2026, the cash and cash equivalents of the Group were approximately HK$440.1 million (31 December 2025: HK$445.0 million). Basically the Group's working capital requirement has been financed by its internal resources. The funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements.

As at 30 June 2026, the Group had aggregate banking facilities of trade finance of approximately HK$262.3 million (31 December 2025: HK$262.3 million), of which approximately HK$72.0 million (31 December 2025: HK$66.1 million) was utilised. The Group's total borrowings stood at approximately HK$52.1 million (31 December 2025: HK$52.4 million), and the entire amount of borrowings for both periods will mature within one year. 36% (31 December 2025: 31%) and 64% (31 December 2025: 69%) of the borrowings were subject to floating and fixed rates respectively.

The gearing ratio as measured by total bank borrowings to total equity was approximately 5.8% as at 30 June 2026 (31 December 2025: 6.0%). As at 30 June 2026 and 31 December 2025, the entire amount of the Group's borrowings was denominated in Hong Kong dollars.

The Group conducts its business transactions mainly in Hong Kong dollar, Macau Pataca, Renminbi and United States dollar. In order to manage foreign exchange risk, the Group has been closely monitoring its foreign currency exposure and will arrange for any hedging facilities if necessary.

CHARGE ON ASSETS

As at 30 June 2026, certain bank deposits held by subsidiaries of the Group with an aggregate carrying amounts of approximately HK$46.0 million (31 December 2025: HK$46.0 million) were pledged to banks for banking facilities.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

CAPITAL COMMITMENTS

As at 30 June 2026, the Group did not have capital commitment (31 December 2025: Nil) contracted for but not provided for in consolidated financial statements.

STAFF AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 178 full-time employees (31 December 2025: 172). Total employee benefit expenses for the period ended 30 June 2026 was approximately HK$40.7 million (2025: HK$38.1 million).

Remuneration policy is reviewed annually and certain staff members are entitled to sales commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also pays discretionary bonus and provides staff with other benefits including medical scheme for Hong Kong employees. The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in Chinese Mainland.

INTERIM DIVIDEND

The Board does not declare interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code as stated in Appendix C1 of the Rules Governing the Listing of Securities on Stock Exchange (the "Listing Rules") throughout the period.

REVIEW BY AUDIT COMMITTEE

The condensed consolidated interim financial information for the six months ended 30 June 2026 has not been audited nor reviewed by the Company's auditor, PricewaterhouseCoopers, but this report has been reviewed by the audit committee of the Company.

The audit committee has reviewed with management the accounting policies and practices adopted by the Group and financial reporting matters including the review of the unaudited condensed consolidated financial information for the period. The audit committee of the Company currently consists of Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen, Mr. Guan Zhiqiang, Mr. Wang Chaolong and Ms. Zheng Yang as independent non-executive directors.

COMPLIANCE WITH MODEL CODE OF LISTING RULES

The Company has adopted the Model Code contained in Appendix C3 of the Listing Rules. Having made specific enquiry with the Directors, all Directors confirmed that they have fully complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the website of the Company at www.chinapipegroup.com and the website of the Stock Exchange at www.hkexnews.hk. The 2026 interim report of the Company will be available at the website of the Company and the website of the Stock Exchange and despatched to shareholders of the Company in due course.

By Order of the Board
China Pipe Group Limited
Lai Fulin
Chairman

Hong Kong, 27 August 2026

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