SSC

Sinopec Oilfield Service Corporation

(a joint stock limited company established in the People's Republic of China)

(Stock code: 1033)

Announcement of the interim results for the six months ended 30 June 2026

The board of directors (the "**Board**") of Sinopec Oilfield Service Corporation (the "**Company**") hereby presents the interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026.

1. IMPORTANT NOTES

1.1 The Board of the Company and its directors and senior management warrant that there are no false representations, misleading statements or material omissions in this announcement and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this announcement.

1.2 The interim financial statements of the Company for 2026, which have been prepared in accordance with the PRC Accounting Standards for Business Enterprises ("**PRC ASBE**") and International Financial Reporting Standards ("**IFRS**"), are unaudited. The interim financial statements of the Company for 2026, which have been prepared in accordance with the IFRS, have been reviewed by BDO Limited.

1.3 Mr. Wu Baizhi, Chairman, Mr. Zhang Jiankuo, General Manager, Mr. Cheng Zhongyi, Chief Financial Officer and Ms. Zhang Xueping, Manager of the Accounting and Asset Department of the Company, hereby warranted the authenticity and completeness of the interim financial statements contained in the announcement.

1.4 This announcement of interim results is a summary of the 2026 Interim Report of the Company. For more details, investors should carefully read the full version of the 2026 Interim Report, which will be published on the websites of the Shanghai Stock Exchange ("**SSE**") (website: http://www.sse.com.cn), The Stock Exchange of Hong Kong Limited ("**HKSE**") (website: http://www.hkexnews.hk) and the Company (website: http://ssc.sinopec.com).

2. BASIC INFORMATION OF THE COMPANY

2.1 Company Profile

2.1.1 Places of listing, short names and codes of the stock:

Share Type	Place of listing of the shares	Stock abbreviation	Stock Code	Stock abbreviation before change
A Shares	SSE	SINOPEC SSC	600871	-
H Shares	HKSE	SINOPEC SSC	01033	-

2.1.2 Contact Persons and Contact Information

	Secretary to the Board	Company Secretary, Securities Affairs Representative
Name	Ke Yuehua	Shen Zehong
Address	Office of the Board of Directors, #9 Jishikou Road, Chaoyang District, Beijing, China.	
Telephone	86-10-59965998	
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2.2 Principal financial data and financial indicators

2.2.1 Extracted from the interim financial report prepared under IFRS (Unaudited)

	As at 30 June 2026 ***RMB '000***	As at 31 December 2025 *RMB '000*	Increase/ (Decrease) from last year *(%)*
Total assets	77,629,992	77,254,593	0.5
Total Liabilities	67,603,010	67,988,891	-0.6
Total equity attributable to equity shareholders of the Company	10,008,067	9,254,404	8.1
Net assets per share attributable to equity shareholders of the Company *(RMB)*	0.53	0.49	8.2
	For the six months ended 30 June 2026 ***RMB '000***	For the six months ended 30 June 2025 *RMB '000*	Increase/ (Decrease) from corresponding period of last year *(%)*
Profit attributable to equity shareholders of the Company	758,341	760,149	-0.2
Basic and diluted earnings per share	RMB 0.040	RMB 0.040	-
Net cash generated from/(used in) operating activities	2,936,661	2,150,567	36.6
Return on net assets	7.57%	8.08%	decreased by 0.51 percentage points
Net cash generated from/(used in) operating activities per share	RMB 0.155	RMB 0.113	37.2

2.2.2 Extracted from the interim financial report prepared in accordance with the PRC ASBE (Unaudited)

（1）Key financial data

	For the six months ended 30 June 2026 ***RMB'000***	For the six months ended 30 June 2025 *RMB'000*	Increase/(Decrease) from corresponding period of last year *(%)*
Operating income	37,664,258	37,050,751	1.7
Operating profit	825,220	788,207	4.7
Profit before income tax	783,699	782,970	0.1
Net profit attributable to equity shareholders of the Company	509,539	492,256	3.5
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	469,294	423,900	10.7
Net cash inflow from operating activities ("-" for outflow)	2,936,661	2,150,567	36.6
	As at 30 June 2026 ***RMB'000***	As at 31 December 2025 *RMB'000*	Increase/(Decrease) from last year *(%)*
Total equity attributable to equity shareholders of the Company	10,008,067	9,254,404	8.1
Total assets	77,629,992	77,254,593	0.5

（2）Key financial indicators

	For the six months ended 30 June 2026	**For the six months ended 30 June 2025**	Increase/ (Decrease) from corresponding period of last year *(%)*
Basic earnings per share (RMB/share)	0.027	0.026	3.8
Diluted earnings per share (RMB/share)	0.027	0.026	3.8
Basic earnings per share deducted extraordinary gain and loss (RMB/share)	0.025	0.022	13.6
Weighted average return on net assets	5.36%	5.53%	decreased by 0.17 percentage points

Weighted average return on net assets deducted extraordinary gain and loss	4.94%	4.77%	increased by 0.17 percentage points

Explanations for key financial data and key financial indicators

☐Applicable √ Not Applicable

2.2.3 Extraordinary gain and loss items and amount (figures are based on the interim financial report prepared in accordance with the PRC ASBE) (Unaudited)

Extraordinary gain and loss items	**Amount (RMB'000)**
Gains and losses on disposal of non-current assets, including write-offs of provision for impairment of assets	232
Government subsidies included in the current profits and losses, except those that are closely related to the normal business operations of the Company, comply with the national policies and regulations, are enjoyed in accordance with the determined standards, and have a continuous impact on the profits and losses of the Company	28,939
Reversal of provision for impairment of receivables individually tested for impairment	41,537
Gain or loss on debt restructuring	17,522
Other non-operating income and expenses excluding the aforesaid items	-40,878
Effect of income tax	-7,107
Total	40,245

2.2.4 Differences between the interim financial report of the Company prepared in accordance with the PRC ASBE and IFRS (Unaudited)

	Net profit attributable to equity shareholders of the Company		**Total equity attributable to equity shareholders of the Company**	
	For the six months ended 30 June 2026 *RMB'000*	For the six months ended 30 June 2025 *RMB'000*	As at 30 June 2026 *RMB'000*	As at 1 January 2026 *RMB'000*
PRC ASBE	509,539	492,256	10,008,067	9,254,404
Adjustment of items and amount in accordance with the IFRS:				
Specific reserve (a)	248,802	267,893	-	-
IFRS	758,341	760,149	10,008,067	9,254,404
Description of differences	Please refer to section 7.3 of financial report of this interim performance announcement.			

3. CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF MAJOR SHAREHOLDERS

3.1 Changes in share capital

A. Changes in share capital

During the reporting period, there was no change in the total number of shares and the share structure of the Company.

B. Note for the changes in share capital of ordinary shares

☐Applicable √ Not Applicable

3.2 As at 30 June 2026, the total number of shareholders of the Company was 183,742, including 183,446 holders of domestic A shares and 296 registered holders of overseas H shares.

3.3 As at 30 June 2026, the shareholdings of the top ten shareholders of the Company are as follows:

Shareholdings of the top ten shareholders						
Names of shareholders	**Nature of shareholders**	**Changes of shareholdings during the reporting period [1](shares)**	**Number of shares held at the end of the reporting period (shares)**	**Percentage to total share capital (%)**	**Number of shares with selling restrictions (shares)**	**Number of shares pledged or frozen**
China Petrochemical Corporation ("**China Petrochemical Corporation**" or "**CPC**") [2]	State-owned legal person	0	9,968,726,364	52.59	0	0
Hong Kong Securities Clearing Company (Nominees) Limited [3]	Overseas legal person	-48,200	5,397,547,494	28.47	0	0
China National Petroleum Corporation ("**CNPC**")	State-owned legal person	0	759,170,000	4.00	0	0
Hong Kong Securities Clearing Company Limited [4]	Others	-10,190,225	59,186,150	0.31	0	0
Shanghai Tongneng Investment Holdings Co., Ltd.	Domestic non-state-owned legal person	2,200,000	45,200,000	0.24	0	0
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.	Domestic non-state-owned legal person	0	42,000,000	0.22	0	0
He Long	Domestic natural person	-668,400	30,000,000	0.16	0	0
Li Feng	Domestic natural person	-5,210,501	26,089,499	0.14	0	0
Quanzheng (Shanghai)	Others	4,482,500	14,189,300	0.07	0	0

Investment Management Center (Limited Partnership) – Quanzheng No.1 Fund						
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	Others	-46,992,967	12,982,602	0.07	0	0

Shareholdings of top ten shareholders of shares without selling restrictions

Name of shareholders	**Number of shares without selling restrictions held at the end of the reporting period (shares)**	**Types of shares**
China Petrochemical Corporation	9,968,726,364	A Share
Hong Kong Securities Clearing Company (Nominees) Limited	5,397,547,494	H Share
CNPC	759,170,000	A Share
Hong Kong Securities Clearing Company Limited	59,186,150	A Share
Shanghai Tongneng Investment Holdings Co., Ltd.	45,200,000	A Share
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.	42,000,000	A Share
He Long	30,000,000	A Share
Li Feng	26,089,499	A Share
Quanzheng (Shanghai) Investment Management Center (Limited Partnership) – Quanzheng No.1 Fund	14,189,300	A Share
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	12,982,602	A Share

Statement on the connected relationship or activities in concert among the above-mentioned shareholders	The Company is not aware of any connected relationship or acting in concert among the above-mentioned shareholders.
Description of the repurchase accounts of the top ten shareholders	Not applicable
Explanation on the voting right entrusted, voting right and waiver of voting right by the aforesaid shareholders	Not applicable

Note:

1. As compared with the number of shares held as of 31 December 2025.
2. Apart from directly holding 9,968,726,364 A shares of the Company, China Petrochemical Corporation also held 2,595,786,987 H shares through its wholly-owned subsidiary, Sinopec Century Bright Capital Investment, Ltd. ("**Century Bright Company**"). Therefore, China Petrochemical Corporation directly and indirectly holds 12,564,513,351 shares of the Company, which represents 66.28% of the total shares of the Company.
3. Hong Kong Securities Clearing Company (Nominees) Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, and acts as an agent to hold H shares of the Company on behalf of other companies or individual shareholders.

4. Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited, and acts as a nominal holder to hold A shares of the Company in SSE on behalf of the investors of the HKSE.

