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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 2024

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 2024 together with the comparative figures of the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**2,939,876**	2,650,852
Cost of sales and services		**(2,422,462)**	(2,096,642)
Gross profit		**517,414**	554,210
Other income and gains	5	**197,871**	15,979
Selling and distribution expenses		**(40,860)**	(65,500)
Administrative expenses		**(284,375)**	(270,059)
Exchange gain, net		**15,564**	15,106
Other expenses	6	**(123,885)**	(187,899)
Fair value loss on investment properties		**(5,000)**	(2,000)
Finance costs	7	**(110,220)**	(94,548)
Gain on disposal of investment in a joint venture		**—**	73,790

	Notes	**2024**	2023
		RMB'000	*RMB'000*
PROFIT BEFORE TAX	*8*	**166,509**	39,079
Income tax credit	*9*	**46,162**	144,699
PROFIT FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY		**212,671**	183,778
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
		RMB	*RMB*
— Basic and diluted	*10*	**0.21**	0.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024 *RMB'000*	2023 *RMB'000*
PROFIT FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY	**212,671**	183,778
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(51,728)**	(40,345)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(51,728)**	(40,345)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements into the presentation currency	**2,113**	1,703
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**2,113**	1,703
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(49,615)**	(38,642)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY	**163,056**	145,136

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,830,141**	1,839,427
Investment properties		**355,000**	360,000
Right-of-use assets		**589,107**	631,830
Long term prepayments and deposits		**46,129**	61,550
Total non-current assets		**2,820,377**	2,892,807
CURRENT ASSETS			
Completed properties held for sale		**1,809,180**	2,022,678
Inventories		**816,313**	583,474
Trade and bills receivables	*11*	**371,731**	311,953
Prepayments, other receivables and other assets		**552,826**	572,588
Pledged and restricted bank balances		**52,953**	5,730
Cash and cash equivalents		**53,323**	32,191
		3,656,326	3,528,614
Assets classified as held for sale	*12*	**29,236**	—
Total current assets		**3,685,562**	3,528,614
CURRENT LIABILITIES			
Trade and bills payables	*13*	**1,063,366**	942,593
Other payables and accruals		**720,509**	601,614
Contract liabilities		**555,508**	742,784
Fixed rate bonds and notes		**56,488**	61,678
Interest-bearing bank and other borrowings		**967,281**	1,616,860
Due to a director		**7,701**	64,353
Tax payable		**659,916**	294,512
Provision		**44,830**	49,964
		4,075,599	4,374,358
Liabilities associated with assets classified as held for sale	*12*	**37,323**	—
Total current liabilities		**4,112,922**	4,374,358
NET CURRENT LIABILITIES		**(427,360)**	(845,744)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,393,017**	2,047,063

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**841,164**	153,816
Deferred tax liabilities		**171,581**	183,770
Long-term tax payable		**—**	486,614
Government grants		**141,141**	146,788
Total non-current liabilities		**1,153,886**	970,988
Net assets		**1,239,131**	1,076,075
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**88,856**	88,856
Reserves		**1,150,275**	987,219
Total equity		**1,239,131**	1,076,075

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. 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 are 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 of the Group have been prepared in accordance with IFRS Accounting Standards (which include all International Accounting Standards ("IASs"), International Financial Reporting Standards ("IFRSs") and interpretations) issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. 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 2024, the Group maintained cash and cash equivalents of approximately RMB53,323,000 (2023: RMB32,191,000) and recorded net current liabilities of approximately RMB427,360,000 (2023: RMB845,744,000). 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 to obtain adequate bank borrowings to finance the Group's operations

As at 31 December 2024, the Group have obtained sufficient unutilised general facility granted by financial institutions, and 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 2024 and up to the date of this announcement, the Group obtained the new loan amounted to RMB92,642,000 and the renewal of the existing loan amounting to approximately RMB600,000,000 is under negotiation and the Group expects that the renewal of the existing loan could be renewed with related banks upon expiry. The Group continues to actively negotiate with the banks 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 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 twenty-four 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

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The Group has adopted the amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* titled *Supplier Finance Arrangements* for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments

- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements — Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IFRS 16 Leases — Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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 2024 and 2023.

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	**2,787,554**	**152,322**	**2,939,876**
Segment results	**225,487**	**(41,817)**	**183,670**
Reconciliation:			
Corporate and other unallocated income			**1**
Corporate and other unallocated expenses			**(7,090)**
Unallocated finance costs			**(10,072)**
Profit before tax			**166,509**
Segment assets	**3,437,596**	**3,108,952**	**6,546,548**
Reconciliation:			
Elimination of intersegment receivables			**(284,954)**
Corporate and other unallocated assets			**244,345**
Total assets			**6,505,939**
Segment liabilities	**3,418,095**	**1,990,356**	**5,408,451**
Reconciliation:			
Elimination of intersegment payables			**(284,954)**
Corporate and other unallocated liabilities			**143,311**
Total liabilities			**5,266,808**
Other segment information			
Amounts included in the measure of segment results or segment assets:			
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)**
Write-down of inventories to net realisable value	**—**	**—**	**—**
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*	**62,333**	**—**	**62,333**

