

JUTAL

巨濤海洋石油服務有限公司 Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03303



20
INTERIM REPORT
25

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Financial Highlights

- Revenue was RMB428,270,000, a 67% decrease from the same period in last year.
- Gross profit was RMB132,009,000, a 64% decrease from the same period in last year.
- Profit attributable to owners of the Company was RMB56,049,000, a 68% decrease from the same period in last year.
- Basic and diluted earnings per share were RMB2.629 cents and RMB2.598 cents respectively for the six months ended 30 June 2025.
- The Board recommends a payment of interim dividend of HK\$0.015 per share for the six months ended 30 June 2025.

The board (the “Board”) of directors (the “Directors”) of Jutal Offshore Oil Services Limited (the “Company”) is pleased to present the unaudited condensed consolidated results for the six months ended 30 June 2025 of the Company and its subsidiaries (collectively referred to as the “Group”), together with the comparative figures for the corresponding period in 2024. The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been reviewed by the audit committee of the Company (the “Audit Committee”), but was not reviewed by the Company’s auditor.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	5	428,270	1,284,256
Cost of sales and services		(296,261)	(916,755)
Gross profit		132,009	367,501
Other income	6	6,599	13,912
Reversal of impairment losses on trade and other receivables		1,428	10,543
Impairment losses on contract assets		(5,925)	(9,067)
Administrative expenses		(59,325)	(129,001)
Other operating expenses	7	(8,810)	(38,820)
Profit from operations		65,976	215,068
Finance costs	8	(2,803)	(7,309)
Share of loss of a joint venture		(2)	–
Profit before tax		63,171	207,759
Income tax expense	10	(7,122)	(30,450)
Profit for the period attributable to owners of the Company	11	56,049	177,309
Earnings per share	12	RMB	RMB
Basic		2.629 cents	8.675 cents
Diluted		2.598 cents	8.673 cents

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit for the period	56,049	177,309
Other comprehensive income:		
<i>Item that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(3,812)	2,535
Share of other comprehensive income of a joint venture, net of related income tax	3	—
Other comprehensive (expense)/income for the period, net of tax	(3,809)	2,535
Total comprehensive income for the period attributable to owners of the Company	52,240	179,844

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	13	954,870	932,127
Right-of-use assets	14	355,777	364,279
Investment in a joint venture		63	62
Goodwill		52,444	52,444
Intangible assets		3,567	4,176
Trade receivables, non-current	15	148	3,417
Deferred tax assets		13,260	8,394
		1,380,129	1,364,899
Current assets			
Inventories		96,557	93,228
Trade and bills receivables	15	74,709	284,653
Contract cost assets		3,432	1,271
Contract assets		467,732	476,685
Prepayments, deposits and other receivables		72,052	54,810
Current tax assets		182	1,791
Pledged bank deposits		68,136	64,618
Bank and cash balances		967,372	785,161
		1,750,172	1,762,217

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current liabilities			
Trade and bills payables	16	326,228	417,607
Contract liabilities		43,072	60,957
Accruals and other payables		83,908	109,317
Derivative financial instruments		6,064	1,532
Provisions		162,133	202,713
Bank borrowings		52,780	55,000
Other borrowings		2,236	958
Deferred income		5,237	2,751
Lease liabilities		5,918	7,959
Current tax liabilities		870	–
		688,446	858,794
Net current assets		1,061,726	903,423
Total assets less current liabilities		2,441,855	2,268,322
Non-current liabilities			
Deferred income		57,320	15,724
Lease liabilities		11,523	12,527
Bank borrowings		104,720	30,500
Deferred tax liabilities		40,651	34,170
		214,214	92,921
Net assets		2,227,641	2,175,401

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Capital and reserves			
Share capital	17	19,145	19,145
Reserves		2,208,496	2,156,256
Total equity		2,227,641	2,175,401

Approved by the Board of Directors on 26 August 2025.

Wang Lishan
Director

Tang Hui
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium account RMB'000	Treasury share reserve RMB'000	Share award reserve RMB'000	Special reserve RMB'000	Convertible loan notes equity reserve RMB'000	Foreign currency translation reserve RMB'000	Share-based payment reserve RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2024	17,783	1,379,936	-	-	(52,040)	2,951	(52,323)	63,176	40,275	611,981	2,011,739
Total comprehensive income for the period	-	-	-	-	-	-	2,535	-	-	177,309	179,844
Issue of shares under placing	1,362	54,996	-	-	-	-	-	-	-	-	56,358
Shares repurchased	-	-	(98,033)	-	-	-	-	-	-	-	(98,033)
Treasury share granted under share award scheme	-	4,803	34,734	5,446	-	-	(52)	-	-	-	44,931
Share-based payments	-	-	-	-	-	-	-	12,612	-	-	12,612
Share options forfeited	-	-	-	-	-	-	-	(36,064)	-	36,064	-
Changes in equity for the period	1,362	59,799	(63,299)	5,446	-	-	2,483	(23,452)	-	213,373	195,712
At 30 June 2024 (Unaudited)	19,145	1,439,735	(63,299)	5,446	(52,040)	2,951	(49,840)	39,724	40,275	825,354	2,207,451

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium account RMB'000	Share held under share award scheme RMB'000	Special reserve RMB'000	Convertible loan notes equity reserve RMB'000	Foreign currency translation reserve RMB'000	Share- based payment reserve RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2025	19,145	1,375,888	(46,083)	(52,040)	2,951	(46,795)	48,948	40,275	833,112	2,175,401
Total comprehensive income for the period	-	-	-	-	-	-	-	-	56,049	56,049
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	(3,812)	-	-	-	(3,812)
Share other comprehensive income of a joint venture	-	-	-	-	-	3	-	-	-	3
Changes in equity for the period	-	-	-	-	-	(3,809)	-	-	56,049	52,240
At 30 June 2025 (Unaudited)	19,145	1,375,888	(46,083)	(52,040)	2,951	(50,604)	48,948	40,275	889,161	2,227,641

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash generated from operating activities	133,683	450,601
Interest received	4,682	8,671
Decrease in financial assets at fair value through profit or loss	–	2,264
Purchases of property, plant and equipment	(63,076)	(78,634)
Proceeds from disposal of property, plant and equipment	30	–
Government grants received	45,901	8,124
Increase in pledged bank deposits	(3,606)	(10,849)
Net payments from settlement of derivative financial instruments	(797)	(10,072)
Net cash used in investing activities	(16,866)	(80,496)
Bank borrowings raised	129,000	–
Other borrowings raised	1,278	–
Repayments of bank and other borrowings	(57,000)	(129,100)
Payments for the repurchase of the shares of the Company	–	(98,033)
Proceeds from placement of shares	–	56,358
Principal elements of lease payments	(4,200)	(3,586)
Net cash from/(used in) financing activities	69,078	(174,361)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net increase in cash and cash equivalents	185,895	195,744
Cash and cash equivalents at beginning of period	785,249	752,805
Effect of foreign exchange rate changes	(3,772)	2,516
Cash and cash equivalents at end of period, represented by	967,372	951,065
Bank and cash balances	967,372	951,065
Pledged bank deposits (mature in three months or less)	—	—
	967,372	951,065

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Except as described below, the accounting policies used in the condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024.