3.4 Substantial Shareholder's Interests or Short Positions in Shares and Underlying Shares of the Company

To the directors' knowledge, as at 30 June 2026, the following persons (other than director or senior management of the Company) had an interest or short position in the shares or underlying shares of the Company which shall be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("**SFO**"):

Name of shareholder	Number of shares held (shares)	Per cent of shareholding in the Company's total issued share capital (%)	Per cent of shareholding in the Company's total issued domestic shares (%)	Per cent of shareholding in the Company's total issued H shares (%)	Short position (shares)
China Petrochemical Corporation	9,968,726,364（A share）	52.59	73.59	Not applicable	-
	2,595,786,987（H share）[1]	13.69	Not applicable	47.98	-
CNPC	759,170,000 （A share）	4.00	5.60	Not applicable	-

Note: 1. China Petrochemical Corporation held 2,595,786,987 H shares of the Company through its wholly-owned subsidiary Century Bright Company. China Petrochemical Corporation is deemed to have H shares held by Century Bright Company.

Save as disclosed above, as at 30 June 2026, as far as known to the directors, no other person (other than director or senior management of the Company) had an interest or short position in the shares and underlying shares of the Company which would be recorded in the register kept by the Company under Section 336 of the SFO.

4. DIRECTORS AND SENIOR MANAGEMENT

4.1 Changes in Directors and Senior Management

After the democratic procedures carried out on 27 March 2026, Mr. Li Lizhi was elected as the employee representative director of the eleventh session of the Board, with a term of office commencing from 27 March 2026 to the date when the term of the eleventh session of the Board expires (11 June 2027).

4.2 Directors' and senior management's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2026, the Company's deputy general manager Mr. Sun Bingxiang held 50,300 A shares of the Company, representing 0.00037% of the A shares in issue of the Company and 0.00027% of shares in issue of the Company. Save as disclosed above, none of the directors or other senior management of the Company had any interest or short position in any share, underlying share or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and senior management of the Company are taken or deemed to have under such provisions of the SFO), or as recorded in the registry by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

Equity incentives granted to directors and senior management during the reporting period
☐Applicable √ Not Applicable

4.3 Independent Non-Executive Director and Audit Committee

As at 30 June 2026, the Company has three independent non-executive directors, two of whom are professional in the accounting field and have experience in financial management. The members of the audit committee of the Board of the Company (the "**Audit Committee**") include Mr. Zheng Weijun, Ms. Zhang Lili, Mr. Wang Pengcheng and Ms. Liu Jiangning. The main responsibilities of the Audit Committee are to review and supervise the Company's financial reporting procedures and internal control system, and to provide advice to the Board. The Audit Committee has reviewed and confirmed the interim financial statements of the Company for the six months ended 30 June 2026 and the financial information of the 2026 Interim Report.

5. MANAGEMENT DISCUSSION & ANALYSIS

The following financial figures, except where specifically noted, are extracted from the Company's unaudited interim financial report prepared in accordance with the PRC ASBE.

In the first half of 2026, faced with the complex and ever-changing external environment and in-depth challenges in reform and development, the Company has comprehensively promoted production and operation, technological innovation, reform and development, safety and environmental protection, strived to improve the quality and efficiency of business development, continued to deepen the optimization of resources such as human resources and equipment, and strived to expand the light assets and high-end business market relying on the advantages of the whole industry chain. We promoted the coordinated development of equipment intellectualization and transformation of technological achievements, strengthened core competitiveness, achieved steady improvement in the Company's operating performance and maintained a stable financial situation. In the first half of 2026, the consolidated revenue of the Company was RMB37.66 billion, representing an increase of 1.7% over RMB37.05 billion in the same period of the previous year. Net profit attributable to shareholders of the Company amounted to RMB510 million, representing an increase of 3.5% from RMB490 million in the same period of the previous year. Net cash flow from operating activities was RMB2.94 billion, representing a 36.6% increase from RMB2.15 billion in the same period last year.

5.1 Market review

In the first half of 2026, the international crude oil price fluctuated drastically amid geopolitical shocks and showed an overall volatile upward trend, the average spot price of Brent Crude Oil in the North Sea stood at $91.74 per barrel, representing a 27.6% increase from $71.91 per barrel recorded in the same period of the previous year. China's economy withstood headwinds and operated within a reasonable range, with its gross domestic product (GDP) rising by 4.7% year on year. New growth drivers expanded rapidly, and the economy's development resilience remained evident. China steadily advanced efforts to boost oil and gas reserves and output, pushing crude oil and natural gas output to record highs for the same period in history, and the data released by the National Bureau of Statistics showed that industrial enterprises above designated size produced 109 million tons of crude oil in the first half of the year, a year-on-year increase of 0.9%, and 133 billion cubic meters of natural gas, up 1.6% year on year. Driven by factors including rising oil prices and growing emphasis on energy security, domestic capital expenditure for oil and gas exploration and development climbed steadily year on year, sustaining the sound upward momentum of the domestic oilfield service industry.

In the first half of 2026, the Company advanced high-quality development through its "Second Entrepreneurship" initiative, fully implemented the "Six Major Strategies," made every effort to win the "Six Major Battles," strengthened the integration of science, industry, finance, and innovation, deepened reform to drive growth, took all possible measures to prevent and control risks, increased support and safeguards, and contributed to expanding oil and gas reserves and boosting production. Production and operations remained stable, and key operating indicators achieved solid growth. In the first half of the year, the amount of newly signed contracts reached the best level in the same period since the "13th Five-Year Plan", and our accumulated value of newly signed contracts amounted to RMB64.08 billion, representing a year-on-year growth of 0.6%. Among which, the value of our newly signed contracts in the market of China Petrochemical Corporation reached RMB28.48 billion, representing a year-on-year decrease of 17.1%; the value of our newly signed contracts in the domestic external markets reached RMB20.34 billion, representing a year-on-year increase of 110.1%; and the value of our newly signed contracts in the overseas markets reached RMB15.27 billion, representing a year-on-year decrease of 22.2%.

5.2 Operation Review

5.2.1 Geophysical service

In the first half of 2026, the Company's operation revenue from the principal business of geophysical service was RMB1.7 billion, representing a decrease of 6.2% from RMB1.81 billion in the same period of the previous year. The completed 2D seismic exploration accumulated for 3,482 kilometers, representing a year-on-year increase of 87.3%; while the completed 3D seismic exploration accumulated for 5,429 square kilometers, representing a year-on-year increase of 3.9%. The pass rate of 2D and 3D records was 100%, and the first-grade rate for seismic acquisition data increased by 1.4 percentage points. During the first half of the year, the Company promoted and applied a number of new geophysical technologies, such as drone inspections, drone aerial photography, and the I-BBS autonomous excitation system, effectively enhancing service quality and production efficiency. It successfully executed five seismic projects for CPC's internal market, with a contract value of RMB160 million, while the value of newly signed domestic external seismic project contracts reached RMB460 million, representing a year-on-year increase of 39.8%. The Company continued to drive the effective development of new business areas such as wellbore seismic, pipeline, surveying and mapping, gravity, magnetic and electrical exploration, as well as environmental energy conservation services. Among these, Beidou-related business showed sustained growth, with the value of newly signed contracts increasing by 26.5% year-on-year.

5.2.2 Drilling service

In the first half of 2026, the Company's operation revenue from the principal business of drilling service was RMB18.2 billion, which was basically flat compared to RMB18.19 billion in the same period of the previous year. The Company completed 5,740 kilometers of drilling footage, representing a year-on-year increase of 2.5%, which completed 54.2% of the annual plan and exceeded the planned progress of operation. The Company deepened the integrated operation between the principal and contractor, strengthened operational management and technical support in key work areas and demonstration zones, and continuously improved service quality and efficiency. The "Four Improvements" in drilling yielded outstanding results, with the average mechanical drilling speed increasing by 4.3% year-on-year. Fanye well 2-6HF was completed at a depth of 5,867 meters with a drilling cycle of 16.87 days, setting a new record for the shortest drilling cycle in Shengli shale oil drilling; well TK169 was completed at a depth of 5,400 meters with a drilling cycle of 10.98 days, setting a new record for the shortest drilling cycle for wells between 5,000 and 5,500 meters within CPC; rig utilization continued to rise, with the average deployment rate of drilling crews increasing by 0.8 percentage points and the average footage per crew rising by 3% year-on-year. In Ziyang, the Company further advanced the intensive implementation of well-factory operations and refined reservoir modification for ultra-deep shale gas, with daily footage in the first section exceeding 1,000 meters; the mechanical drilling speed in the horizontal section of Ziye well 16 increased by 12%; in the Fuling normal-pressure shale gas project, the Idrilling (Yinglong) scientific drilling system was fully implemented, resulting in a 10.5% increase in average mechanical drilling speed in the applied well sections and a 14.2% reduction in the average drilling cycle; through the development of key technologies for tight gas, the drilling cycle at Xujiahe in western Sichuan was shortened by 5.4%, and mechanical drilling speed increased by 7.3%.

5.2.3 Logging and mud logging service

In the first half of 2026, the Company's operation revenue from the principal business of logging and mud logging service was RMB1.57 billion, representing a decrease of 9.1% from RMB1.73 billion in the same period of the previous year. Our completed logging projects accumulated for 118,110,000 standard meters, representing a year-on-year decrease of 14.4%, whereas our completed mud logging projects accumulated for 4,390 kilometers, representing a year-on-year decrease of 5.4%. The Company continued to advance technology research and development, achieving breakthroughs in drilling-while-logging technology, drilling-while-logging directional resistivity detection, and recoverable drilling-while-logging electromagnetic wave resistivity instruments, gradually established a comprehensive drilling-while-logging series. Post-drilling logging technology achieved a single-run measurement of acoustic, neutron, density, and resistivity, with cumulative application in 92 wells; eight new technological products were released, including distributed fiber-optic sensing logging and high-speed in-drill transmission. The high-speed in-drill transmission system achieved stable 12 bps data transmission at 150 ℃ and a depth of 5,025 meters, providing a high-speed downhole data transmission link to support intelligent drilling; a high-temperature, high-pressure (230 ℃/206 MPa) direct-push storage-type logging instrument was successfully developed and deployed for the first time in the 10,000-meter-deep Xinke well 1.