Year ended 31 December 2023

	Steel pipes *RMB'000*	Property development and investment *RMB'000*	Total *RMB'000*
Segment revenue (note 5)			
Sales to external customers	2,390,855	259,997	2,650,852
Segment results	109,883	(51,924)	57,959
Reconciliation:			
Corporate and other unallocated income			97
Corporate and other unallocated expenses			(6,571)
Unallocated finance costs			(12,406)
Profit before tax			39,079
Segment assets	3,333,750	3,312,366	6,646,116
Reconciliation:			
Elimination of intersegment receivables			(523,405)
Corporate and other unallocated assets			298,710
Total assets			6,421,421
Segment liabilities	3,659,616	2,069,013	5,728,629
Reconciliation:			
Elimination of intersegment payables			(523,405)
Corporate and other unallocated liabilities			140,122
Total liabilities			5,345,346
Other segment information			
Amounts included in the measure of segment results or segment assets:			
Subsidiary income from PRC government	6,647	16	6,663
Gain on disposal of property, plant and equipment	1,085	16	1,101
Write-down of inventories to net realisable value	(3,812)	—	(3,812)
Impairment of trade receivables	(66,706)	(9)	(66,715)
Impairment of other receivables	(11,814)	—	(11,814)
Compensation	(8,192)	(23,803)	(31,995)
(Provision)/reversal of claim arising from litigation	(5,201)	665	(4,536)
Finance costs	(100,066)	17,924	(82,142)
Depreciation and amortisation	(41,524)	(13)	(41,537)
Capital expenditure*	96,260	—	96,260

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

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:

	2024	2023
	RMB'000	*RMB'000*
Manufacture and sale of steel pipes:		
LSAW steel pipes	**2,195,407**	1,495,494
SSAW steel pipes	**366,895**	612,023
ERW steel pipes	**2,625**	24,630
Steel pipe manufacturing services:		
LSAW steel pipes	**46,932**	158,451
SSAW steel pipes	**62,753**	25,050
Others*	**112,942**	75,207
	2,787,554	2,390,855
Sale of properties	**152,322**	259,997
	2,939,876	2,650,852

* 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:

	2024	2023
	RMB'000	*RMB'000*
Sales to external customers:		
Mainland China	**721,166**	1,280,359
Africa	**1,569,378**	411,220
Europe	**5,951**	1,269
Middle East	**107,283**	534,549
Other Asian countries	**326,624**	319,666
South America	**166,468**	103,789
North America	**43,006**	—
	2,939,876	2,650,852

(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 RMB1,376,554,000 (2023: RMB420,456,000) 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	**2024** *RMB'000*	2023 *RMB'000*
Revenue from contracts with customers			
Manufacture and sale of seam welded steel pipes and the provision of related manufacturing services		**2,787,554**	2,390,855
Sale of properties		**151,362**	259,511
		2,938,916	2,650,366
Revenue from lease contracts			
Rental income		**960**	486
		2,939,876	2,650,852
Other income and gains			
Bank interest income		**175**	180
Written-off of other payables	*(a)*	**127,794**	—
Subsidy income from the PRC government	*(b)*	**23,025**	6,663
Gain on disposal of property, plant and equipment		**—**	1,101
Gain on deregistration of subsidiaries		**—**	17
Reversal of impairment of other receivables, net		**20,305**	—
Others		**26,572**	8,018
		197,871	15,979

Notes:

(a) It represents an interest payable in prior years was written-off during the year. According to the PRC legal opinion, the lender had lost the statute of limitations and the lender had deregistered in 2022, the Group has 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.

6. OTHER EXPENSES

	Notes	2024 RMB'000	2023 RMB'000
Compensation		**1,497**	31,995
Provision of claim arising from litigations		**7,757**	4,536
Write-down of inventories to net realisable value		**—**	3,812
Loss on disposal of property, plant and equipment		**363**	—
Written-off of property, plant and equipment		**4,794**	—
Impairment of trade receivables	*11*	**12,662**	66,715
Impairment of other receivables		**—**	11,814
Write-off of other receivables		**91,240**	—
Others		**5,572**	69,027
		123,885	187,899

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings (including bonds and notes)	**109,796**	93,818
Interest on discounted bills	**345**	678
Interest on lease liabilities	**79**	52
	110,220	94,548

8. PROFIT BEFORE TAX

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

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Employee benefit expenses (including directors' remuneration):			
Fees, wages and salaries		**123,482**	151,428
Retirement benefit scheme contributions		**5,453**	5,539
		128,935	156,967
Cost of inventories sold		**2,139,845**	1,758,440
Cost of services provided		**153,135**	118,990
Cost of properties sold		**129,482**	219,212
Auditor's remuneration		**1,395**	1,332
Depreciation of property, plant and equipment		**65,142**	25,881
Depreciation of right-of-use assets		**15,875**	15,656
Loss/(gain) on disposal of property, plant and equipment		**363**	(1,101)
Written-off of property, plant and equipment		**4,794**	—
Write-down of inventories to net realisable value		**—**	3,812
Impairment of trade receivables	*11*	**12,662**	66,715
Reversal of impairment/(impairment) of other receivables		**(20,305)**	11,814
Written-off of other receivables		**91,240**	—
Written-off of other payables		**(127,794)**	—
Fair value loss on investment properties		**5,000**	2,000
Research and development costs		**126,996**	107,636

9. INCOME TAX

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

	2024 *RMB'000*	2023 *RMB'000*
Current — Mainland China		
PRC CIT charge for the year	**13,504**	9,085
PRC CIT overprovision in prior years	**(52,018)**	(51,050)
PRC LAT	**4,541**	7,785
Deferred tax	**(12,189)**	(110,519)
Total income tax credit for the year	**(46,162)**	(144,699)

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 (2023: 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 2024 and 2023.

11. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**448,739**	371,628
Impairment allowance	**(95,821)**	(83,159)
Trade receivables, net	**352,918**	288,469
Bills receivable	**18,813**	23,484
	371,731	311,953

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:

	2024	2023
	RMB'000	*RMB'000*
Within 60 days	**189,852**	140,259
61 to 90 days	**15,399**	43,639
91 to 180 days	**48,738**	5,209
181 to 365 days	**17,383**	31,848
1 to 2 years	**40,080**	58,664
2 to 3 years	**41,466**	8,850
	352,918	288,469

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

	Note	**2024** **RMB'000**	2023 *RMB'000*
At 1 January		**83,159**	28,853
Impairment losses recognised	*6*	**12,662**	66,715
Amount written-off as uncollectible		**—**	(12,409)
At 31 December		**95,821**	83,159

12. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) On 30 December 2024, the Group and 廣州旭正投資有限公司 (the "Purchaser"), entered into a sale and purchase agreement, pursuant to which the Group has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the entire paid-up capital of 南京市栖霞山軋鋼有限公司, at a consideration of approximately RMB300,000 (the "Target Company").