In the current interim period, the Group has applied, for the first time, the following amendment to Hong Kong Financial Report Standard (“HKFRS Accounting Standards”), which collective term includes all applicable individual HKFRS Accounting Standards, HKASs and Interpretations issued by the HKICPA, which is effective for the Group’s financial year beginning on 1 January 2025:

The amendments to HKAS 21 “Lack of Exchangeability” specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The application of this amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and consolidated financial position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial information.

3. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Disclosures of level in fair value hierarchy

At 30 June 2025

Description	Fair value measurement using Level 2 RMB'000
Recurring fair value measurements:	
Financial assets:	
Financial assets at fair value through profit or loss	
Listed equity investments	—
Unlisted private funds	—
Derivatives	
Foreign currency forward	—
Total	—
Financial liabilities:	
Derivatives	
Foreign currency forward	6,064
Total	6,064

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Disclosures of level in fair value hierarchy (Continued)

At 31 December 2024

Description	Fair value measurement using Level 2 RMB'000
Recurring fair value measurements:	
Financial assets:	
Financial assets at fair value through profit or loss	
Listed equity investments	–
Unlisted private funds	–
Derivatives	
Foreign currency forward	–
Total	–
Financial liabilities:	
Derivatives	
Foreign currency forward	1,532
Total	1,532

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Reconciliation of financial assets measured at fair value based on level 2

	Listed equity investments RMB'000	Unlisted private funds RMB'000
At 1 January 2025		
Purchases	—	—
Proceeds	—	—
Total (losses)/gains recognised in profit or loss (#)	—	—
Exchange difference	—	—
At 30 June 2025	—	—
(#) Include (losses)/gains for assets held at the end of reporting period	—	—
	Listed equity investments RMB'000	Unlisted private funds RMB'000
At 1 January 2024	—	58,283
Purchases	18,015	—
Proceeds	—	(20,279)
Total (losses)/gains recognised in profit or loss (#)	(1,801)	383
Exchange difference	71	(54)
At 30 June 2024	16,285	38,333
(#) Include (losses)/gains for assets held at the end of reporting period	(1,801)	383

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements

The Group has engaged external valuation expert with the professional qualifications and recent experience to perform the fair value measurement of foreign currency forward contracts outstanding as at 30 June 2025 and 31 December 2024.

The valuation techniques used and the key inputs to the level 2 fair value measurements are set out below:

Level 2 fair value measurements

Description	Valuation technique	Key inputs	Fair value			
			30 June 2025		31 December 2024	
			Assets RMB'000	Liabilities RMB'000	Assets RMB'000	Liabilities RMB'000
Derivatives – foreign currency forward	Discounted cash flows	Forward exchange rate; Contract forward rates; and Discount rate	-	6,064	-	1,532

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION

The Group has two reportable segments as follows:

- Fabrication of facilities and provision of integrated services for oil and gas industries (“oil and gas segment”).
- Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries (“new energy and refinery and chemical segment”).

The Group’s reportable segments are strategic business units that offer products and services to different industry sector. They are managed separately because each business unit requires different technology and marketing strategies.

The Group’s other operating segment mainly represents provision of undersea maintenance services and technical support services for industries other than oil and gas, new energy and refinery and chemical sectors. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the “Others” column.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (CONTINUED)

	Oil and gas segment RMB'000 (Unaudited)	New energy and refinery and chemical segment RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Six months ended 30 June 2025				
Revenue from external customers	321,753	106,517	–	428,270
Segment profit/(loss)	148,396	(16,387)	–	132,009
At 30 June 2025				
Segment assets	1,938,466	86,812	–	2,025,278
Segment liabilities	577,635	55,149	–	632,784
Six months ended 30 June 2024				
Revenue from external customers	1,281,731	2,226	299	1,284,256
Segment profit/(loss)	363,509	4,428	(436)	367,501
At 31 December 2024	(Audited)	(Audited)	(Audited)	(Audited)
Segment assets	2,096,722	113,688	61	2,210,471
Segment liabilities	735,379	75,694	7	811,080

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Reconciliations of segment profit:		
Total profit of reportable segments	132,009	367,501
Unallocated amounts:		
Other income	6,599	13,912
Finance costs	(2,803)	(7,309)
Other corporate expenses	(72,634)	(166,345)
Consolidated profit before tax for the period	63,171	207,759

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by business segments and timing of revenue recognition.

	Oil and gas segment		New energy and refinery and chemical segment		Others		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
For the six months ended 30 June (unaudited)								
Timing of revenue recognition								
Goods and services transferred at a point in time	15,064	21,987	375	-	-	-	15,439	21,987
Goods and services transferred over time	306,689	1,259,744	106,142	2,226	-	299	412,831	1,262,269
Total	321,753	1,281,731	106,517	2,226	-	299	428,270	1,284,256

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. REVENUE (CONTINUED)

The following table provides information about trade and bills receivables, contract assets and contract liabilities from contracts with customers:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade and bills receivables	74,857	288,070
Contract assets	467,732	476,685
Contract liabilities	43,072	60,957

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on the Group's construction services. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for the Group's construction services, for which revenue is recognised over time.