5.2.4 Downhole operation service

In the first half of 2026, the Company's operation revenue from the principal business of downhole operation service was RMB4.84 billion, representing a year-on-year decrease of 5.8% as compared with RMB5.14 billion in the same period of the previous year. We completed downhole operation for 2,746 well times, with a year-on-year decrease of 7.3%, and the fracturing construction efficiency in key work areas increased by 7.1% year on year. The Company continued to enhance its support capabilities for 175 MPa ultra-high-pressure fracturing and testing equipment, having cumulatively completed fracturing services in 13 wells and testing services in 7 wells, with the highest fracturing pressure reaching 140 MPa, thereby helping to increase reserves and boost production in key operational areas in Sichuan, Chongqing, and Northwest China. The Company further advanced the cooperative development of hard-to-recover reserves, achieving a new cooperative development production capacity of 1.296 million tons of oil and gas equivalent in the first half of the year, driving 1.061 million meters of drilling progress. The Company established a demonstration project for the cooperative development of hard-to-recover shale gas reserves in the Dingshan Block. The Dingshan Block cooperation had progressed from Phase I to Phase II, with cumulative new production capacity exceeding 500 million cubic meters and cumulative natural gas production exceeding 600 million cubic meters.

5.2.5 Engineering and construction service

In the first half of 2026, the Company's operation revenue from the principal business of engineering and construction service was RMB9.98 billion, representing a year-on-year increase of 15.2% from RMB8.66 billion in the same period of the previous year. Our accumulated value of newly signed contracts amounted to RMB27.01 billion, representing a year-on-year increase of 58.7%. We completed projects with an accumulated contract value of RMB11.73 billion, representing a year-on-year increase of 17.4%. In the first half of the year, the 68 key projects constructed by the Company operated safely and smoothly. The Company successfully ensured the first-time feed-in and commissioning of Sinopec's first large-scale ethane recovery unit—the Daniudi Ethane Recovery Project. It also completed the full connection of the 1.4-kilometer pipeline section along steep cliffs in the Lichuan shale gas project and successfully carried out multiple commissioning tasks, including the connection of the Tianjin Lubricant Depot and the Huaisi Oil Depot. The Company was awarded contracts for long-distance pipeline construction projects under China Oil & Gas Pipeline Network Corporation ("**PipeChina**"), including the Wen 23—Anqing Natural Gas Pipeline Project and the second tender section of the general contracting for mainline construction for the Jiangsu-Anhui-Henan Project, with a total contract value of RMB4.4 billion, representing an 80.3% year-on-year increase.

5.2.6 International business

In the first half of 2026, the Company's operation revenue from the principal business of international business was RMB11.22 billion, representing a year-on-year growth of 20.9% from RMB9.28 billion in the same period of the previous year, accounting for 30.1% of the revenue from our principal business in the first half of the year. In the first half of 2026, the Company's overseas operations progressed steadily and orderly, with comprehensive improvements in the quality and efficiency of project execution. In the Saudi market, 20 idle drilling rigs resumed operations; 5 rigs currently in operation ranked among the top ten on Saudi Aramco's first-quarter comprehensive drilling rig efficiency index; and construction of the MGS6 and MGS7 package projects advanced efficiently according to schedule. For the drilling turnkey project in southern Kuwait, a cumulative total of 66 wells were spudded and 62 wells were completed in the first half of the year. Among these, 23 wells achieved the best drilling performance metrics for similar wells at KOC, and 40 wells met KOC's excellent drilling performance metrics. For the State Petroleum Company of Ecuador's two major drilling and completion turnkey projects in the Western and Northern blocks, a cumulative total of 29 wells were completed; production operations for the I-L-Y Oilfield Integrated Services Project proceeded smoothly and in an orderly manner. The ALACTE 3D geophysical project for PEMEX collected a cumulative total of 117,000 shots, with the entire process proceeding safely, smoothly, and efficiently. Operations for the TILENGA EPSCC and CPF projects in Uganda remained stable. The design and procurement project for the expansion of the CPF station at the East Baghdad Oilfield in Iraq, undertaken by Zhenhua Oil (振華石油), is proceeding as planned, and the RATAWI NPW project for TotalEnergies was successfully launched.

5.2.7 Technology Research & development

In the first half of 2026, the Company intensified efforts in scientific and technological innovation, actively advanced key research initiatives and the construction of key laboratories, and continued to forge core tools to support reserve growth and production increases. The fully automated shale oil drilling rig completed factory handover inspection, achieving fully automated process control for six major operational conditions—including stringing and drilling—and providing critical equipment support for the large-scale development of shale oil and digital-intelligent operations. China's first fully automated casing drilling rig was officially put into operation, marking the industry's first achievement in fully automating the entire process—including casing delivery, connection, and drilling—while enabling an unmanned drill floor. The adoption of rotary steering had surpassed the 1,000-well milestone, with 175 wells utilizing the technology in the first half of the year, bringing the cumulative total to 1,089 wells; a high-temperature rotary steering system operating at 175 ℃ set two new national records for the deepest kick-off point at 7,416 meters and the deepest vertical depth of 7,694 meters. Yinglong Scientific Drilling was selected as one of the top ten landmark achievements in national oil and gas exploration and development. It had been implemented in a cumulative total of 614 wells, increasing mechanical drilling speed by 19.8% and shortening the drilling cycle by 12.1%. The Engineering and Technology Demonstration Base of the "National Key Laboratory of Shale Oil and Gas Enrichment Mechanisms and Efficient Development" was officially inaugurated and entered the operational phase. In the first half of the year, the Company filed a cumulative total of 411 patent applications, including 270 invention patents.

5.2.8 Internal reform and management

In the first half of 2026, the Company researched and formulated a "1+N" plan to further comprehensively deepen reforms. It completed the drafting of the "15th Five-Year" Development Plan and four specialized plans covering scientific and technological innovation, digital and intelligent empowerment, green and low-carbon development, and talent development, clearly defining the goals, direction, and implementation pathways for reform and development over the next five years. Optimizing human resources to increase revenue and reduce costs, the Company dispatched 8,600 personnel for external business contracts, generating revenue of RMB420 million; by integrating equipment automation upgrades with the optimization of frontline team staffing, it achieved cost savings of RMB210 million. Through coordinated efforts to revitalize equipment assets to improve efficiency and reduce costs, the Company reallocated assets with an original value of RMB430 million and achieved leasing cost savings of RMB70 million; by implementing standardized design and centralized procurement for key equipment, procurement expenses were reduced by 9.2%. The Company strictly managed outsourced operations to tap potential and reduce costs, establishing a "one platform, two pathways, four safeguards" control mechanism, expanded the prohibited items list from 21 to 30 items, identified 48 internal advantageous business lines (products), facilitated 167 instances of internal mutual supply and cultivated 34 strategic service providers.

5.2.9 Capital Expenditure

In the first half of 2026, the Company had a capital expenditure of RMB580 million, with a year-on-year decrease of 38.9%, which was mainly used for the purchase of 8 modular drilling rigs, the retrofitting of 24 sets of pipe string automation equipment, and the purchase of 100,000 channels of geophysical seismic acquisition node instruments, 11 strings of logging-while-drilling geological monitoring and control equipment, 157 sets of ultra-high-pressure fracturing equipment, etc.

5.3 Assets, liabilities, equity and cash flow analysis (Prepared in accordance with IFRS)

As at 30 June 2026, the Group's total assets were RMB77,629,992,000 and total liabilities were RMB67,603,010,000. The total equity attributable to shareholders of the Company was RMB10,008,067,000. Compared with the consolidated statement of financial position as at 31 December 2025 ("**compared with that at the end of last year**"), the changes and its main reasons were as follow:

Total assets were RMB77,629,992,000, increased by RMB375,399,000 compared with that of the end of last year, including that (i) current assets amounted to RMB47,249,081,000, representing an increase of RMB2,812,304,000 as compared to the end of the previous year, which was mainly due to the increase in contract assets of RMB4,836,624,000 as a result of the increase in completed but unsettled projects in the first half of the year. (ii) non-current assets were RMB30,380,911,000, decreased by RMB2,436,905,000 compared with that of the end of last year, mainly due to the normal provision for depreciation and amortization of fixed assets and long-term deferred expenses of the Group in the first half of the year.

The total liabilities were RMB67,603,010,000, decreased by RMB385,881,000 compared with that of the end of last year, including that (i) current liabilities were RMB65,891,098,000, decreased by RMB408,078,000 compared with that of the end of last year, mainly due to the combined effect of an increase in short-term borrowings of RMB1,783,779,000, a decrease in contract liabilities of RMB1,807,040,000, and a decrease in other payable of RMB247,463,000; and (ii) non-current liabilities were RMB1,711,912,000, increased by RMB22,197,000 compared with that of the end of last year, which was mainly due to the combined effect of an increase in deferred income of RMB19,232,000.

Total equity attributable to shareholders of the Company was RMB10,008,067,000, increased by RMB753,663,000 compared with that of the end of last year. It was mainly due to the effect of the profit attributable to shareholders of the Company of RMB758,341,000 in the first half of 2026.

As at 30 June 2026, the ratio of total liabilities to assets was 87.1%, comparing with 88.0% as at 31 December 2025.

In the first half of 2026, the Group's net cash inflow from operating activities was RMB2,936,661,000, representing an increase of cash inflow by RMB786,094,000 as compared with the corresponding period of last year. It was mainly due to the expansion of reverse factoring (supplier financing), a portion of fund payments was reclassified from operating cash outflows to financing cash outflows, leading to an improvement in operating cash flow year-on-year.

In the first half of 2026, the Group's net cash outflow from investing activities was RMB484,907,000, a decrease of cash outflow by RMB305,130,000 as compared with the corresponding period of last year. It was mainly due to the fact that there were no large equipment investment payments due in the current period, and equipment procurement expenditures decreased year-on-year.

In the first half of 2026, the Group's net cash outflow from financing activities was RMB2,177,845,000, an increase of cash outflow by RMB2,585,305,000 compared with the corresponding period of last year. It was mainly due to the year-on-year decline in loan growth scale and payments for maturing reverse factoring (supplier financing).

As at 30 June 2026, the Group's borrowings were RMB31,332,640,000. Among the borrowings above, short-term borrowings amounted to RMB30,031,421,000, long-term borrowings due within one year amounted to RMB249,331,000, and long-term borrowings amounted to RMB1,051,888,000. As at 30 June 2026, 100% of the borrowings were denominated in Renminbi (as at 31 December 2025: 100%) and 0% were denominated in

US dollars (as at 31 December 2025: 0%).

As at 30 June 2026, the gearing ratio of the Group was 73.2% (as at 31 December 2025: 73.4%). The gearing ratio = (liability with interest – cash & cash equivalents)/(liability with interest – cash & cash equivalents + shareholders' equity).