The directors of the Company are of the view that the Target Company will be disposed of within twelve months from the end of the reporting period. Accordingly, corresponding assets and liabilities associated with the Target Company have been classified as held for sale and are presented separately in the consolidated statement of financial position (see below).

The major classes of assets and liabilities of the Target Company classified as held for sale are as follows:

	RMB'000
Inventories	269
Prepayments, other receivables and other assets	1
Total assets classified as held for sale	270
Trade and bill payables	34,985
Other payables and accruals	236
Contract liabilities	215
Provision	1,887
Total liabilities associated with assets classified as held for sale	37,323

The loss for the year from the Target Company, which are included in consolidated statement of profit or loss of the Group, are disclosed as follows:

	2024
	RMB'000
Administrative expenses	**(3,124)**
Other expenses	**(11,085)**
Loss before income tax	**(14,209)**
Income tax expense	**—**
Loss for the year	**(14,209)**

(b) On 27 December 2024, CKSP (Yunfu), an indirect wholly-owned subsidiary of the Company, entered into the disposal agreement with Yunfu City Yun'an Land Reserve Centre, pursuant to which Yunfu City Yun'an Land Reserve Centre has agreed to purchase, and CKSP (Yunfu) had agreed to sell, the Land at the consideration of RMB30.25 million. After Completion, the Group ceased to hold any interests in the Land. For details, please refer to the Company's announcements dated 25 February 2025 and 5 March 2025 respectively. The interest in the Land with carrying amount of approximately RMB28,966,000 was classified as assets classified as held for sale as at 31 December 2024.

The consideration of RMB30.25 million shall be paid in cash by Yunfu City Yun'an Land Reserve Centre by way of six instalments from 31 December 2024 to 30 June 2027 per semi-annually (the "Payment Schedule"). If during the Payment Schedule, Yunfu City Yun'an Land Reserve Centre were able to sell the Land to another party through public tender, Yunfu City Yun'an Land Reserve Centre shall pay all the outstanding balance of the consideration to CKSP (Yunfu) within 30 days after collection of the sales proceeds from the public tender.

On 30 December 2024, CKSP (Yunfu) had received the first instalment of RMB4 million of the consideration and up to date of this announcement, CKSP (Yunfu) had provided the land certificates and state-owned land use right assignment contracts to Yunfu City Yun'an Land Reserve Centre, deregistered the real property ownership certificate of the Land, practicable delivered the Land to Yunfu City Yun'an Land Reserve Centre and has not yet received remaining five installments of the consideration.

(c) On 26 April 2022, PCKSP, an indirect wholly-owned subsidiary of the Company, entered into the disposal agreement with the joint venture partner, Abdel Hadi Abdullah Al Qahtani & Sons, Co. (the "AHQ"), pursuant to which AHQ has conditionally agreed to purchase, and PCKSP had conditionally agreed to sell, the 50% equity interest in the JV Company. The consideration paid by AHQ was SR41.5 million (or equivalent to approximately RMB76,053,000 of which approximately RMB41,378,000 received in 2022). After Completion, the Group ceased to hold any interests in the JV Company. Investment in a joint venture was classified as assets classified as held for sale as at 31 December 2022.

The transaction for disposal of investment in the JV Company had been completed during the year ended 31 December 2023 as all conditions fulfilled and the Group recognised a gain on disposal of investment in a joint venture of approximately RMB73,790,000, after deducting costs of disposal of approximately RMB2,263,000.

13. 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:

	2024	2023
	RMB'000	*RMB'000*
Trade payables		
Within 90 days	**601,752**	627,595
91 to 180 days	**48,251**	55,490
181 to 365 days	**114,183**	64,566
1 to 2 years	**45,581**	35,642
2 to 3 years	**16,282**	31,463
Over 3 years	**127,756**	68,786
	953,805	883,542
Bills payable	**109,561**	59,051
	1,063,366	942,593

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 2024.

In 2024, the global and Chinese economic situation was complex and volatile. The ongoing Russia-Ukraine conflict and the tensions in the Middle East have heightened uncertainties in the global energy market. The disinflation sustained by the global economy, the European economy being in the prolonged doldrums, the slowdown in U.S. economy growth, the continuous strengthening of U.S. dollars, the depreciation of Renminbi all of which have brought challenges to the Group's international trade. Notwithstanding the above, as China continued to promote the adjustment of its energy structure and pursue the "dual-carbon" goals, the construction of natural gas pipelines has maintained a certain scale, presenting development opportunities for the Group.

In the challenging environment, the Group has achieved satisfactory results by virtue of its superior capabilities, leading edge in technology and world-class welded pipe quality, reputation and standing. The Group recorded sales of approximately RMB2,939.9 million (2023: RMB2,651 million), representing an increase of approximately 10.9% over 2023. The Group recorded a profit of approximately RMB212.7 million (2023: RMB183.8 million). Earnings per share attributable to ordinary equity holders was approximately RMB0.21 (2023: RMB0.18). The Board did not recommend the payment of final dividend for the year ended 31 December 2024.