The amount of approximately RMB50,630,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

6. OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net foreign exchange gains	–	330
Gain on disposals of property, plant and equipment	30	–
Interest income on bank deposits	4,682	8,671
Government grants recognised	1,819	4,619
Compensation income	23	171
Sundry income	45	121
	6,599	13,912

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net foreign exchange losses	270	–
Net losses on derivative financial instruments (note (a))	5,329	7,251
Impairment losses on inventories	2,098	3,101
Loss on disposals on property, plant and equipment	–	410
Impairment losses on property, plant and equipment (note (b))	–	26,018
Loss on disposal of a subsidiary (note (c))	–	282
Net loss on financial assets at fair value through profit or loss	–	1,418
Others	1,113	340
	8,810	38,820

Notes:

- (a) The net losses of derivative financial instruments mainly comes from the foreign exchange forward contracts entered into between the Group and banks. As the individual income contracts of the company are settled in United States dollars or Euros, the company entered into these forward contracts to hedge the exchange rate risk caused by the exchange rate fluctuation between these foreign currencies and RMB.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. OTHER OPERATING EXPENSES (CONTINUED)

Notes: (Continued)

- (b) At 30 June 2025, before impairment testing, the Group has property, plant and equipment with carrying amount of approximately RMB313,959,000 (at 30 June 2024: RMB345,062,000) located and used in the Group's Zhuhai fabrication plant which is regarded as the cash generating unit of the related property, plant and equipment (the "CGU"). The Group has assessed there is an impairment indicator of the CGU and estimates the recoverable amount of the CGU on the basis of their value in use using discounted cash flow method. The rate used to discount the forecast cash flows is 12.3% (for the six months ended 30 June 2024: 13.3%). For the six months ended 30 June 2025, no impairment loss was recognised on the property, plant and equipment of the CGU (for the six months ended 30 June 2024: RMB1,491,000).

Other than Zhuhai's CGU, the Group has an equipment located in the Group's Penglai fabrication plant. The Group has assessed there is an impairment indication of the equipment and the recoverable amounts of the equipment was estimated by using fair value less cost of disposal basis. For the six months ended 30 June 2025, no impairment loss was recognised on the equipment (for the six months ended 30 June 2024: RMB24,527,000).

- (c) On 31 May 2024, Shenzhen Jutal Machinery Equipment Company Limited, a wholly-owned subsidiary of the Company, had disposed 100% of the equity interest in Shenzhen Marine Diving Engineering Co., Ltd. for a total cash consideration of RMB1,200,000. For the six months ended 30 June 2024, a loss on disposal of a subsidiary of approximately RMB282,000 was recognised. The disposal was completed during the period and the consideration was received in full.

8. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on bank borrowings	1,444	4,937
Interest on lease liabilities	490	545
Others	869	1,827
	2,803	7,309

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

9. DIVIDENDS

The Board recommends a payment of interim dividend of HK\$0.015 per share (six months ended 30 June 2024: HK\$0.03 per share) for the six months ended 30 June 2025.

10. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax – The People's Republic of China (the "PRC") Enterprise Income Tax		
Provision for the period	4,834	37,975
Under/(Over)-provision in prior periods	673	(14)
	5,507	37,961
Deferred tax	1,615	(7,511)
	7,122	30,450

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits arising in Hong Kong for the periods ended 30 June 2025 and 2024.

The PRC Enterprise Income Tax has been provided on the assessable profit of the Group's subsidiaries in the PRC in accordance with the relevant PRC Enterprise Income Tax laws and regulations.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

11. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Impairment losses on inventories	2,098	3,101
(Gain)/Loss on disposals of property, plant and equipment	(30)	410
Directors' emoluments		
– As directors	481	1,075
– For management	1,501	35,490
	1,982	36,565

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	56,049	177,309
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,131,598,389	2,043,991,246
Effect of dilutive potential ordinary shares arising from share options	25,937,306	345,388
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	2,157,535,695	2,044,336,634

Basic earnings per share attributable to owners of the Company is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of the ordinary shares in issue during the period.

Diluted earnings per share attributable to owners of the Company is calculated by dividing the profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the period after adjusting for the number of diluted potential ordinary shares granted under the Company's share option scheme.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of approximately RMB67,568,000 (six months ended 30 June 2024: RMB84,330,000).

14. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025 and 2024, the Group makes fixed payments throughout the lease period.

15. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	150,477	365,421
Allowance for doubtful debts	(76,439)	(78,701)
	74,038	286,720
Bills receivables	819	1,350
	74,857	288,070
Classified as:		
Trade receivables, non-current	148	3,417
Trade and bills receivables, current	74,709	284,653
	74,857	288,070

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. TRADE AND BILLS RECEIVABLES (CONTINUED)

The Group's trading terms with customers are mainly on credit. The credit terms other than retention receivables generally range from 30 to 90 days. The credit terms for retentions receivables generally range from 12 to 24 months after completion of the respective construction and other services contracts. The credit terms for bills receivables generally range from 180 to 270 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by the directors.

The aging analysis of trade receivables, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Billed:		
0 to 30 days	29,932	136,215
31 to 90 days	19,950	115,542
91 to 365 days	13,283	30,277
Over 365 days	46,523	42,500
	109,688	324,534
Unbilled	40,789	40,887
	150,477	365,421

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

16. TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	326,228	417,607
Bills payables	—	—
	326,228	417,607

The aging analysis of the trade payables, based on the date of receipt of goods and services, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 30 days	226,755	279,475
31 to 90 days	19,206	45,832
91 to 365 days	32,724	36,113
Over 365 days	47,543	56,187
	326,228	417,607

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 December 2024 (Audited) and 30 June 2025 (Unaudited)	4,000,000,000	40,000

A summary of the movements in the issued share capital of the Company is as follows:

	Note	Number of shares	Amount HK\$'000	Equivalent to amount RMB'000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At 1 January 2024 (Audited)		1,981,598,389	19,816	17,783
Placement of shares	(a)	150,000,000	1,500	1,362
At 31 December 2024 (Audited), 1 January 2025 (Audited) and 30 June 2025 (Unaudited)		2,131,598,389	21,316	19,145

Note:

- (a) On 7 March 2024, the Company issued 150,000,000 ordinary shares at price of HK\$0.42 per share through placement. The premium on the issue of shares, amounting to approximately HK\$60,009,000 (equivalent to approximately RMB54,996,000), net of share issue expenses, was credited to the Company's share premium account.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

18. SHARE AWARD SCHEME

The Company has adopted a share award scheme (the “Scheme”) pursuant to a resolution passed on 18 March 2024 which constituted by a Trust Deed between the Company and Tricor Trust (Hong Kong) Limited (the “Trustee”), in which employees may be selected by the Board of Directors to participate. Pursuant to the Scheme, shares of the Company will be purchased on the Hong Kong Stock Exchange, by the Trustee of the trusts declared in the trust deed.

On the grant of the share awards, the relevant number of shares may be transferred from the Trustee who holds the shares for the benefit of the selected employees. A grantee shall not have any interest or rights (including the right to receive dividends) in the shares prior to the vesting of the shares.

As of 31 December 2024, the Trustee purchased an aggregate of 228,750,000 shares at prices ranging from HK\$0.51 to HK\$0.95 per share at a total consideration of approximately HK\$158,560,000 (equivalent to approximately RMB144,734,000) on the Hong Kong Stock Exchange for the purpose of the Scheme. No further purchase was carried out by the Trustee for the six months ended 30 June 2025.