5.4 Statement of operation by industry

Industry	Operating Income for the first half of 2026 *RMB '000*	Operating cost for the first half of 2026 *RMB '000*	Gross Profit Margin *(%)*	Increase/ (decrease) in operating income as compared with the corresponding period of last year *(%)*	Increase/ (decrease) in operating cost of main business as compared with the corresponding period of last year (%)	Gross profit margin compared with the corresponding period of last year
Geophysical	1,698,959	1,573,369	7.4	-6.2	-6.4	increased by 0.3 percentage points
Drilling	18,198,700	16,564,300	9.0	0.0	-0.1	increased by 0.1 percentage points
Logging/Mud logging	1,573,148	1,263,320	19.7	-9.1	-9.0	decreased by 0.1 percentage points
Downhole operation	4,840,390	4,485,615	7.3	-5.8	-5.6	decreased by 0.2 percentage points
Engineering and construction	9,978,507	9,318,883	6.6	15.2	15.6	decreased by 0.3 percentage points
Other	921,283	969,786	-5.3	-16.8	-17.6	increased by 0.9 percentage points
Total	37,210,987	34,175,273	8.2	1.6	1.6	kept the same basically

5.5 Statement of operation by regions

Region	Operating income for the first half of 2026 RMB '000	Increase/ (decrease) as compared with the corresponding period of last year (%)
Mainland China	25,995,032	-5.0
Hong Kong, Macau, Taiwan and overseas	11,215,955	20.9

5.6 Business prospects

Looking forward to the second half of 2026, the geopolitical tension in the Middle East will remain uncertain, the international crude oil market will continue to see sharp volatility, and the central price level will edge up. China's energy supply chain security will still face challenges, making it more critical to guarantee independent and controllable domestic energy supply. Meanwhile, the steady and improving economic growth momentum will drive rising energy demand. Domestic oil enterprises will keep implementing the energy security strategy and maintain stable capital expenditure on oil and gas exploration and development. Benefiting from persistently high and volatile international oil prices as well as the continuous implementation of oil companies' policies to expand reserves and boost output, the oilfield service industry will stay prosperous, which will provide workload and performance support for the Company.

Operation Plans for the Second Half of 2026

In the second half of 2026, the Company will continue to focus on enhancing support capacity for exploration and development, developing new quality productive forces, building low-cost competitiveness and strengthening risk prevention and control capacity. We will adhere to the integration of geology and engineering, optimize core resources, advance in-depth integration of industrial and innovation chains, unlock dividends brought by reform, intensify market development efforts, further carry out the special campaign of “Second Entrepreneurship”, cultivate top-tier technologies, equipment, management and talent teams, and accelerate progress toward the vision of becoming a world-leading technology-oriented oilfield service company. The Company expects to achieve a newly signed contract value over RMB31.9 billion, among which over RMB19.0 billion will be from the CPC market, over RMB2.2 billion from domestic external market, and over RMB10.7 billion from overseas market. The Company expects to achieve a newly signed contract value more than RMB96 billion for the whole year.

5.6.1 Geophysical service

In the second half of 2026, the Company will focus on oil and gas exploration and development, significantly enhance its scientific and technological research and development capabilities and service support capabilities, and continue to expand into high-quality markets. The Company will continue to improve the I-BBS autonomous excitation system, node shelters, and other equipment to enhance the efficient field data acquisition capabilities; focus on developing 5G node technology, intelligent seismic teams, video monitoring and other quality control methods; promote the application of high-density seismic acquisition technology for complex surfaces; upgrade and refine full-node seismic acquisition technology, improve data quality; and support breakthroughs in oil and gas exploration. Targeting demands in areas such as unconventional and new energy exploration and development, the Company will continue to advance and promote well-source seismic technology and accelerate the expansion of its wellbore seismic service chain; closely monitor and analyze policy trends, and proactively plan adjustments to its business priorities in areas such as Beidou, environmental conservation and energy efficiency, and pipeline technical services; focus on key areas including fiber optics, smart technologies, and Beidou+, and make concerted efforts to achieve breakthroughs in new businesses and in the integration of science, industry, finance and innovation, striving to achieve new breakthroughs. In the second half of the year, it is planned to complete geophysical prospecting of 2,118 kilometers for 2D seismic and 6,871 square kilometers for 3D seismic prospecting.

5.6.2 Drilling service

In the second half of 2026, the Company will firmly uphold the concept of being a “key participant in oil and gas reservoir operations”, enhance support capabilities for exploration and development, continue to deepen the integrated collaboration mechanism between the principal and contractor, strengthen the development of two-tier expert studios, and deepen technical support for key projects; select top-tier teams, equipment, and experts to fully support the construction of demonstration wells and demonstration zones, and continuously expand the demonstration’s impact. The Company will vigorously promote new production organization and operation models. Leveraging the science, industry, finance, and innovation project and the development of the four demonstration zones, the Company will collaboratively drive technological iterations and management model reforms—including large-platform well factories, casing-while-drilling, super-single-run drilling, simultaneous fracturing, and resource sharing—to achieve a revolutionary improvement in single-rig efficiency; advance the “AI+” and electrification initiatives; accelerate the electrification retrofitting and digital-intelligent upgrades of equipment such as drilling rigs; strive to establish 30 digital-intelligent drilling crews and achieve a 20% efficiency increase; and take the lead in establishing a digital-intelligent management system in the Tahe region. In the second half of the year, it is planned to complete the drilling footage of 4.90 million meters.

5.6.3 Logging and mud logging service

In the second half of 2026, the Company will actively integrate into the national scientific and technological innovation system, advance the project approval of national major oil and gas special projects including downhole electric and logging-while-drilling intelligent control steering systems, intelligent drilling equipment for unconventional reservoirs and intelligent operation equipment for ten-thousand-meter coiled tubing, so as to strongly support the efficient exploration and development of shale oil and gas. The Company will fully push forward the remote measurement and control operation model, operate 110 remote operation teams, and fulfill the annual target of remote construction on no less than 1,800 wells. In the second half of the year, we plan to complete logging footage of 135,490,000 standard meters and mud logging footage of 4.04 million meters.

5.6.4 Downhole operation service

In the second half of 2026, the Company will adhere to the concept of professional development, continue to deepen integrated operations, promote the transformation of the production and organization model of downhole operations, and accelerate breakthroughs in core downhole technologies. The Company will continue to focus on fracturing and oil and gas testing technologies for "deep-earth engineering", promote the application of 175 MPa technical equipment, ensure the conduct of ultra-high-pressure fracturing tests at wells such as Xinqiao well 1 and Zhengshen well 101, and drive new breakthroughs in the exploration and development of key prospect areas. The Company will accelerate the development of intelligent fracturing scenarios to achieve unmanned operations in high-pressure fracturing zones, thereby effectively improving fracturing efficiency. The Company will comprehensively enhance the quality and efficiency of cooperative development in hard-to-recover reserves, with a focus on advancing joint development of shale oil in Jiyang and Fuxing, tight oil in the Honghe area of North China, and hard-to-recover reserves in Xujiahe, the second phase of Dingshan, and Longfengshan, while continuously expanding the scope of cooperation. In the second half of the year, we plan to complete downhole operation service of 3,794 well times.

5.6.5 Engineering and construction service

In the second half of 2026, the Company will comprehensively strengthen the management and control of ongoing projects, focus on conducting research to tackle technical challenges in areas such as oil and gas field surface engineering and storage and transportation engineering construction, and advance the large-scale application of core technologies such as tungsten inert gas welding to ensure construction efficiency and safety; support projects such as the demonstration of key technologies and major engineering demonstrations across the entire CCUS value chain, the large-scale reserve expansion and profitable development of continental shale oil, and the increase in natural gas reserves and production in the Sichuan Basin; promote the comprehensive adoption of construction technologies for large-scale wind and solar power bases in desert, gobi and barren land areas; and promote the application of the one-million-ton flue gas carbon capture process package; provide construction service support for Sinopec's oil and gas reserve expansion and production increase initiatives, as well as major engineering projects; continue to intensify efforts to develop the domestic external markets; deepen cooperation with high-quality customers such as PipeChina; focus on securing large-scale, high-quality projects; and strive to achieve new breakthroughs in business. In the second half of the year, we plan to sign new contracts with value of RMB3.0 billion and complete contracts with value of RMB7.8 billion.

5.6.6 International Business

In the second half of 2026, the Company will prioritize quality improvement and efficiency enhancement, actively advancing the optimization of market layout and the transformation and upgrading of its business. The Company will continue to consolidate established markets, intensify efforts to develop potential markets, tailor development solutions, and fully explore opportunities for long-term cooperation. The Company will prioritize information gathering for geophysical exploration projects, closely monitor tender information for projects in markets such as Algeria, and prepare in advance for project bidding. The Company will complete bidding for wellbore services projects with high quality and efficiency, with a focus on key projects such as the drilling, completion, and fracturing turnkey contract for the H&G Block of Algeria Company and the workover turnkey contract in Turkmenistan. The Company will continue to optimize the market layout for surface engineering services, focusing on the three core regions of the Middle East, Africa, and Southeast Asia. The Company will continue to deeply develop mature, large-scale markets such as Saudi Arabia, Thailand, and Uganda, while continuously monitoring and paying close attention to new markets such as Iraq, Papua New Guinea, and Azerbaijan. The Company will strive to expand the project pipeline for integrated oilfield services, deepen cooperation on the I-L-Y project in the Ecuadorian market, seek to secure additional work volumes for drilling, workover, and production enhancement measures, and expand the scale of cooperation; make all-out preparations for bidding on shut-in well reactivation projects in the Mexican market, continuously monitor PEMEX policy developments, and expand business in areas such as mature field reactivation and enhanced oil recovery.

5.6.7 Technology Research & development

In the second half of 2026, the Company will continue to adhere to the philosophy of building the enterprise on technology, closely focus on the exploration and development needs of "deepwater, deep earth, unconventional and mature fields", and promote the deep integration of scientific and technological innovation with industrial innovation. Driven by key projects such as national major special projects, the Company will advance the research and development of critical technologies and equipment, including intelligent drilling for unconventional reservoirs, intelligent equipment for 10,000-meter coiled tubing operations, full-rotation near-bit systems, and small-diameter rotary steering. The Company will accelerate the testing of high-end equipment such as 175 ℃ rotary steering systems, fully automated shale oil drilling rigs, fully automated casing drilling rigs, and small single-joint drilling rigs, thereby achieving a series of landmark results. The Company will promote 50 mature technologies, including rotary steering and precision pressure control, iteratively upgrade the Yinglong system, and accelerate the large-scale commercialization of core products. The Company will actively tackle technical challenges related to energy conservation, consumption reduction, and operational safety for surface engineering in CCUS demonstration projects; accelerate the research and development of integrated oil-water decarbonization units and equipment for the recovery and reinjection of produced gas; achieve breakthroughs in key core technologies and equipment; accelerate research into cutting-edge hydrogen energy technologies; and foster new-quality productive forces.