The Group delivered a total of 414,000 tonnes of steel pipes for several important projects during the year and received orders for 272,000 tonnes of steel pipes, further consolidating the Group's leading position in the industry. The steel pipe projects received include: Tieshan Port Natural Gas Branch Pipeline Project of Guangxi Natural Gas Branch Pipeline Network Project, EL-FAYOUM Gas Pipeline Project, Guinea Rio Tinto Simandou Port Project, Iseni Gas Delivery Project, Mexico Spiral Pipe Project, Abu Dhabi Structure Pipe Project and the Shell Offshore Platform Project and other projects.

Among the newly received orders, there is a project for constructing offshore platform structural modules. This project is jointly developed by Shell Australia and its joint venture partner, SGH Energy. The offshore platform structural modules are located at the floating liquefied natural gas (FLNG) facility in the Crux natural gas field off the coast of Western Australia. FLNG is an offshore floating natural gas processing platform that integrates natural gas processing, liquefaction, storage, loading and unloading. It is generally designed in a ship-shaped structure, mainly consisting of upper process modules, hull, riser, turret, and mooring cables, and is used for the production and transportation of liquefied natural gas (LNG). The Group provided approximately 30,000 tonnes of double-sided submerged-arc longitudinal welded pipes with diameters ranging from 700mm to 3,760mm and wall thicknesses from 15mm to 100mm, and was specifically responsible for the procurement of raw materials including the structural modules, as well as the necessary manufacturing processes such as cutting, rolling, edge preparation, longitudinal seam welding, and circumferential seam welding, and transporting the welded pipes to the port.

The Group successfully won the bidding for the Middle East Wharf Project of Daewoo Engineering & Construction Co., Ltd. of South Korea (韓國大宇工程公司 — 中東碼頭工程) with its strong product strength during the year. Once completed, this Middle East Wharf Project will become the largest port in the Middle East, completely reversing the local shortcomings of a short coastline and poor port handling capacity, and adding new impetus to the local economic development. The construction of Phase I project of this port includes infrastructure projects such as breakwaters, channel dredging, five container berths (with a handling capacity of 3.5 million TEUs), and roads. The Phase I project will be completed in 2025 and will be able to accommodate the world's largest container ships. The Group provided spiral steel pipes for submarine piling with a pipe length of 44–52m, a wall thickness of 25mm, and pipe diameters of 1,420mm and 1,220mm respectively for the project, with a total weight of approximately 68,000 tons. Spiral steel pipes for submarine piling have higher strength, better toughness, and excellent corrosion resistance. These characteristics make it an ideal support material for marine structures and it is widely used in fields such as offshore oil platforms, offshore wind power generation, cross-sea bridges, port and terminals, and tunnel projects. Meanwhile, taking into account the special nature of the marine environment, the surface of the spiral steel pipes for submarine piling needs to be coated with a high-performance anti-corrosion coating to resist the erosion of seawater, salt spray, and other corrosive substances. The products in this project were coated with the external anti-corrosion technology of epoxy glass-flake paint (環氧玻璃鱗片漆) to ensure their stability and durability in marine infrastructure projects.

The Group was invited to participate in the TotalEnergies Supplier Day 2024 held at the headquarter of TotalEnergies in Paris, France during the year. It is the third supplier conference held by TotalEnergies, one of the world's top five international oil companies. As one of the leading steel pipe manufacturers in China and one of four suppliers, the Group was invited to share its experience with its outstanding performance in the East African Crude Oil Pipeline (EACOP) project. The Group mainly introduced its experience of successfully supplying 1,500 kilometers of oil pipelines in the EACOP project. The EACOP project in East Africa has a total length of 1,540 kilometers and is currently the world's longest heated crude oil pipeline project. Once completed, the project will connect Uganda and Tanzania, and vigorously promote the rapid development of the economy in East Africa region. The pipeline laying of this project needs to overcome challenges such as complex terrain and high-temperature environments. The Group has taken up this project with such strict technical requirements from TotalEnergies East African Crude Oil Pipeline Company (道達爾東非原油管道公司), and has successfully completed most of the delivery work.

At the end of June 2024, the Shenzhen-Zhongshan Link, an important transportation project connecting Shenzhen and Zhongshan, was officially opened to traffic after seven years of construction. The opening of the Shenzhen-Zhongshan Link marks that the Group has once again successfully delivered a national key super project after the Pingtan Straits Rail-cum-Road Bridge and the Hong Kong-Zhuhai-Macao Bridge projects. Relying on its superior geographical location and rich experience in participating in many national major projects, the Group successfully became an important supplier for this major project and provided high-quality pipes for the Shenzhen-Zhongshan Link. Since 2018, the Group has continuously participated in several important engineering bidding sections of the Shenzhen-Zhongshan Link, such as the construction of the East Artificial Island and the main line cofferdam section tunnel (Lot S03) and the main project of the cross-river channel (Lot S09), providing a solid guarantee for the successful opening of the Shenzhen-Zhongshan Link. 90% of the steel pipes for the pile foundation used in the Shenzhen-Zhongshan Link come from the Group. The steel pipes for the pile foundation are highly resistant to sea corrosion, which increases the service life of the bridge by 30% and solves the problem of easy breakage of concrete piles. The smooth opening of the Shenzhen-Zhongshan Link symbolises a further acceleration of the integration process of the Guangdong — Hong Kong — Macao Greater Bay Area and is another important milestone in the Group's development history.