As of 30 June 2025, 164,000,000 award shares had been granted and vested (30 June 2024: 66,000,000 awarded shares had been granted and 58,000,000 awarded shares had been transferred) to selected employees.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share award reserve. The fair value of the related vested shares was HK\$49,500,000 (equivalent to approximately RMB44,931,000) for the shares vested on 21 May 2024 and HK\$53,900,000 (equivalent to approximately RMB49,200,000) for the shares vested on 23 September 2024. For the six months ended 30 June 2025, no share award expense was recognised in profit or loss under “administrative expense” (for the six months ended 30 June 2024: HK\$49,500,000 (equivalent to approximately RMB44,931,000)).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during the period:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Payment on lease liabilities to a related company (<i>note (a)</i>)	912	499
Service income received from a related company (<i>note (b)</i>)	—	6,110

Notes:

- (a) The related company is a wholly-owned subsidiary of a company owned by Mr. Wang Lishan, an executive director and Chairman of the Group.
- (b) The related company is a wholly-owned subsidiary of Beijing Haixin Energy Technology Co., Ltd, a substantial shareholder and a connected person of the Company.

20. SEASONALITY

The Group's revenue from the oil and gas industry and new energy and refining and chemical industries is subject to seasonal factors and the Group's financial results will be affected by the number and size of projects awarded to the Group through tendering process and the stage of completion of the respective projects. Therefore, the Group is unable to forecast the trend of seasonality and its impact to the Group's financial results.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

21. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment – contracted but not provided for	202,349	3,967

22. CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities at 30 June 2025.

Management Discussion and Analysis

1. REVIEWS

At present, renewable energy has become the main driver in meeting the growing demand for new electricity generation. China is the world's largest energy consumer and producer. According to the White Paper titled "China's Energy Transformation" released by The State Council Information Office of the People's Republic of China, over the past decade, more than 40% of newly installed renewable energy capacity worldwide was contributed by China. The global share of non-fossil energy consumption rose from 13.6% to 18.5%, with China accounting for 45.2% of that increase. As reported, by the end of May 2025, the installed capacity of wind power and photovoltaic power generation in China represented 45.7% of total installed capacity.

Leveraging years of experience in offshore engineering equipment manufacturing, the Group has established production capabilities and track records for various types of offshore wind power foundation products, particularly large-scale jackets and floating wind power foundations in deep and remote sea areas. In response to future demand for offshore wind power projects, the Group has formulated targeted regional business development strategies, actively pursued market opportunities, expanded client relationships, and enhanced tendering efforts. During the period, the Group secured several offshore wind power construction projects while also improving production capacity for wind power products and expanding related production capacity, thereby laying a solid foundation for future business growth.

In the first half of the year, the Group commenced construction of Quay#2 at the Zhuhai site, which involves building a 50,000-tonnes general berth with an expected construction period of 12 months. Upon completion and commissioning, the Quay#2 at the Zhuhai site will significantly strengthen the Zhuhai site's core competitiveness in offshore oil and gas equipment manufacturing, module shipment, and international logistics services, enabling the Group to expand its international market presence and provide more efficient manufacturing and shipment services for medium-to-large modules and offshore wind power equipment.

Due to delays in the progress of some tracked projects and the impact of international political factors on overseas markets, the workload of the Group's construction sites during the reporting period was relatively insufficient. Confronted with market volatility, the Group adjusted its operating strategies, actively studied and implemented risk control measures, continued to strengthen cost and expense management, and enhanced engineering capabilities.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Revenue

Compared with the corresponding period of last year, there has been a decrease of workload in the Group's construction sites. The Group recorded a revenue of approximately RMB428,270,000 in the first half of 2025, representing a decrease of RMB855,986,000 or 66.65% as compared with the corresponding period of last year. Among them, revenue from the fabrication of facilities and provision of integrated services for oil and gas industries decreased by RMB959,978,000 or 74.90%, revenue from the fabrication of facilities and provision of integrated services for new energy and refining and chemical industries increased by RMB104,291,000 or 4,685.13%, and other revenue decreased by RMB299,000 or 100% as compared with the corresponding period of last year.

The table below sets out the analysis of revenue by business segment categories for the six months ended 30 June 2023, 2024 and 2025:

Product/service	For the six months ended 30 June					
	2025		2024		2023	
	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %
1. Fabrication of facilities and provision of integrated services for oil and gas industries	321,753	75	1,281,731	100	677,016	82
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	106,517	25	2,226	–	141,016	17
3. Others	–	–	299	–	5,495	1
Total	428,270	100	1,284,256	100	823,527	100

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Cost of Sales and Services

During the reporting period, cost of sales and services of the Group amounted to approximately RMB296,261,000, representing a decrease of approximately RMB620,494,000 or 67.68% compared with that of the corresponding period of last year. Cost of sales and services comprised direct costs and manufacturing overheads. Direct costs in the current period amounted to approximately RMB197,271,000, representing approximately 66.59% of total cost of sales and services, and a decrease of approximately RMB614,101,000 or 75.69% from approximately RMB811,372,000 of the corresponding period of last year. The Group calculates the cost of sales and services of projects on an order-by-order basis. Since the composition of cost differs for each project, the composition of cost of sales and services also varies accordingly. Manufacturing overheads in the current reporting period was approximately RMB98,990,000, representing a decrease of approximately RMB6,393,000 or 6.07% when compared with approximately RMB105,383,000 of the corresponding period of last year.

Gross Profit

During the reporting period, the total amount of gross profit of the Group amounted to approximately RMB132,009,000, representing a decrease of approximately RMB235,492,000 or 64.08% from approximately RMB367,501,000 in the corresponding period of last year. The overall gross profit margin increased to 30.82% from 28.62% of the corresponding period of last year. Changes in business structure resulted in various changes in the gross profit margin of different business segments during the current period.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Gross Profit (Continued)

The table below sets out the analysis of gross profit by business segment for the six months ended 30 June 2023, 2024 and 2025:

Product/service	For the six months ended 30 June								
	2025			2024			2023		
	RMB'000	Percentage		RMB'000	Percentage		RMB'000	Percentage	
		Gross profit margin	of total gross profit		Gross profit margin	of total gross profit		Gross profit margin	of total gross profit
		%	%		%	%		%	%
1. Fabrication of facilities and provision of integrated services for oil and gas industries	148,396	46	112	363,510	28	100	111,536	16	57
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	(16,387)	(15)	(12)	4,428	199	–	83,062	59	43
3. Others	–	–	–	(437)	(146)	–	(261)	(5)	–
Total	132,009		100	367,501		100	194,337		100

Other Income

Other income of the Group for the first half of 2025 amounted to approximately RMB6,599,000, mainly comprising interest income and income from government grants.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Administrative and Other Operating Expenses

Administrative and other operating expenses in aggregate decreased by approximately 59.40% or RMB99,686,000 compared with the corresponding period last year to approximately RMB68,135,000. Among them, the administrative expenses decreased by RMB69,676,000, primarily resulting from the sharp decrease in the accrued employee compensation and the fact that there is no share based payment expense recognised in the period, and other operating expenses decreased by RMB30,010,000 as compared with the corresponding period of last year.