5.6.8 Internal Reform and Management

In the second half of 2026, the Company will comprehensively advance the campaign to empower reforms through innovation, continuously unleash development vitality and momentum, and accelerate the building of a world-class technology-driven oilfield services company. We will further advance streamlining and strengthening efforts, adhering to the principles of simplification, efficiency, and clear authority and responsibility, continuously optimize organizational structures, clarify responsibility boundaries, and establish a scientific, standardized, and efficient management framework. We will strengthen the construction of the scientific research management system, integrate professional R&D resources, establish a "research institute + innovation center" scientific research framework, and make every effort to forge core technologies for increasing reserves and production as well as new engines for high-quality development. We will deepen the optimization of regional resource integration, optimize support and guarantee resources based on regional exploration and development needs, implement intensive management with a focus on high-quality overseas development, and build a business layout that is both supportive and efficient in management. We will establish a professional operational platform, focusing on optimizing human resources and revitalizing equipment assets, continuously enhancing the efficiency of core resource allocation and the capacity for value creation.

5.6.9 Capital expenditure

In the second half of 2026, the capital expenditure is expected to be RMB2.66 billion, mainly including the update of 3 units of model 40 drilling rigs and 1 specialized casing drilling engineering machine, the procurement of 24 high-pressure mud pumps, 17 electric-driven fracturing pump skid units (sets), 1 set of automated drilling tool inspection facilities, etc.

6. SIGNIFICANT EVENTS

6.1 Interim dividends for 2026 and proposal on issue of shares by capitalizing the common reserves

In accordance with the Articles of Association of the Company, no interim dividend would be paid for the year ended 31 December 2026, and there will be no issue of bonus shares by way of capitalization of common reserves.

6.2 During the reporting period, the Company was not involved in material litigation or arbitration.

6.3 During the reporting period, the Company had no bankruptcy restructuring related matter.

6.4 During the reporting period, the Company had no major acquisition or disposals of assets, nor any merger and acquisitions activities.

6.5 Information on material connected transactions

The Company's material connected transactions entered into during the six months ended 30 June 2026 are as follows:

(a) The following are the material connected transactions relating to ordinary operation of the Company during the reporting period:

The nature of the transaction classification	Connected parties	Amount of transaction *RMB '000*	Proportion of the same type of transaction *(%)*
Purchase of materials and equipment	China Petrochemical Corporation and its associates	3,763,775	29.3
Rendering engineering services	China Petrochemical Corporation and its associates	19,287,436	52.2
Rendering engineering services	PipeChina	3,372,772	9.1
Comprehensive service expenditure	China Petrochemical Corporation and its subsidiaries	383,889	49.8
Technology R&D Income	China Petrochemical Corporation and its subsidiaries	45,440	92.6
Land and property rental expenses	China Petrochemical Corporation and its subsidiaries	90,945	34.5
Equipment leasing expenses	China Petrochemical Corporation and its subsidiaries	88,536	16.5
Loan interest expense	China Petrochemical Corporation and its associates	242,798	76.8
Borrowings obtained	China Petrochemical Corporation and its subsidiaries	14,145,000	98.6
Borrowings repaid	China Petrochemical Corporation and its subsidiaries	13,135,480	81.9
Safety and insurance fund expenses	China Petrochemical Corporation	42,040	100.0
Safety and insurance fund expenses refund	China Petrochemical Corporation	46,285	100.0

The Company considers that it is necessary to enter into the above connected transactions with the selected connected parties and they will continue to occur. The agreements of connected transactions were based on the needs of the Group's operations and actual market situation. Purchasing materials and equipment from China Petrochemical Corporation and its subsidiaries will ensure the stable and safe supply of the Company's materials. The provision of engineering service to China Petrochemical Corporation and its subsidiaries is decided by the operating system of China's petroleum development and by the history of China Petrochemical Corporation's development, which constitutes the Company's main business income source, and the borrowed funds from China Petrochemical Corporation can satisfy the Group's capital needs under the situation of the fund shortage, so it is beneficial to the Company. The above transactions were mainly based on the market price or the price decided by open bidding or negotiation, which were fair, equal and open, beneficial to the development of Company's main business, and ensure the maximization of the shareholders' interests. The above connected transactions have no adverse effects on the profits of the Company or the independence of the Company.

(b) During the reporting period, there were no material connected transactions related to the acquisition or disposal of assets or equities of the Company.

(c) The following is connected obligatory rights and debts during the reporting period:

Unit: RMB'000

Connected parties	Connected relation	Funds provided to connected party			Funds provided to the Company by connected party		
		Opening balance	Occurrence amount	Closing balance	Opening balance	Occurrence amount	Closing balance

China Petrochemical Corporation and its subsidiaries	Controlling shareholders and its subsidiaries	12,773,848	1,202,718	13,976,566	6,958,841	-1,471,598	5,487,243
Sinopec Finance Company Limited	Subsidiary companies of the controlling shareholder	48,587	-24,448	24,139	22,704,813	1,014,054	23,718,867
Sinopec Century Bright Capital Investment Limited	Subsidiary companies of the controlling shareholder	1,162,538	346,139	1,508,677	0	0	0
Total		13,984,973	1,524,409	15,509,382	29,663,654	-457,544	29,206,110
Causes of related claims and debts		Normal production and operation					
Influence of connected claims and debts on the Company's performance and financial situation		No material adverse effects					

During the reporting period, there were no occupancy of fund for non-operating purpose by the controlling shareholders and its subsidiaries.

The Board is of the view that the above connected transactions were entered into in the ordinary and usual course of business and on normal commercial terms or in accordance with the terms of agreements governing these transactions. The terms are fair, reasonable and in accordance with the interests of shareholders as a whole. The above connected transactions are fully in compliance with the relevant rules and regulations of HKSE and the SSE.

6.6 Material contracts and performance

（a）During the reporting period, there were no trusteeship and subcontracting assets of other companies by the Company which would contribute profit to the Company of 10 percent or more of its total profits for the current period.

（b）Leasing Matters
During the reporting period, there were no leasing matters which would contribute profit to the Company of 10 percent or more of its total profits for the current period.

（c）Guarantees of the Company during the reporting period

Unit: RMB'000

External Guarantee provided by the Company (excluding Guarantees for Subsidiaries)															
Guarantor	Relationship with the listed company	Guaranteed person	Amount of guarantee	Date of guarantee (Agreement signing date)	The starting day	End date	Type of guarantee	Main debt situation	Pledged thing (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount	Counter-guarantee	Whether to guarantee the related party	Connected relationship
The Company	itself	Mexico DS	1,872,657	17 June 2022	17 June 2022	The end time of annual	Guarantee of joint	-	No	No	No	0	Yes	Yes	Joint venture

<table>
<tr><td></td><td></td><td>Company</td><td></td><td></td><td></td><td>general meeting for the year 2026</td><td>and several liability</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="9">Total Amount of Guarantees during the Reporting Period (excluding Guarantees for Subsidiaries)</td><td colspan="7">-59,912</td></tr>
<tr><td colspan="9">Total Balance of Guarantees at the end of the Reporting Period (A) (excluding Guarantees for Subsidiaries)</td><td colspan="7">1,872,657</td></tr>
<tr><td colspan="16">The Guarantee provided by the Company and its Subsidiaries to the Subsidiaries</td></tr>
<tr><td colspan="9">Total Amount of Guarantees paid to Subsidiaries during the Reporting Period</td><td colspan="7">2,020,221</td></tr>
<tr><td colspan="9">Total Balance of Guarantees to Subsidiaries at the end of the Reporting Period (B)</td><td colspan="7">30,770,317</td></tr>
<tr><td colspan="16">Total Company Guarantee (including Guarantee for Subsidiaries)</td></tr>
<tr><td colspan="9">Total Guarantees（A+B）</td><td colspan="7">32,642,974</td></tr>
<tr><td colspan="9">Total Amount of Guarantees as a Percentage of the Company’s Net Assets (%)</td><td colspan="7">326.2</td></tr>
<tr><td colspan="16">Among them:</td></tr>
<tr><td colspan="9">Amount of Guarantees provided to Shareholders, Actual Controllers and their related Parties (C)</td><td colspan="7">0</td></tr>
<tr><td colspan="9">Debt Guarantees Amount directly or indirectly for the guaranteed Object whose asset-liability Ratio exceeds 70% (D)</td><td colspan="7">9,364,760</td></tr>
<tr><td colspan="9">The Amount of the total Guarantee exceeds 50% of the Net Assets (E)</td><td colspan="7">27,638,941</td></tr>
<tr><td colspan="9">Sum of the three Guarantees above (C+D+E)</td><td colspan="7">37,003,701</td></tr>
<tr><td colspan="9">Statement of Unexpired Guarantees as potential subject to Joint Liability</td><td colspan="7">None</td></tr>
<tr><td colspan="9">Guarantee Statement</td><td colspan="7">The guarantees provided by the Company are all provided for the performance of the domestic and foreign contracts by the wholly-owned subsidiaries and joint venture (DS Servicios Petroleros, S.A. de C.V.). The guarantee amount is within the amount approved by the annual general meeting for 2025 of the Company.</td></tr>
</table>

（d）Save as disclosed in the interim report, during the reporting period, the Company did not enter into any material contract which requires disclosure.

6.7 Analysis of investment situation

（a）Investment in securities

During the reporting period, there was no investment in securities.

（b）Interest in other listed securities held by the Company

During the reporting period, the Company did not hold any shares of other listed companies.

（c）Equities of financial institutions held by the Company

During the reporting period, the Company did not hold any shares of financial institutions such as commercial banks, securities companies, insurance companies, trust companies and future companies.

（d）Shareholding interests of the Company in non-listed financial institutions

During the reporting period, the Company did not hold any shares of non-listed financial institutions.

（e）Entrusted asset management and derivatives investment

During the reporting period, there were no entrusted asset management, no other investment or asset management and derivatives investment items of the Company.