In January 2024, the Group was awarded the Specialized and New Annual Masterpiece ("年度絕活") case award by China Media Group at the Innovation Leads The New Industrialization 2023 Specialized and New • Manufacturing Power Annual Ceremony ("創新引領新型工業化2023專精特新 • 製造強國年度盛典"), and stood out among the 12,000 Specialized and New Little Giant enterprises across the country, showcasing the characteristics, highlights and achievements of the development of specialized and new enterprises in China. On the way of developing the enterprise's characteristic products, the Group attaches great importance to the deep sea development strategy of oil and gas resources, and has continued to develop deep sea and ultra-deep sea oil and gas pipeline steel pipes for a long time: in 2012, PCKX65 LSAW steel pipe was applied to the Liwan deepwater natural gas project in the South China Sea of CNOOC, which enabled the Group to enter into the advanced ranks of deep sea pipe manufacturing, and the engineering application record was extended to a depth of 1,500 meters underwater. From 2019 to 2022, focusing on the international engineering of deep sea and ultra-deep sea oil and gas pipelines and the development of deep sea resources, the Group successfully developed underwater oil and gas, clean energy and resources pipeline transmission pipe up to 3,500 meters deep water for the first time in the world, forming a set of steel pipe manufacturing technology for 1,500–3,500 meters ultra-deep sea pipeline in the world. The commendation from China Media Group for the Group is a recognition of the Group's past efforts and the beginning of a new journey.

2024 is the 30th anniversary of the establishment of the Group. In March 2025, the Group was honoured to be interviewed by Guangzhou Daily, with the headline Guangzhou-made "Steel Pipe Dragon" Bravely Enter 3,500-metre Deep Sea-Guangdong Enterprises Develop World's Deepest Submarine Oil and Gas Transmission Pipeline Steel Pipe, which was a special report for the National Two Sessions. The report pointed out how the Group has broken the technological monopoly of Europe and the United States in the past 30 years with a three-step process to produce the world's first 3,500-metre ultra-deep submarine oil and gas transmission pipeline steel pipe, which can be sunk to the seabed at a depth of 3,500 metres, and is resistant to low temperature, high pressure and strong corrosion. The Group has adhered to the glorious history of expanding and strengthening the main business of steel pipes, continuing to cultivate deeply in the field of welded pipes, and making unremitting efforts over the 30 years business. Looking forward to the future, all staff of the Group will continue to carry forward the spirit of indomitable, exploit enterprising, make continuous breakthroughs in technological innovation, and strive for excellence in product quality and set benchmarks, forge ahead in the market competitiveness and bravely scale new heights. The bold spirit of creating one new product after another to replace imports contributes more strength to the prosperity and development of the steel pipe industry. The Group will follow the national strategy, adhere to independent innovation, focus on marine engineering, and use the "steel backbone" to support China's dream of becoming a maritime power.

PROSPECT

In 2025, the road to global economic recovery will remain uncertain. The evolution of Sino-US relations, the strong position of U.S. dollars, the depreciation pressure of Renminbi, the pace of economic recovery in Europe, the direction of the Russia-Ukraine conflict, and the situation in the Middle East will have a profound impact on the global energy market.

In the face of the complex external environment, the Group will continue to seek progress while maintaining stability, actively responding to challenges and seizing opportunities. The Group will continue to strengthen technology research and development, actively participate in a number of major infrastructure and marine engineering construction projects in China, vigorously expand the international market, deeply participate in a number of "the Belt and Road (一帶一路)" related infrastructure construction, continue to provide high-quality steel pipe products, and be committed to bring better services and solutions to global customers. In the future, the Group will continue to uphold the principle of quality first and customer first, actively participate in the construction of more major national projects, and contribute to the modernization of infrastructure. The Group firmly believes that more development opportunities will be ushered in. From 31 December 2024 to the date of this announcement, the Group has fully settled the bonds in full with a view to lightening the load and achieving better results.

We believe that with the Group's technical strength, excellent team and sound business strategy, we will be able to overcome challenges, achieve sustainable development and create greater value for shareholders.

APPRECIATION

On behalf of the Group, I would like to thank all the staff for their consistent professional ethics in such a challenging year. I am also grateful to the shareholders for their continuous support and trust to the Group to build strength for a bright future.

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 LSAW steel pipes, SSAW steel pipes and ERW steel pipes. We are the largest LSAW steel pipe manufacturer and exporter in the PRC, and are capable of producing LSAW steel pipes that meet the X100 standard. We are also accredited with 14 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 2024, the Group received new orders of approximately 272,000 tonnes of welded steel pipes. The Group delivered approximately 414,000 tonnes of welded steel pipes during 2024. The Group has delivered some sizeable overseas orders, such as orders from steel pipes for the East African Crude Oil Pipeline project, Nigeria Iseni Gas Delivery Project, and Mcdermott Asia Pacific Sdn Bhd.

LSAW Steel Pipes

The Group is one of the largest LSAW steel pipe manufacturers and exporters in the PRC. Sales and manufacturing of LSAW steel pipe was the major source of revenue of the Group and accounted for approximately 80.5% of our total steel pipe revenue for the year ended 31 December 2024. For the year ended 31 December 2024, revenue from the sales and manufacturing service of LSAW steel pipes amounted to approximately RMB2,195.4 million and RMB46.9 million, respectively, where sales of LSAW steel pipes were higher than that for the year ended 31 December 2023 was due to increase in delivery of LSAW steel pipes to East African Crude Oil Pipeline ("EACOP").

SSAW Steel Pipes

Our SSAW steel pipes are produced in our plant in Lianyungang using the pre-welding and precision welding SSAW technique, which is the most advanced technique among all SSAW technologies. Revenue from the sales and manufacturing service of SSAW steel pipes amounted to approximately RMB366.9 million and RMB62.8 million respectively. The total revenue from SSAW steel pipes accounted for approximately 15.4% of the total steel pipe revenue for the year ended 31 December 2024 which were lower than that for the year ended 31 December 2023. The decrease was mainly attributable to less delivery of SSAW Steel Pipes to infrastructure projects.

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 m^2.

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 (including underground construction area)	Phase I: 135,000 m^2 Phase II: 191,000 m^2 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 2024.