Finance Costs

During the reporting period, the finance costs of the Group amounted to approximately RMB2,803,000 which was mainly comprised of interest expenses from bank borrowings of approximately RMB1,444,000, bank charges and other costs of approximately RMB1,359,000.

Profit for the Period Attributable to Owners of the Company

In the first half of 2025, profit attributable to owners of the Company amounted to approximately RMB56,049,000, basic and diluted earnings per share was approximately RMB2.629 cents and RMB2.598 cents respectively.

Liquidity and Financial Resources

As at 30 June 2025, the balance of working funds (cash on hand and bank deposits) of the Group amounted to approximately RMB967,372,000 (31 December 2024: RMB785,161,000). During the said period, net cash inflows from operating activities amounted to approximately RMB133,683,000, net cash outflows from investing activities amounted to approximately RMB16,866,000, and net cash inflows from financing activities amounted to approximately RMB69,078,000.

As at 30 June 2025, the Group had approximately RMB828,910,000 (31 December 2024: RMB200,000,000) of available undrawn banking facilities. Available undrawn banking facilities include bank borrowings, letters of credit, etc.

As at 30 June 2025, the Group had obtained bank guarantees under performance bonds for construction contracts of approximately RMB291,031,000 (31 December 2024: RMB270,100,000).

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Capital Structure

As at 30 June 2025, the share capital of the Company comprises 2,131,598,389 ordinary shares (31 December 2024: 2,131,598,389 ordinary shares).

As at 30 June 2025, the net assets of the Group amounted to approximately RMB2,227,641,000 (31 December 2024: RMB2,175,401,000), which comprises non-current assets of approximately RMB1,380,129,000 (31 December 2024: RMB1,364,899,000), net current assets of approximately RMB1,061,726,000 (31 December 2024: RMB903,423,000) and non-current liabilities of approximately RMB214,214,000 (31 December 2024: RMB92,921,000).

Significant Investment

In the first half of this year, the renovation works of the west factory area of Penglai site were completed and the equipment and facilities of Penglai site were further improved according to the market situation and future development plan.

The Group also started the construction of the Quay#2 at Zhuhai Site with an estimated total investment over RMB200 million, which is expected to be completed in the first half of 2026.

Apart from the above, the Group has no other significant investment for the six months ended 30 June 2025.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Foreign Exchange Risk

The principal place of production and operation of the Group is in the PRC, and the functional currency of the principal operating subsidiaries of the Group is RMB. The Group also operates its business overseas and possesses assets which are denominated in currencies other than RMB. Fluctuation of RMB against other currencies like United States Dollars ("USD") and Euros would bring certain foreign exchange risk to the Group. The Group would minimise the amount of assets which were denominated in other currencies like USD and Euros, perform rolling estimates on foreign exchange rates, and would consider potential foreign exchange risk when entering into business contracts.

Assets Pledged by the Group

As at 30 June 2025, approximately RMB68,136,000 (31 December 2024: RMB64,618,000) of the bank deposits of the Group were pledged as security deposits for bank borrowings, the issuance of performance bonds, letter of credits and bank acceptance, etc.

Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities.

Capital Management

The Group's main objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Capital Management (Continued)

The Group monitors its capital by using a gearing ratio, which is total borrowings and lease liabilities divided by total equity of the Group. The Group's policy is to keep the gearing ratio at a reasonable level.

The gearing ratios of the Group as at 30 June 2025 and as at 31 December 2024 were as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Total borrowings	159,736	86,458
Lease liabilities	17,441	20,486
Total equity	2,227,641	2,175,401
Gearing ratio	7.95%	4.92%

The increase in gearing ratio in the reporting period was mainly due to the increase in bank borrowings. The Group adjusts the amount of bank loan facilities from time to time to meet the Group's working capital needs.

Employees and Remuneration Policy

As at 30 June 2025, the Group had total 1,936 employees (31 December 2024: 2,181), of which 841 (31 December 2024: 967) were management and technical staff, and 1,095 (31 December 2024: 1,214) were technicians.

The Group encourages staff to build long-term service, and strives to create a fair and open competition environment, committed to develop talents with management experience, professional skills and dedication. The Group determines the remuneration and incentives of employees with reference to the prevailing industry practice, and based on their position, duties and performance. The Group contributes to social security funds, including pension fund, medical, unemployment and industrial accident insurances, and housing provident fund for employees in the PRC, and contributes to mandatory provident fund for employees in Hong Kong according to applicable laws and regulations.

The Group places emphasis on staff development, encourages employees to pursue continuous education, and formulates training programs for employees.

Management Discussion and Analysis

2. FUTURE OUTLOOK

According to Deloitte China's report titled Key Issues for China's Energy Sector during the "15th Five-Year Plan Period", during the "15th Five-Year Plan" period, the global energy structure will undergo profound adjustments, with total energy consumption maintaining moderate growth. Investment in clean energy and demand in emerging markets are expected to continue rising, while traditional and new energy will evolve in tandem to establish a new supply system.

A number of offshore wind power jacket and floating wind power projects undertaken by the Group have received high recognition from customers. Building on the progress made in market development during the first half of the year, the Group will continue to actively pursue construction project opportunities, including those in the new energy equipment sector, explore diverse cooperation models, and secure additional new orders in the second half of the year.

While strengthening business development efforts, the Group will further enhance its technical capabilities, recruit high-end professionals as required, improve both software and hardware facilities and management systems, and strengthen its EPC capabilities. The Group will also continue to promote the development of FPSO modules and EPC services for small-to-medium oil and gas platforms.

During the year, the Group will focus on advancing the construction of the new quay at the Zhuhai site and upgrading related site facilities. Through facility upgrades, hardware improvements, and the adoption of innovative production processes, the Group aims to improve production efficiency and expand capacity.

In light of the impact of international political developments on its operations, the Group will actively coordinate resources, implement relevant countermeasures, and strive to improve its overall operating performance on multiple fronts.