6.8 The special undertakings made by the Company and its shareholders holding more than 5% and the performance of the undertakings as of 30 June 2026:

Undertaking Background	Undertaking Type	Undert-aking-party	Undertaking	Date and duration of the Undertaking	Whether there is a performa n-ce period	Whether the undertak-ing has been strictly fulfilled
Undertaking regarding the material assets reorganizati-on	To solve horizontal competition	China Petroch emical Corpor ation	The Non-Competition Undertaking 1. China Petrochemical Corporation undertook that it would not engage with the Company's production and business activities in competition, and will ensure its subsidiaries not to engage with the Company's production and business activities in competition through exercise of its shareholder rights. 2. After the material assets reorganization, if SINOPEC Star Petroleum Co., Ltd.'s new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company. 3. After the material assets reorganization, if China Petrochemical Corporation and its subsidiaries' new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company. If China Petrochemical Corporation intends to transfer, sell, lease, license or otherwise dispose of any business to the third party which would result in the competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company for avoiding the horizontal competition. 4. China Petrochemical Corporation consents that it will bear and pay damages to the listed companies caused by its violation of the commitment.	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petroche-mical Corpora-tion did not act contrary to the undertak-ing.
Undertaking regarding the Material Assets Reorganizati on	To solve connected transactions	China Petroch emical Corpor ation	The Undertaking of Regulating the connected transaction: China Petrochemical Corporation and its other controlling companies will regulate its/their connected transactions with the Company. For the connected transactions with reasonable grounds, China Petrochemical Corporation and its controlling Company's will sign the standard agreement of connected transactions, and will fulfill the obligations of the program approval and information disclosure, in accordance with the provisions of relevant laws and regulations, and the Company's Articles of Association. The confirmation of price	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemic al Corporation did not act contrary to the promise.

			related to the connected transaction will follow the principle of fair, reasonable and impartial.			
Undertaking regarding the Material Assets Reorganization	Others	China Petrochemical Corporation	Issued "The commitment letter regarding to the regulating of connected transaction and maintaining the independence of the Company": 1. China Petrochemical Corporation and its controlling companies guarantee the maintaining of the separation from the Company's asset, personnel, finance, organization and business, strictly comply with the relevant provisions regarding to the listed Company's independency of China Securities Regulatory Commission ("**CSRC**"). China Petrochemical Corporation will not utilize the control right to violate the Standardized operation program of the listed company, not intervene the Company's operating decisions, and not jeopardize the legitimate rights and interests of the Company and its shareholders. 2. China Petrochemical Corporation and its controlling companies guarantee not to illegally use the funds of the Company and its holding Company. 3. If China Petrochemical Corporation violate the above commitment, it would undertake the law and compensate the losses caused to the Company.	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the promise.

6.9 During the reporting period, none of the Company or its directors, senior management, controlling shareholders or de facto controller was subject to any investigation by relevant authorities or enforcement by judicial or disciplinary departments, transferred to judicial authorities or subject to criminal liability, subject to investigation or administrative penalty by the CSRC, subject to any denial of participation in the securities market, deemed unsuitable persons, penalized by other administrative authorities, or subject to any public criticisms made by a stock exchange.

6.10 Significant events affecting the Group after the reporting period

From 30 June 2026 and up to the date of this announcement, there is no other events affecting the Group significantly.

7. INTERIM FINANCIAL REPORT

7.1 Interim financial report prepared in accordance with IFRS

The following finan cial information has been extracted from the Company's unaudited interim financial report, prepared in accordance with IFRS, for the six months ended 30 June 2026.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	**37,664,258**	37,050,751
Cost of sales and taxes and surcharges		**(34,399,552)**	(33,835,899)
Gross profit		**3,264,706**	3,214,852
Selling expenses		**(30,040)**	(30,919)
General and administrative expenses		**(900,331)**	(901,284)
Research and development expenses		**(765,203)**	(882,537)
Finance expenses – net	5	**(546,889)**	(427,379)
Reversal of provision for expected credit loss ("ECL") – net	6	**22,669**	72,371
Share of loss from joint ventures		**(32,700)**	(49,526)
Share of profit from associates		**3,649**	3,848
Investment income		**190**	-
Other income	7	**97,559**	106,394
Other expenses	8	**(81,109)**	(54,957)
Profit before income tax	9	**1,032,501**	1,050,863
Income tax expense	10	**(274,152)**	(290,714)
Profit for the period		**758,349**	760,149
Other comprehensive income for the period, net of tax			
Item that will not be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas joint venture		**(4,678)**	(63,492)
Total comprehensive income for the period		**753,671**	696,657
Profits for the year attributable to:			
Owners of the Company		**758,341**	760,149
Non-controlling interests		**8**	-
		758,349	760,149
Total comprehensive income attributable to:			
Owners of the Company		**753,663**	696,657
Non-controlling interests		**8**	-
		753,671	696,657
Earnings per share for profit attributable to owners of the Company (presented in RMB per share)	11	**RMB**	RMB
Basic and diluted		**0.040**	0.040

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	14	**23,952,822**	25,230,737
Other non-current assets	14	**5,692,024**	6,775,975
Intangible assets		**201,596**	236,074
Interests in joint ventures		**68,615**	105,993
Interests in associates		**37,116**	39,433
Financial assets at FVTOCI	15	**135,834**	135,834
Deferred tax assets		**292,904**	293,770
Total non-current assets		**30,380,911**	32,817,816
Current assets			
Inventories	19	**1,061,392**	1,018,413
Financial assets at FVTOCI	15	**1,402,116**	4,029,356
Trade receivables	16	**10,313,194**	11,174,568
Prepayments and other receivables	17	**7,398,129**	6,033,673
Contract assets and costs to fulfil contracts	18	**22,009,178**	17,172,554
Restricted cash		**231,378**	344,166
Cash and cash equivalents		**4,833,694**	4,664,047
Total current assets		**47,249,081**	44,436,777
Total assets		**77,629,992**	77,254,593

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Equity			
Share capital	20	**18,957,046**	18,957,046
Reserves		**(8,948,979)**	(9,702,642)
Equity attributable to owners of the Company		**10,008,067**	9,254,404
Non-controlling interests		**18,915**	11,298
Total equity		**10,026,982**	9,265,702
Liabilities			
Non-current liabilities			
Long-term borrowings	23	**1,453,291**	1,448,440
Deferred income		**103,272**	84,040
Deferred tax liabilities		**67,542**	68,406
Provisions		**87,807**	88,829
Total non-current liabilities		**1,711,912**	1,689,715
Current liabilities			
Notes and trade payables and liabilities under supplier finance arrangement	21	**24,667,882**	24,790,003
Other payables	22	**4,849,367**	5,096,830
Contract liabilities	18	**5,810,661**	7,617,701
Short-term borrowings	23	**30,448,431**	28,664,652
Current income tax payable		**114,757**	129,990
Total current liabilities		**65,891,098**	66,299,176
Total liabilities		**67,603,010**	67,988,891
Total equity and liabilities		**77,629,992**	77,254,593
Net current liabilities		**(18,642,017)**	(21,862,399)
Total assets less current liabilities		**11,738,894**	10,955,417

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company									
	Share capital RMB'000 (Note 20)	**Share premium RMB'000**	**Other capital reserve RMB'000**	**Surplus reserve RMB'000**	**Specific reserve RMB'000**	**Translation reserve RMB'000**	**Other comprehensive income reserve (non-recycling) RMB'000**	**Accumulated losses RMB'000**	**Non-controlling interests RMB'000**	**Total equity RMB'000**
At 31 December 2025 (Audited)	**18,957,046**	**11,605,769**	**95,490**	**200,383**	**339,577**	**(24,815)**	**6,625**	**(21,925,671)**	**11,298**	**9,265,702**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**758,341**	**8**	**758,349**
Other comprehensive income for the period:										
Exchange differences on translation of financial statements of overseas joint venture	**-**	**-**	**-**	**-**	**-**	**(4,678)**	**-**	**-**	**-**	**(4,678)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(4,678)**	**-**	**758,341**	**8**	**753,671**
Transactions with owners:										
Appropriation of specific reserve	**-**	**-**	**-**	**-**	**511,221**	**-**	**-**	**(511,221)**	**-**	**-**
Utilisation of specific reserve	**-**	**-**	**-**	**-**	**(262,419)**	**-**	**-**	**262,419**	**-**	**-**
Capital contributions from non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,609**	**7,609**
Total transactions with owners	**-**	**-**	**-**	**-**	**248,802**	**-**	**-**	**(248,802)**	**7,609**	**7,609**
At 30 June 2026 (Unaudited)	**18,957,046**	**11,605,769**	**95,490**	**200,383**	**588,379**	**(29,493)**	**6,625**	**(21,416,132)**	**18,915**	**10,026,982**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025

	Attributable to owners of the Company								
	Share capital RMB'000 (Note 20)	Share premium RMB'000	Other capital reserve RMB'000	Surplus reserve RMB'000	Specific reserve RMB'000	Translation reserve RMB'000	Other comprehensive income reserve (non-recycling) RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 31 December 2024 (Audited)	**18,979,412**	**11,624,963**	**95,490**	**200,383**	**302,874**	**22,362**	**7,830**	**(22,584,512)**	**8,648,802**
Profit for the period	-	-	-	-	-	-	-	**760,149**	**760,149**
Other comprehensive income for the period:									
Exchange differences on translation of financial statements of overseas joint venture	-	-	-	-	-	**(63,492)**	-	-	**(63,492)**
Total comprehensive income for the period	-	-	-	-	-	**(63,492)**	-	**760,149**	**696,657**
Transactions with owners:									
Appropriation of specific reserve	-	-	-	-	**542,706**	-	-	**(542,706)**	-
Utilisation of specific reserve	-	-	-	-	**(274,813)**	-	-	**274,813**	-
Purchase of own shares	**(22,366)**	**(19,603)**	-	-	-	-	-	-	**(41,969)**
Total transactions with owners	**(22,366)**	**(19,603)**	-	-	**267,893**	-	-	**(267,893)**	**(41,969)**
At 30 June 2025 (Unaudited)	**18,957,046**	**11,605,360**	**95,490**	**200,383**	**570,767**	**(41,130)**	**7,830**	**(22,092,256)**	**9,303,490**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash flows generated from operations	**3,232,966**	2,411,111
Interest received	**32,596**	28,131
Income tax paid	**(328,901)**	(288,675)
Net cash generated from operating activities	**2,936,661**	2,150,567
Cash flows from investing activities		
Purchases of property, plant and equipment	**(278,281)**	(433,445)
Purchases of intangible assets	**(16,929)**	(5,893)
Purchases of other non-current assets	**(211,722)**	(420,754)
Proceeds from disposal of property, plant and equipment	**15,399**	64,720
Dividends received from associates	**6,626**	5,335
Net cash used in investing activities	**(484,907)**	(790,037)
Cash flows from financing activities		
Proceeds from borrowings	**14,345,982**	12,856,918
Repayments of borrowings	**(16,037,632)**	(11,886,274)
Release of restricted Cash	**112,789**	19,504
Payment of lease liabilities	**(290,573)**	(162,941)
Interests paid	**(316,020)**	(377,778)
Repurchase of shares	**-**	(41,969)
Capital contributions from non-controlling interests	**7,609**	-
Net cash (used in)/generated from financing activities	**(2,177,845)**	407,460
Net increase in cash and cash equivalents	**273,909**	1,767,990
Effect of foreign exchange rate changes on cash and cash equivalents	**(104,262)**	1,763
Cash and cash equivalents at the beginning of the period	**4,664,047**	3,441,398
Cash and cash equivalents at the end of the period	**4,833,694**	5,211,151