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards (including International Accounting Standards ("IASs") and International Financial Reporting Standards ("IFRSs")) 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 RMB427,360,000 as at 31 December 2024. The above events and conditions 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 increased from RMB2,651 million for the year ended 31 December 2023 to approximately RMB2,939 million in 2024. Such increase was mainly due to increase in overseas sales of steel pipes in 2024. The Group has delivered a sizable order of the East African Crude Oil Pipeline project during the year. Increase in steel pipes sales in 2024 as compared to that of 2023 was due to the increase in demand from overseas market.

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

	2024		2023	
	RMB'000	***% to total***	*RMB'000*	*% to total*
Revenue				
Steel pipes	**2,787,554**	**94.8**	2,390,855	90.2
Property development and investment	**152,322**	**5.2**	259,997	9.8
	2,939,876	**100.0**	2,650,852	100.0

Steel pipes

	2024		2023	
	Revenue		Revenue	
	RMB'000	***% to total***	*RMB'000*	*% to total*
Sales of steel pipes				
LSAW steel pipes	**2,195,407**	**78.8**	1,495,494	62.6
SSAW steel pipes	**366,895**	**13.1**	612,023	25.6
ERW steel pipes	**2,625**	**0.1**	24,630	1.0
Subtotal	**2,564,927**	**92.0**	2,132,147	89.2
Manufacturing services				
LSAW steel pipes	**46,932**	**1.7**	158,451	6.6
SSAW steel pipes	**62,753**	**2.3**	25,050	1.0
Subtotal	**109,685**	**4.0**	183,501	7.6
Others	**112,942**	**4.0**	75,207	3.2
Grand total	**2,787,554**	**100.0**	2,390,855	100.0

Steel pipes

	2024	2023
	RMB'000	*RMB'000*
Sales	**2,787,554**	2,390,855
Cost of sales	**(2,292,980)**	(1,877,430)
Gross profit	**494,574**	513,425

The revenue generated from the sales of steel pipes accounted for approximately 92.0% of our total steel pipe revenue in 2024 as compared with approximately 89.2% in 2023. Steel pipe manufacturing services accounted for approximately 4.0% of our total steel pipe revenue in 2024 as compared with approximately 7.6% in 2023. 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 4.0% of our total steel pipe revenue in 2024 as compared with approximately 3.2% in 2023.

Gross profit of steel pipe sales for 2024 was approximately RMB494.6 million as compared with approximately RMB513.4 million in 2023, representing an decrease of approximately 3.7% or RMB18.9 million. Gross profit margin for 2024 was approximately 17.7% which was lower than that of 21.5% in 2023. Decrease in gross profit margin was due to relatively lower gross profit margin of one significant overseas project which dragged down the average gross profit margin.

Overseas Sales for 2024 was approximately RMB2,218.7 million as compared with approximately RMB1,370.5 million in 2023, representing an increase of approximately 61.9%. Our overseas sales accounted for approximately 79.6% of our total steel pipe revenue in 2024, as compared with approximately 57.3% in 2023.

Sales by Geographical Areas — Steel Pipes

	2024 Revenue		2023 Revenue	
	RMB'000	***% to total***	*RMB'000*	*% to total*
Overseas sales	**2,218,710**	**79.6**	1,370,493	57.3
Domestic sales	**568,844**	**20.4**	1,020,362	42.7
Total steel pipes and manufacturing services	**2,787,554**	**100.0**	2,390,855	100.0

Property development and investment

	2024	2023
	RMB'000	*RMB'000*
Revenue	**152,322**	259,997
Cost of sales	**(129,482)**	(219,212)
Gross profit	**22,840**	40,785

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 RMB152.3 million in 2024 as compared with approximately RMB260.0 million in 2023, representing a decrease of approximately 41.4% or RMB107.7 million. Decrease in revenue was due to most of sales of Phase II 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 RMB129.5 million in 2024 as compared with approximately RMB219.2 million in 2023, representing a decrease of 40.9% or RMB89.7 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 RMB22.8 million in 2024 as compared with approximately RMB40.8 million in 2023, representing a decrease of 44.0% or RMB17.9 million. 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 2024. The investment properties as at 31 December 2024 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 2024. According to the valuation report as at 31 December 2024 issued by RHL Appraisal Limited, the market value of the investment properties as at 31 December 2024 was RMB355 million. Loss in fair values of the investment properties in 2024 was approximately RMB5 million (2023: loss of RMB2 million).

OTHER INCOME AND GAINS

Other income and gains in 2024 mainly represented bank interest income and subsidy income from government. Other income and gains increased by approximately 1,138.3% or RMB181.9 million from approximately RMB16.0 million in 2023 to approximately RMB197.9 million in 2024. Increase in other income and gains was mainly due to the increase in reversal of provision of interest expense and subsidy income from government.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by approximately 37.6% or RMB24.6 million from approximately RMB65.5 million in 2023 to approximately RMB40.9 million in 2024. Decrease in selling and distribution expenses was mainly due to decrease in sales commission.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately 5.3% or RMB14.3 million from approximately RMB270.0 million in 2023 to approximately RMB284.4 million in 2024. The increase in administrative expenses was mainly due to increase in research and development expenses.

FINANCE COSTS

The finance costs for 2024 was approximately RMB110.2 million as compared with that of 2023 of approximately RMB94.5 million, representing an increase of RMB15.7 million or 16.6%. The effective interest rate in 2024 was approximately 5.9% (2023: 5.2%). Increase in finance costs was due to the increase in interest rate and increase in borrowing.

OTHER EXPENSES

Other expenses decreased by approximately 34.1% or RMB64.0 million from approximately RMB187.9 million in 2023 to approximately RMB123.9 million in 2024. The decrease was mainly due to decrease in write off and impairment of other receivable.

EXCHANGE GAIN, NET

The Group recorded exchange gain of approximately RMB15.6 million in 2024 as compared with exchange gain of approximately RMB15.1 million in 2023. 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 RMB46.2 million in 2024 as compared with income tax credit of RMB144.7 million in 2023.