Directors Report and Corporate Governance

INTERIM DIVIDEND

The Board recommends a payment of interim dividend of HK\$0.015 per share for the six months ended 30 June 2025.

The recommended interim dividend will be payable on Friday, 17 October 2025 to the shareholders of the Company whose names will appear on the register of members of the Company (the “Register of Members”) on Friday, 26 September 2025.

The Register of Members will be closed from Wednesday, 24 September 2025 to Friday, 26 September 2025 (both days inclusive). In order to establish entitlements to the recommended interim dividend, all transfers accompanied by the relevant Share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on Tuesday, 23 September 2025.

USE OF THE RAISED PROCEEDS

- (i) On 15 March 2017, the Company entered into a subscription agreement with Sanju Environmental Protection (Hong Kong) Limited (“Sanju HK”) and Golden Talent (HK) Technology company Limited (“Golden Talent”), pursuant to which the Company has conditionally agreed to allot and issue an aggregate of 803,562,111 subscription shares, of which Sanju HK and Golden Talent have conditionally agreed to subscribe for 641,566,556 shares and 161,995,555 shares respectively at the subscription price of HK\$1.20 per subscription share (the net subscription price is approximately HK\$1.197 per subscription share, and the close price of the share on 15 March 2017 was HK\$2.00) (the “Subscription”). The Subscription has been approved by the shareholders of the Company at the extraordinary general meeting held on 26 May 2017 and completed on 2 June 2017.

Directors Report and Corporate Governance

USE OF THE RAISED PROCEEDS (CONTINUED)

(i) (Continued)

The net proceeds from the Subscription was approximately HK\$962,000,000. As at 30 June 2025, the raised fund has been used as follows:

Plan of use of proceeds from the Subscription as stipulated in the circular of the Company dated 11 May 2017	Use of proceeds from the Subscription ended 30 June 2025	Plan of use of the outstanding balance of the proceeds from the Subscription
1. Approximately HK\$500 million for the working capital in engineering, procurement, installation and construction ("EPIC") projects; and in built – transfer projects relating to the oil and gas equipment and facilities	All has been used as planned	–
2. Approximately HK\$250 million for the capital expenditure in improving and expanding the production facilities and office facilities in the Group's Zhuhai operation	During the reporting period, the funds were not utilized, a total of approximately HK\$197 million has been used for the capital expenditure in the production and office facilities of the Group's Zhuhai site (<i>Note a</i>)	The remaining approximately HK\$53 million will be kept for future capital expenditure in the production and office facilities in the Group's Zhuhai operation as necessary. It is estimated that the remaining balance of the proceeds will be used in year 2025 to year 2026
3. Approximately HK\$212 million for the general working capital of the Group	All has been used as planned	–

Directors Report and Corporate Governance

USE OF THE RAISED PROCEEDS (CONTINUED)

(i) (Continued)

Note:

- a. Due to the poor market conditions in 2018, 2019, and 2021 to 2024 as there were lower-than-expected orders and insufficient workload and even the occurrence of project losses at the Zhuhai fabrication site, the Group took the initiative to slow down part of the investment in its Zhuhai site. The Group will gradually implement the investment in the production and office facilities in accordance with the market conditions, actual business requirement of the yard and its long-term planning.
- (ii) On 15 February 2024, KGI Asia Limited (the “KGI”) and the Company entered into a conditional placing agreement pursuant to which the Company has conditionally agreed to place, through KGI on a best efforts basis, up to a maximum of 200,000,000 new shares of the Company, to be allotted and issued by the Company under the general mandate granted to the Directors at the annual general meeting of the Company on 28 June 2023 (the “2024 Placing Shares”), to not less than six placees (professional, institutional and other investor(s) procured by KGI who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons) at the placing price of HK\$0.42 per 2024 Placing Share (the net placing price is approximately HK\$0.411 per 2024 Placing Share, and the close price of the share on 15 February 2024 was HK\$0.465) (the “2024 Placing”). The 2024 Placing has completed on 7 March 2024, and 150,000,000 new shares were placed.

Directors Report and Corporate Governance

USE OF THE RAISED PROCEEDS (CONTINUED)

(ii) (Continued)

The net proceeds from the 2024 Placing were approximately HK\$61,509,000. As at 30 June 2025, the raised fund has been used as follows:

Plan of use of proceeds from the 2024 Placing as stipulated in the announcement of the Company dated 15 February 2024	Use of proceeds from the 2024 Placing as at 30 June 2025	Plan of use of the outstanding balance of the proceeds from the 2024 Placing
1. Approximately HK\$44,902,000 for Zhuhai Quay#2 construction at the existing Zhuhai site	Approximately HK\$1,157,000 was used during the period, the aggregate amount used for Zhuhai Quay#2 construction at the existing Zhuhai site became HK\$3,091,000	The remaining approximately HK\$41,811,000 is estimated be used in year 2025 to 2026
2. Approximately HK\$16,607,000 for the general working capital of the Group	All has been used as planned	—

Directors Report and Corporate Governance

SHARE OPTION

The Company's 2016 share option scheme ("2016 Share Option Scheme") was adopted by Shareholders' resolution at the Company's annual general meeting held on 8 June 2016 with a valid period of 10 years commencing on the date of adoption. Unless approval of the shareholders has been obtained, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 80,035,427 shares, representing 10% of the shares (800,354,278 shares) in issue on the date of the said annual general meeting.

The 2016 Share Option Scheme enables the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. Eligible participants include all full time employee, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above of the Group, substantial Shareholders of each member of the Group, associates of the Directors and substantial Shareholders of any member of the Group, trustee of any trust pre-approved by the Board; and any advisor (professional or otherwise), consultant, distributor, supplier, agent, customer, joint venture partner, services provider to the Group whom the Board considers, in its sole discretion, has contributed or contributes to the Group.

The general scheme limit of the 2016 Share Option Scheme has been refreshed and approved by Shareholders' resolution at the Company's annual general meeting held on 8 June 2018. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 163,401,638 shares, representing 10% of the shares (1,634,016,389 Shares) in issue on the date of the said annual general meeting.

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

The general scheme limit of the 2016 Share Option Scheme has been further refreshed and approved by Shareholders' resolution at the Company's annual general meeting held on 27 May 2022. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 168,130,638 shares, representing 10% of the shares (1,681,306,389 Shares) in issue on the date of the said annual general meeting and approximately 7.89% of the shares (2,131,598,389 shares) on the date of this interim report.

According to the terms of the 2016 Share Option Schemes, the offer of grant of the share options should be accepted within 28 days from the date of grant and the consideration for the grant of the options should be HK\$1.00. The options may be exercised in accordance with the terms of the 2016 Share Option Scheme and conditions under applicable award documents at any time during the exercise period as determined by the Board which shall in any event not be more than ten years from the date of grant.

The amendments to Chapter 17 of the Listing Rules have come into effect on 1 January 2023. In order to comply with such amendments, the 2016 Share Option Scheme was terminated and the Company's 2024 share option scheme ("2024 Share Option Scheme") was adopted by Shareholders' resolutions at the Company's annual general meeting held on 11 June 2024 with a valid period of 10 years commencing on the date of adoption. Unless approval of the shareholders has been obtained, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 213,159,838 shares, representing 10% of the shares in issue (2,131,598,389 shares) on the date of the said annual general meeting and the date of this report.

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

The purpose of the 2024 Share Option Scheme is to enable the Company to grant Options to selected eligible participants to: (i) recognise and/or reward their contributions or potential contribution to the Group and provide them with an opportunity to acquire a proprietary interest in the Company; (ii) give incentives to such individuals in order to encourage and retain them for the continual operation and development of the Group; (iii) provide additional incentives for such individuals to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate them to maximise the value of the Company for the benefit of both the selected Eligible Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected eligible participants directly with those of the Shareholders through ownership of Shares.

Pursuant to the terms of the 2024 Share Option Scheme, eligible participants include the employee participants and related entity participants. The eligibility of each of the eligible participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis.

The offer of grant of the share options under the 2024 Share Option Scheme should be accepted within 28 days from the date of grant with no consideration. The options may be exercised in accordance with the terms of the 2024 Share Option Scheme and conditions under applicable award documents at any time during the exercise period as determined by the Board which shall in any event not be more than ten years from the date of grant. The vesting period for options shall not be less than 12 months. A shorter vesting period may be granted to the employee participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in some specific circumstances.

The remaining life of the 2024 Share Option Scheme is approximately 8 years and 10 months as at the date of this report.

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

Where any grant of options to a participant would result in the shares issued and to be issued in respect of all options granted to such person (excluding any options lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of shares of the Company in issue, such grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

Where any grant of options to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all options granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of options must be approved by shareholders of the listed issuer in general meeting in the manner set out in Rule 17.04(4).

Each option granted under the Share Option Schemes gives the holder the right to subscribe for one ordinary share of the Company. The exercise price determined by the Board is not less than the highest of:

- (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;
- (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of the share of the Company on the date of grant.

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

From 1 January 2018 to 30 June 2025, the Board approved to grant and the Company has granted options to Directors and other eligible participants. Details of the options granted are as follows:

(i) Options granted in on 9 January 2018

Vesting period:	12 months
Exercise period:	9 January 2019 to 8 January 2028
Exercise price (HK\$):	2.14
Closing price of the Shares immediately before the date of granting the options (HK\$):	2.11

Name of grantee	Number of options as at 1 January 2025	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2025	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
Directors:							
Wang Lishan	2,300,000	-	-	-	-	2,300,000	0.11%
Cao Yunsheng (resigned on 24 June 2024)	8,000,000	-	-	-	-	8,000,000	0.38%
Liu Yunian (resigned on 12 January 2024)	1,500,000	-	-	-	-	1,500,000	0.07%
Tang Hui (appointed on 24 June 2024)	1,500,000	-	-	-	-	1,500,000	0.07%
Zhao Wuhui (appointed on 12 January 2024 and resigned on 18 December 2024)	1,500,000	-	-	-	-	1,500,000	0.07%
Other Employees	15,400,000	-	-	-	-	15,400,000	0.72%
Total	30,200,000	-	-	-	-	30,200,000	1.42%

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

(ii) Options granted on 24 April 2020

Vesting period:	Subject to certain performance targets decided by the Board
Exercise period:	1 April 2021 to 23 April 2026
Exercise price (HK\$):	0.48
Closing price of the Shares immediately before the date of granting the options (HK\$):	0.465

Name of grantee	Number of options as at 1 January 2025	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2025	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
Directors:							
Cao Yunsheng (resigned on 24 June 2024)	146,000	-	-	-	-	146,000	0.007%
Liu Yunian (resigned on 12 January 2024)	365,000	-	-	-	-	365,000	0.017%
Tang Hui (appointed on 24 June 2024)	146,000	-	-	-	-	146,000	0.007%
Zhao Wuhui (appointed on 12 January 2024 and resigned on 18 December 2024)	156,000	-	-	-	-	156,000	0.007%
Other Employees	876,000	-	-	-	-	876,000	0.041%
Total	1,689,000	-	-	-	-	1,689,000	0.079%

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

(iii) Options granted on 9 November 2023

Vesting period:	12 Months
Exercise period:	9 November 2024 to 8 November 2028
Exercise price (HK\$):	0.52
Closing price of the Shares immediately before the date of granting the options (HK\$):	0.54

Name of grantee	Number of options as at 1 January 2025	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2025	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
Directors:							
Cao Yunsheng (resigned on 24 June 2024)	18,000,000	–	–	–	–	18,000,000	0.84%
Liu Yunian (resigned on 12 January 2024)	8,000,000	–	–	–	–	8,000,000	0.38%
Han Guimao (resigned on 12 January 2024)	1,800,000	–	–	–	–	1,800,000	0.08%
Tang Hui (appointed on 24 June 2024)	8,000,000	–	–	–	–	8,000,000	0.38%
Zhao Wuhui (appointed on 12 January 2024 and resigned on 18 December 2024)	8,000,000	–	–	–	–	8,000,000	0.38%
Choy Suk Yuk	1,800,000	–	–	–	–	1,800,000	0.08%
Cheung Ngar Tat Eddie	1,800,000	–	–	–	–	1,800,000	0.08%
Tam Kin Yip	1,800,000	–	–	–	–	1,800,000	0.08%
Other Employees	70,000,000	–	–	–	–	70,000,000	3.28%
Total	119,200,000	–	–	–	–	119,200,000	5.59%

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

There is no performance target attached to the options granted.

The purpose of the Share Option Schemes is to reward the eligible participants who have contributed to the Group, and to motivate the eligible participants to optimize their performance and efficiency for the benefit of the Group, as well as, to attract and retain the eligible participants whose contributions are, will or are expected to be beneficial to the Group. The number of options to be granted is based on the work performance and potential contributions of the Grantees, and the value of the options depends on the business performance of the Group, to which the Grantee will directly contribute. In view of the above, the remuneration committee of the Company considered the grant of options, with performance target attached, is not necessary and aligned with the purpose of the Share Option Schemes.