PROFIT FOR THE YEAR

As a result of the reasons discussed above, the Group recorded a profit of approximately RMB212.7 million in 2024 (2023: profit of RMB183.8 million).

LIQUIDITY AND FINANCIAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for the years ended 31 December 2023 and 2024:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net cash flows from operating activities	**205,872**	431,067
Net cash flows used in investing activities	**(55,820)**	(8,682)
Net cash flows used in financing activities	**(78,470)**	(366,033)
Net increase in cash and cash equivalents	**71,582**	56,352

NET CASH FLOWS FROM OPERATING ACTIVITIES

The Group's net cash inflows from operating activities of approximately RMB431.1 million in 2023 decreased to approximately RMB205.9 million in 2024. The decrease in net cash inflows from operating activities were primarily due to the combined effect of (i) increase in profit before tax; (ii) increase in inventories, trade and bills receivables, pledged and restricted bank balances, trade and bills payables and other payables and accruals; and (iii) decrease in completed properties held for sale, prepayments, other receivables and other assets, and contract liabilities.

NET CASH FLOWS USED IN INVESTING ACTIVITIES

The Group's net cash flows used in investing activities changed from outflow of approximately RMB8.7 million in 2023 to outflow of approximately RMB55.8 million in 2024. The increase in outflow were mainly due to the combined effects of (i) purchase of items of property, plant and equipment in 2024; and (ii) receipt of government grants.

NET CASH FLOWS USED IN FINANCING ACTIVITIES

The Group's net cash flows used in financing activities decreased from approximately RMB366.0 million in 2023 to approximately RMB78.5 million in 2024. The decrease was mainly resulted from the combined effect of (i) the new interest- bearing loans and other borrowings of approximately RMB798.2 million; and (ii) decrease in an amount due to a director, the repayment of bank loans, other borrowings, bonds and principal portion of payment of lease and payment of interest of approximately RMB876.7 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 2024.

CAPITAL EXPENDITURE

For the year ended 31 December 2024, the Group invested approximately RMB62.3 million for the upgrading of property, plant and equipment. These capital expenditures were fully financed by internal resources.

FINANCIAL GUARANTEE

As at 31 December 2024, the Group guaranteed RMB17.9 million (2023: RMB27.4 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 2024:

(i) certain property, plant and equipment of approximately RMB662.3 million (2023: RMB696.4 million);

(ii) certain leasehold land of approximately RMB464.7 million (2023: RMB481.6 million); and

(iii) completed properties held for sale of approximately RMB1,001.2 million (2023: RMB1,003.0 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 2024 and 2023 were approximately 28.7% and 28.5%, respectively. There was no major change in gearing ratio in 2024 as compared with that of 2023.

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, undertakes and covenants that for so long as any of the Bonds remain outstanding, he shall 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 may constitute an event of default under the Bonds and the bondholder is entitled to redeem the Bonds immediately upon the occurrence of the breach in accordance with the terms and conditions of the Bonds. Subsequent to 31 December 2024 and up to the date of this announcement, the Company has fully settled the Bonds.

As at 31 December 2024, the Group's total borrowings amounted to approximately RMB1,865 million, of which approximately 45% (2023: 8%) were long term borrowings and approximately 55% (2023: 92%) were short term borrowings. The total borrowings included, (i) a loan of RMB736 million in relation to the Group's property development business; and (ii) net borrowings under steel pipe business of around RMB1,129 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 2024, (i) approximately 81% (2023: 80%) 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 14% (2023: 16%) of the total borrowings were denominated in Renminbi which carried fixed interest rate; and (iii) approximately 5% (2023: 4%) 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 2025. As at 31 December 2024, 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 2024 which would materially affect the Group's operating and financing performance.

EMPLOYEE AND REMUNERATION POLICY

For the year ended 31 December 2024, staff costs (including Directors' remuneration in the form of salaries) were approximately RMB123.5 million (2023: RMB151.4 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 2024.

As at 31 December 2024, the Group had a total of 858 full time employees (2023: 875 employees). The following sets forth the total number of our staff by functions:

	2024	2023
Management	**55**	52
Production and logistics	**334**	347
Sales and marketing	**51**	58
Finance	**44**	44
Quality control	**105**	113
R&D	**122**	106
Procurement	**18**	20
General administration and others	**129**	135
Total	**858**	875

PROSPECT

Prospect

Tension in the Middle East and climate change have exacerbated uncertainty in the global energy market amidst the ongoing Russia-Ukraine conflict. The continued downward trend in global inflation, the continued sluggishness of the European economy, the slowdown in the economic growth of the United States, the appreciation of the US dollar and the depreciation of the Renminbi have posed challenges to the Group's international trade. The Group expects that the year 2025 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 develop 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, especially for clean energy such as natural gas, which has experienced long-term rapid growth in output. Oil and gas pipeline construction industry is an important part of the development of China's energy industry, as well as an important support for national energy security and economic development. With the rapid development of China's economy, the oil and gas pipeline industry has developed rapidly, and the market size has been expanding. In August 2024, the State Council Information Office of the PRC issued the white paper on China's Energy Transition. The white paper pointed out that in order to enhance the optimal allocation of resources, China has accelerated the construction of energy network infrastructure spanning east to west, north to south, and covering the whole country, enhancing the ability of energy transmission over a wide range of long distances. The interconnection of energy pipelines and networks has been strengthened, and the national network of oil, gas and electricity is becoming more and more dense, with the resilience of the energy system being continuously improved.