The options are subject to vesting conditions and earlier termination as provided under the Share Option Schemes and respective applicable award documents, which provided for the circumstance which the options shall lapse and not be exercisable if the Grantees cease to be an employee of the Group. The remuneration committee and the board of the Company consider that it is not necessary to have additional clawback mechanism as the Share Option Scheme already provided the lapse and cancellation of options in different scenarios and provided enough protection to the Company's interests.

The number of options available for grant under the Share Option Schemes at the 1 January 2025 and 30 June 2025 are 213,159,838.

The number of shares that may be issued in respect of option granted under all schemes of the Company during the period	The weighted average number of shares in issue of the Company for the period	Percentage
151,089,000	2,131,598,389	7.09%

Directors Report and Corporate Governance

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

At 30 June 2025, the interests and short positions of each Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571) ("SFO"), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding
Wang Lishan	Interest of a controlled corporation (Note 2)	396,911,278 (L)	18.62%
	Beneficial owner	49,628,000 (L)	2.33%
	Share options	2,300,000 (L)	0.11%
Tang Hui	Beneficial owner	9,000,000 (L)	0.42%
	Share options	9,646,000 (L)	0.45%
Choy So Yuk	Share options	1,800,000 (L)	0.08%
Cheung Ngar Tat Eddie	Share options	1,800,000 (L)	0.08%
Tam Kin Yip	Share options	1,800,000 (L)	0.08%

Notes:

1. The letter "L" denotes a long position in the Shares.
2. These Shares are held by Cheung Hing Investments Limited, which is wholly-owned by Mr. Wang Lishan.

Directors Report and Corporate Governance

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION (CONTINUED)

Save as disclosed above, at no time during the period was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the Directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or any its specified undertakings or other associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

At 30 June 2025, in addition to those of the Directors and chief executives already disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of Part XV of the SFO shows that the Company had been notified of the following substantial shareholders' interests and/or short positions, being 5% or more of the Company's issued share capital:

Name of Shareholder	Capacity	Number of Shares (Note 1)	Percentage of shareholding
Sanju Environmental protection (Hong Kong) Limited	Beneficial owner (Note 2)	641,566,556 (L)	30.10%
Beijing Haixin Energy Technology Co., Ltd. (北京海新能源科技股份有限公司)	Interest of a controlled corporation (Note 2)	641,566,556 (L)	30.10%
Cheung Hing Investments Limited	Beneficial owner (Note 3)	396,911,278 (L)	18.62%

Directors Report and Corporate Governance

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Name of Shareholder	Capacity	Number of Shares (Note 1)	Percentage of shareholding
Wang Lishan	Interest of a controlled corporation (Note 3)	396,911,278 (L)	18.62%
	Beneficial owner	49,628,000 (L)	2.33%
	Share options	2,300,000 (L)	0.11%
Capital Pilot Limited	Person having a security interest in shares (Note 4)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%
Shiu Shu Ming	Interest of a controlled corporation (Note 4)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%
Hong Man Chu	Interest of spouse (Note 5)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%
Lo Chun Yim	Interest of a controlled corporation (Note 6)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%
Golden Talent (HK) Technology Co., Limited	Beneficial owner (Note 6)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%

Directors Report and Corporate Governance

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Notes:

1. The letters "L" and "S" denote a long position and short position in the shares respectively.
2. These shares are held by Sanju Environmental Protection (Hong Kong) Limited, which is wholly-owned by Beijing Haixin Energy Technology Co., Ltd. (北京海新能源科技股份有限公司).
3. These shares are held by Cheung Hing Investments Limited, which is wholly-owned by Mr. Wang Lishan.
4. These shares are held by Capital Pilot Limited, which is wholly-owned by Mr. Shiu Shu Ming.
5. Ms. Hong Man Chu is the spouse of Mr. Lo Chun Yim.
6. These shares are held by Golden Talent (HK) Technology Co., Limited, which is beneficially and wholly-owned by Mr. Lo Chun Yim.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as the share options granted to the Directors under the share option scheme of the Company in previous years and the award shares granted under the share award plan of the Company, at no time during the period, the Directors and chief executive (including their spouse and children under 18 years of age) had any other interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company, its specified undertakings and its other associated corporations required to be disclosed pursuant to the Securities and Futures Ordinance (Cap. 571) and the Hong Kong Companies Ordinance (Cap. 622).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

Directors Report and Corporate Governance

CORPORATE GOVERNANCE

The Company had adopted the Corporate Governance Code (the “Corporate Governance Code”) introduced in Appendix C1 of the Listing Rules by the Stock Exchange to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company’s shareholders.

In the opinion of the Directors, the Company has complied with the Corporate Governance Code for the period ended 30 June 2025, save for the deviations from the code provisions as follows:

“Under Code Provision D.1.2, Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail.”

The Company provides Mr. Tang Hui with monthly internal financial statements, instead of all board members, because he is responsible for overseeing the financial affairs of the Company. The remaining Directors have accessed to the monthly internal financial statements as well. The reason for such deviation from the Corporate Governance Code is to enhance the Company’s efficiency. Directors also received reports from the management on the operation and financial position of the Company at relevant board meetings.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions.

Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code regarding Directors’ securities transactions in the reporting period.

Directors Report and Corporate Governance

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process, risk management and internal control system of the Group, and to make proposals to the Board as to appointment, renewal and resignation of the Company's external auditor and the related remuneration and appointment terms. The Audit Committee has reviewed the unaudited interim financial information of the Group for the period ended 30 June 2025 with no disagreement and is of the opinion that such information complies with the applicable accounting standards, and the Listing Rules and legal requirements, and that adequate disclosures have been made.

By Order of the Board
Jutal Offshore Oil Services Limited
Wang Lishan
Chairman

Hong Kong, 26 August 2025

Corporate Information

SHARE INFORMATION

Listing place : Main Board of The
Stock Exchange of
Hong Kong Limited

Stock code : 03303

Listing date : 21 September 2006

Stock name : Jutal Oil Ser

Issued shares : 2,131,598,389
ordinary shares

Website : <http://www.jutal.com>

BOARD OF DIRECTORS

Executive directors

Mr. Wang Lishan (*Chairman*)
Mr. Tang Hui (*President*)

Independent non-executive directors

Ms. Choy So Yuk, *BBS, JP*
Mr. Tam Kin Yip
Mr. Cheung Ngar Tat Eddie
Mr. Zhang Hua

COMPANY REPRESENTATIVE

Mr. Tang Hui
Ms. Leung Fung Yee Alice

COMPANY SECRETARY

Ms. Leung Fung Yee Alice

REGISTERED OFFICE

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Cayman Islands

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Corporate Information

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