At the beginning of 2022, the National Development and Reform Commission and the National Energy Administration issued the "14th Five-Year Plan Modern Energy System Plan", which put forward the goal that by 2025, the scale of domestic oil and gas pipeline network would reach approximately 210,000 kilometers. As of the end of 2023, the total mileage of long-distance oil and gas pipelines in China reached approximately 190,000 kilometers, including 33,000 kilometers of crude oil pipelines, 33,000 kilometers of refined oil pipelines and 124,000 kilometers of natural gas pipelines. According to the demand forecast under the "dual carbon" goal, it is expected that China will add a total of approximately 65,000 kilometers of natural gas pipeline construction by 2035, including 29,500 kilometers of new trunk pipelines and 35,300 kilometers of provincial pipelines, approximately 2,000 kilometers of new crude oil pipelines and 4,000 kilometers of refined oil product pipelines. The "14th Five-Year Plan" will see China's oil and gas pipeline network enter into a new development stage of "national network" with physical interconnection and fair and open services, and it is expected that China will enjoy a stable growth in pipeline transportation in the next 10 to 20 years, of which the construction of pipeline transportation for natural gas pipelines and other ancillary facilities will be the focus of development. In 2024, major trunk pipeline projects such as the China Russia East Line (except for the Nantong-Luzhi section which is under construction), the West-East line 3 (except for the Zhongwei-Zaoyang section which is under construction), and the Shaanxi-Beijing line 3/4 have been completed and commissioned. The Group will benefit from the construction of oil and natural gas pipelines.

In order to implement the energy security strategy of "Four Revolutions and One Co-operation", China Oil & Gas Pipeline Network Corporation ("Pipe China") was formally established at the end of 2019, which is principally engaged in the investment, construction and operation of infrastructure such as oil and gas trunk pipeline networks and gas storage and peak shaving, the interconnection of the trunk pipeline network and the connection of social pipelines, as well as the operation and scheduling of the national oil and gas pipeline network. In recent years, Pipe China has accelerated the interconnection of the trunk pipeline network and promoted the interconnection of the west-east gas transmission pipeline system with the China-Russia East Line and the Jiangsu-Anhui Pipeline in the Yangtze River Delta Region, so as to weave the "line" into a "network" and form the "west-east gas transmission, Russian-south gas transmission, south-north gas transmission, Sichuan-east gas transmission, sea gas delivery to land, flexible deployment, comprehensive protection" pattern of gas supply, enhancing the oil and gas transportation capacity, to ensure a safe and stable supply of oil and gas energy. Pipe China plans to accelerate the construction of a "national network" of oil and gas in the future, and to unify the advantages of planning, construction and operation, and to accelerate the layout of the "6 major strategic channels + 7 verticals, 7 horizontals" natural gas pipeline network structure,"4 major strategic channels + 3 major regions" crude oil pipeline network structure, and the "3 verticals, 3 horizontals + 5 major regions" refined oil pipeline network structure. Since its establishment, Pipe China has been constantly strengthening the overall co-ordination of China's oil and gas pipeline network layout, which has a positive impact on the development of the industry, and the Group's position as a qualified supplier of Pipe China has also had a positive impact on the Group.

According to the China Natural Gas Development Report (2024), in 2023, a series of major achievements were made in domestic natural gas exploration, with major breakthroughs in onshore ultra-deep, deepwater and unconventional gas exploration, and the discovery of a number of hundreds of billions of cubic meters of gas zones in basins such as the Tarim, Sichuan and Erdos, etc. National natural gas consumption increased from 184.8 billion cubic meters in 2014 to 394.5 billion cubic meters in 2023, and the increase in consumption accounted for 37% of the total increase in global consumption. 165.6 billion cubic meters of natural gas was imported into the country in 2023, a year-on-year increase of 9.9%, with the main sources of imports including Turkmenistan, Australia, Russia, Qatar, etc. In 2023, the total mileage of long-distance natural gas pipelines in China was 124,000 kilometers, with more than 4,000 kilometers of long-distance pipelines completed, and it is expected that more than 4,000 kilometers of new pipelines will be added in 2024. As a manufacturer of natural gas welded steel pipe, the Group will firmly seize these opportunities.

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. The construction of a series of natural gas pipeline, wind power and offshore platforms will be accelerated. In addition, the Group will actively expand its insulation pipe business, aiming to meet the demand for green and low-carbon products. With its technical strength and track record, the Group will be able to jointly achieve the “dual carbon” strategic goal of “carbon neutrality”.

In the international market, although the ongoing Russia-Ukraine conflict and the tense situation in the Middle East have exacerbated uncertainty of the global energy market, the continued increase in crude oil supply has put international oil prices on a long-term bearish trend. On the other hand, insufficient global economic growth momentum, increased use of alternative energy, and warmer winter temperatures have led to a sharp drop in international gas prices. According to the China Natural Gas Development Report (2024), in 2023, the total mileage of natural gas pipelines in operation worldwide was 1.36 million kilometers, mainly in North America, Europe, Asia-Pacific, Russia-Central Asia, and China, indicating that the natural gas pipeline coverage rate in other undeveloped countries is still low. In addition, the report mentioned that according to the report “On the Path to 100% Clean Electricity” released by the U.S. Department of Energy, it is planned to achieve 100% clean electricity by 2035, and the proportion of clean energy power generation will be increased from 44% to 71%, and certain countries will continue to withdraw from nuclear and coal power generation, which will enable the Group to further expand its market share of the welded pipe overseas.

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 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 2024.

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 2024.

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 2024 and the condensed unaudited consolidated interim financial statements for the six months ended 30 June 2024, 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 2024 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 2024, 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 2024. Following a specific enquiry, all the Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2024.

FINAL DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2024.

ANNUAL GENERAL MEETING

The 2025 annual general meeting ("AGM") of the Company will be held at 1/F., China Building, 29 Queen's Road Central, Hong Kong on Friday, 20 June 2025 at 10:30 a.m.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Tuesday, 17 June 2025 to Friday, 20 June 2025, 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, 16 June 2025.

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 2024 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, 28 March 2025

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.*