1. GENERAL INFORMATION

Sinopec Oilfield Service Corporation (the "Company") is a joint stock company with limited liability established in the People's Republic of China (the "PRC"). The registered office is No. 9, Jishikou Road, Chaoyang District, Beijing, the PRC and the headquarter address is No. 22, Chaoyangmen North Street, Chaoyang District, Beijing, the PRC.

The immediate and ultimate holding company of the Company is China Petrochemical Corporation (hereinafter referred to as the "Sinopec Group") which is a state wholly-owned enterprise established in the PRC.

The principal activities of the Group are the provision of onshore and offshore oil, natural gas and other mineral prospecting, exploration, drilling and exploitation and provision of general contracting, design and construction services for the oil and gas and other types of construction projects.

This interim financial information is presented in RMB, unless otherwise stated. This interim financial information has been approved and authorised for issue by the Board of Directors on 17 August 2026.

2. BASIS OF PRESENTATION AND PREPARATION

2.1 Basis of preparation

This interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTOCI, which are carried at fair value.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2. BASIS OF PRESENTATION AND PREPARATION (CONTINUED)

2.2 Going concern assumption

The interim financial information is prepared using the going concern basis notwithstanding that as at 30 June 2026, the Group had net current liabilities of approximately RMB18,642,017,000 and capital commitments of approximately RMB127,519,000. Included in the current liabilities was contract liabilities of RMB 5,810,611,000 recognised for which no direct cash settlement is required but will gradually reduce through satisfaction of performance obligations. The directors of the Company have performed an assessment covering a period of 12 months from the six months ended 30 June 2026, taking account of the following events and measures:

(i) As at 30 June 2026, the Group has renewed the credit facility from Sinopec group's subsidiaries that includes a line of credit of RMB32.4 billion and USD150 million (Total: approximately RMB33.4 billion), and also a line of credit promissory note of RMB5.0 billion and a line of letter of guarantee of RMB5.5 billion and USD0.6 billion (Total: approximately RMB9.6 billion). The total undrawn amount of these facilities was approximately RMB17.8 billion as at 30 June 2026 and the facilities remains valid until 28 February 2027;

(ii) As disclosed in Note 23, the Group's borrowings amounted to approximately RMB23.7 billion are sourced from Sinopec Group and its subsidiaries, where the Group maintains ongoing good relationship with these companies, which enables the Group to secure sufficient financial support from these companies; and

(iii) To obtain additional credits facilities, the Group will diversify its source of finance by exploring and developing good relationship with listed and state-owned - financial institutions. In this regard, subsequent to the end of the reporting period the Group successful issued RMB1 billion of Sci-Tech Innovation Corporate Bonds (First Tranche) to professional investors (see Note 28).

The directors of the Company are in the opinion that the above measures are sufficient to meet with the expected liquidity, daily operation and working capital needs and the Group is expected to be able to generate net operating cash in-flows in the next twelve months. As a result, the directors of the Company considered that the going concern basis of accounting is appropriate for the preparation of the interim financial information.

3. SUMMARY OF ACCOUNTING POLICY

The Group has applied the same accounting policies and methods of computation in its interim financial information as in its annual financial statements for the year ended 31 December 2025, except that in the current interim period, the Group has applied, for the first time, the following amendments to standards which are mandatory effective for the annual period beginning on or after 1 January 2026:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability

3.1 Lack of exchangeability

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments).

These Amendments are applicable for annual reporting periods beginning on or after 1 January 2025. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

When applying the Amendments, an entity is not permitted to restate comparative information.

These Amendments have had no material effect on the interim condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group's revenue is as follows:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Geophysics	1,698,959	1,810,923
Drilling engineering	18,198,700	18,193,198
Logging and mud logging	1,573,148	1,731,249
Special downhole operations	4,840,390	5,138,698
Engineering construction	9,978,507	8,658,435
Others	1,374,554	1,518,248
	37,664,258	37,050,751

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information

The Group identifies its operating segments based on the internal organisation structure, senior executive management requirements and internal reporting system. The Group has identified five operating segments including geophysics, drilling engineering, logging and mud logging, special downhole operations and engineering construction. These operating segments are identified based on the regular internal financial information reported to the senior executive management. Senior executive management of the Company regularly reviews the segment information for their decision about the resources allocation and performance assessment.

Five reportable operating segments are as follows:

- Geophysics, which provides terrestrial and marine geophysical exploration, development and technical services;

- Drilling engineering, which provides customers with land and ocean drilling design, construction, technical services and drilling instrumentation;

- Logging and mud logging, which provides land and ocean project contracting and technical services for collection, monitoring, transmission, processing and interpretation and evaluation of wellbore oil and gas, geology and engineering information;

- Special downhole operations, which provides oil engineering technical and construction, including oil (gas) testing, well repair, lateral drilling, fracturing, acidising and oil assignments; and

- Engineering construction, which provides a package of services, including feasibility studies, design, procurement, construction for projects of onshore and offshore oil and gas fields, long-distance pipeline projects, oil and gas transporting process projects, storage and transportation projects, petrochemical supporting projects, building construction, water resources and hydropower, ports and waterways, electricity transmission and distribution projects, manufacturing of pressure vessels, LNG projects, coal chemical engineering, geothermal utilisation, energy saving and municipal roads and bridges.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Inter-segment transfers are measured by reference to market price. The assets are allocated based on the operations of the segment and the physical location of the asset.

All assets are allocated to reportable segments other than certain property, plant and equipment, certain intangible assets, certain other non-current assets, certain inventories, certain contract assets, certain trade receivables, certain prepayments and other receivables, certain cash and cash equivalents, certain deferred tax assets, certain financial assets at FVTOCI and interests in joint venture and associates.

All liabilities are allocated to reportable segments other than certain borrowings, certain deferred income, certain deferred tax liabilities, certain notes and trade payables, certain other payables, certain contract liabilities and certain current income tax payable.

The resources related to certain interest income, certain interest expenses, interests in joint ventures and associates, gain on investment, income tax expense as well as shared assets of all segments are centrally managed and accounted for by the Company, and thus are not allocated among segments.

Segment information of each reportable segment were reported and disclosed to the senior executive management in accordance with the accounting policies and the respective measurement bases. These accounting policies and measurement bases were the same as those used in for the preparation of the financial statements.

Information regarding each reportable segment provided to the senior executive management was as follows:

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

(a) Segment revenue results, assets and liabilities

For the six months ended 30 June 2026 and as at that date, segment revenue results, assets and liabilities were as follows:

	Geophysics RMB'000	Drilling engineering RMB'000	Logging and mud logging RMB'000	Special downhole operations RMB'000	Engineering construction RMB'000	Unallocated RMB'000	Eliminated RMB'000	Total RMB'000
For the six months ended 30 June 2026 (Unaudited)								
Segment revenue and results								
Revenue from external customers	1,698,959	18,198,700	1,573,148	4,840,390	9,978,507	1,374,554	-	37,664,258
Inter-segment revenue	39,851	888,658	1,240,250	211,640	49,555	2,256,595	(4,686,549)	-
Reportable segment revenue	1,738,810	19,087,358	2,813,398	5,052,030	10,028,062	3,631,149	(4,686,549)	37,664,258
Reportable segment (loss)/profit	(37,606)	1,032,543	252,199	302,410	260,893	(794,388)	-	1,016,051
Other income	10,648	28,714	3,211	16,776	15,082	23,128	-	97,559
Other expenses	(3,672)	(39,697)	(8,734)	(3,403)	(15,539)	(10,064)	-	(81,109)
(Loss)/Profit before income tax	(30,630)	1,021,560	246,676	315,783	260,436	(781,324)	-	1,032,501
Income tax expense								(274,152)
Profit for the period								758,349
Supplementary information								
Depreciation and amortisation								
- Property, plant and equipment	181,918	990,717	97,847	233,791	160,675	119,408	-	1,784,356
- Other non-current assets	11,479	979,385	76,895	432,202	7,918	40,695	-	1,548,574
- Intangible assets	88	685	980	906	3,802	44,947	-	51,408
Capital expenditure								
- Property, plant and equipment	8,844	241,180	72,923	93,864	68,122	74,513	-	559,446
- Other non-current assets	-	-	-	-	-	-	-	-
- Intangible assets	-	-	-	-	-	16,929	-	16,929
Provision/(Reversal of provision) for ECL on trade receivables, net	5,315	651	2,555	(41,801)	(4,442)	284	-	(37,438)
Provision/(Reversal of provision) for ECL on other receivables, net	(733)	(224)	(69)	10	4,914	(818)	-	3,080
Provision/(Reversal of provision) for ECL on contract assets, net	(971)	5,637	2,172	2,071	2,363	417	-	11,689
As at 30 June 2026 (Unaudited)								
Assets								
Segment assets	6,481,752	9,601,677	5,455,357	7,834,938	26,562,136	23,270,304	(1,576,172)	77,629,992
Liabilities								
Segment liabilities	5,612,595	4,743,042	3,352,754	3,814,381	25,094,570	26,561,840	(1,576,172)	67,603,010

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

(a) Segment revenue results, assets and liabilities (Continued)

For the six months ended 30 June 2025 and as at 31 December 2025, segment revenue results, assets and liabilities were as follows:

	Geophysics RMB'000	Drilling engineering RMB'000	Logging and mud logging RMB'000	Special downhole operations RMB'000	Engineering construction RMB'000	Unallocated RMB'000	Eliminated RMB'000	Total RMB'000
For the six months ended 30 June 2025 (Unaudited)								
Segment revenue and results								
Revenue from external customers	1,810,923	18,193,198	1,731,249	5,138,698	8,658,435	1,518,248	-	37,050,751
Inter-segment revenue	6,767	871,184	1,321,268	300,355	36,556	2,384,270	(4,920,400)	-
Reportable segment revenue	1,817,690	19,064,382	3,052,517	5,439,053	8,694,991	3,902,518	(4,920,400)	37,050,751
Reportable segment (loss)/profit	12,894	899,469	313,013	311,984	220,799	(758,733)	-	999,426
Other income	2,622	27,034	2,544	3,118	15,213	55,863	-	106,394
Other expenses	(2,583)	(29,979)	(2,419)	(6,997)	(4,870)	(8,109)	-	(54,957)
Profit/(Loss) before income tax	12,933	896,524	313,138	308,105	231,142	(710,979)	-	1,050,863
Income tax expense								(290,714)
Profit for the period								760,149
Supplementary information								
Depreciation and amortisation								
- Property, plant and equipment	174,867	977,778	101,176	239,897	144,030	134,889	-	1,772,637
- Other non-current assets	20,248	1,026,833	86,822	340,985	5,548	50,611	-	1,531,047
- Intangible assets	88	867	683	3,913	6,237	86,903	-	98,691
Capital expenditure								
- Property, plant and equipment	191,633	310,137	43,205	15,469	84,494	296,072	-	941,010
- Other non-current assets	-	5,893	-	-	-	-	-	5,893
Reversal of provision for ECL on trade receivables, net	(1,843)	(15,276)	(8,851)	(42,678)	(2,500)	(1,386)	-	(72,534)
Provision/(Reversal of provision) for ECL on other receivables, net	1,047	(563)	(190)	62	(9,105)	(757)	-	(9,506)
Provision/(Reversal of provision) for ECL on contract assets, net	(664)	4,640	1,802	1,430	2,287	174	-	9,669
As at 31 December 2025 (Audited)								
Assets								
Segment assets	6,677,686	9,433,322	4,979,267	7,722,895	26,663,172	24,252,383	(2,474,132)	77,254,593
Liabilities								
Segment liabilities	5,791,903	5,005,180	2,892,051	3,888,633	25,256,262	27,628,994	(2,474,132)	67,988,891

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

(b) Geographical information

The following table presents the geographical information. Revenue is based on the location at which revenue were derived. Specified non-current assets include property, plant and equipment, other non-current assets, intangible assets, interests in joint ventures and interest in associates, which are based on the physical location of the assets.

	Revenue from external customers	
	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
The PRC	26,424,573	27,756,496
Middle East (Note)	6,131,051	5,557,849
Other Countries	5,108,634	3,736,406
	37,664,258	37,050,751

	Specified non-current assets	
	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
The PRC	22,913,304	24,665,053
Saudi Arabia	3,956,293	4,321,621
Other Countries	3,082,576	3,401,538
	29,952,173	32,388,212

Note: Middle East represented Saudi Arabia of RMB4,832,392,000 (2025: RMB3,958,236,000) and Kuwait of RMB1,298,659,000 (2025: RMB1,599,613,000).

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

(c) Major customer

For the six months ended 30 June 2026 and 2025, revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A	19,416,521	21,063,245

Revenue from this customer was derived from the operating segments of geophysics, drilling engineering, logging and mud logging, special downhole operations and engineering construction which accounted for 51% (2025: 58%) of the Group's revenue.

(d) Analysis on revenue from contracts

For the six months ended 30 June 2026 and 2025, the Group derives revenue from the transfer of goods and service at a point in time and over time in the following operating segments of geophysics, drilling engineering, logging and mud logging, special downhole operations and engineering construction service:

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the six months ended 30 June 2026 (unaudited)							
Timing of revenue recognition:							
- At a point in time	-	-	-	-	18,014	381,608	399,622
- Over time	1,698,959	18,198,700	1,573,148	4,840,390	9,960,493	992,946	37,264,636
Total	1,698,959	18,198,700	1,573,148	4,840,390	9,978,507	1,374,554	37,664,258
For the six months ended 30 June 2025 (unaudited)							
Timing of revenue recognition:							
- At a point in time	-	-	-	-	17,588	309,986	327,574
- Over time	1,810,923	18,193,198	1,731,249	5,138,698	8,640,847	1,208,262	36,723,177
Total	1,810,923	18,193,198	1,731,249	5,138,698	8,658,435	1,518,248	37,050,751

5. FINANCE EXPENSES – NET

	For the six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Finance income		
Interest income		
- Sinopec Group's subsidiaries	15,626	16,034
- Third parties and other financial institutions	16,970	12,097
	32,596	28,131
Finance expenses		
Interest expenses on loans wholly repayable within 5 years		
- Sinopec Group and its subsidiaries	(242,798)	(306,290)
- Third parties and other financial institutions	(50,440)	(49,851)
Interest expenses on lease liabilities		
- Sinopec Group and its subsidiaries	(7,854)	(7,998)
- Associates and joint ventures of Sinopec Group	-	(68)
- Third parties	(14,929)	(13,571)
Exchange losses, net	(223,314)	(25,439)
Bank and other charges	(40,150)	(52,293)
	(579,485)	(455,510)
	(546,889)	(427,379)

6. REVERSAL OF PROVISION FOR ECL – NET

	For the six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Reversal of provision for ECL on trade and other receivables, net	34,358	82,040
Provision for ECL on contract assets, net	(11,689)	(9,669)
	22,669	72,371

7. OTHER INCOME

	For the six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Gain on disposal of property, plant and equipment, net	874	26,503
Gain on disposal of other non-current assets, net	24,560	14,756
Gain on debt restructuring	17,522	16,995
Government grants (Note)	39,575	13,176
Penalty income	1,521	1,764
Compensation received	7,841	14,746
Waived payables	1,244	14,873
Others	4,422	3,581
	97,559	106,394

Note: For the six months ended 30 June 2026 and 2025, government grants primarily represent financial appropriation income and non-income tax refunds received from respective government agencies without conditions or other contingencies attached to the receipts of the grants.

8. OTHER EXPENSES

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Penalty	1,102	749
Compensation	11,743	5,970
Others	68,264	48,238
	81,109	54,957

9. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting) the followings:

	For the six months ended 30 June	
	2025	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Staff costs, including directors and supervisors emoluments (note 13)	8,000,705	7,904,455
Retirement benefit plan contribution (including in the above mentioned staff costs)		
- Municipal retirement scheme costs	735,493	755,270
- Supplementary retirement scheme costs	384,591	386,334
Changes in inventories of finished goods and work in progress	61,223	54,611
Raw materials and consumables used	14,458,777	15,564,485
Depreciation and amortisation		
- Property, plant and equipment	1,784,356	1,772,637
- Other non-current assets	1,548,574	1,531,047
- Intangible assets	51,408	98,691
Short-term leases and leases with lease term of 12 months or less	896,894	463,417
(Reversal of)/Provision for ECL – net		
- Trade and other receivables	(34,358)	(82,040)
- Contract assets	11,689	9,669
Rental income from property, plant and equipment after relevant expenses	(52,967)	(55,109)
Exchange (losses)/gains, net	(223,314)	25,439

10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC enterprise income tax	151,750	114,802
Overseas enterprise income tax	122,400	179,205
	274,150	294,007
Deferred tax		
Origination and reversal of temporary differences	2	(3,293)
Income tax expense	274,152	290,714

According to the Corporate Income Tax Law of the PRC, the applicable income tax for the six months ended 30 June 2026 and 2025 is 25%.

According to the statutory PRC corporate income tax and relevant rules, apart from certain subsidiaries of the Company subjected to the relevant development zone policy or participation in technology development and the PRC's western development project that can enjoy a 15% preferential tax rate during the six months ended 30 June 2026 and 2025, the majority of the companies of the Group are subject to 25% income tax rate.

Taxes in other countries are calculated according to the tax laws and rates of tax where the related companies of the Group operate.

11. EARNINGS PER SHARE

(a) Basic

For the six months ended 30 June 2026 and 2025, the basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	For the six months ended 30 June	
	2026 **(Unaudited)**	**2025** **(Unaudited)**
Profit for the period attributable to owners of the company (RMB'000)	758,341	760,149
Weighted average number of ordinary shares in issue (shares)	18,957,045,833	18,967,637,056
Basic earnings per share (RMB)	0.040	0.040

(b) Diluted

For the six months ended 30 June 2026 and 2025, the diluted earnings per share was the same as the basic earnings per share as the exercise price of those share options is higher than the average market price for shares during both periods.

12. DIVIDENDS

The Board of Directors of the Company did not recommend the payment of any interim dividends for the six months ended 30 June 2026 (2025: Nil).

13. EMPLOYEE BENEFITS

	For the six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Salaries, wages and other benefits	6,880,621	6,762,851
Retirement benefit plan contribution (note)		
- Municipal retirement scheme costs	735,493	755,270
- Supplementary retirement scheme costs	384,591	386,334
	8,000,705	7,904,455

Note：

Retirement benefits

As stipulated by the regulations of the PRC, the Group participates in basic defined contribution retirement schemes organised by respective municipal government under which it is governed. As at 30 June 2026, the Group and the employees pay 16% and 8% (31 December 2025: 16% and 8%) of salary respectively to basic defined contribution plan.

In addition, the Group provides a supplementary defined contribution retirement plan for its staff at rates not exceeding 8% (31 December 2025: 8%) of the salaries. Employees who have served the Group for one year or more are entitled to participating in this plan. The funds of this plan are held separately from the Group in an independent fund administered by a committee consisting of representatives from the employees and the Group.

Those employees who involved supplementary retirement scheme are entitled to receive the pension in accordance with a certain percentage of the pre-retirement salary after retirement. The Group has no other material obligation for the payment of retirement benefits associated with these plans beyond Municipal retirement scheme and Supplementary retirement scheme.

14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS

(a) Property, Plant and Equipment

For the six months ended 30 June 2026 (Unaudited)

	Buildings	Oil Engineering equipment and others	Land	Prepaid Land leases	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
Balance at 1 January 2026	2,904,157	66,965,392	136,701	175,559	628,698	70,810,507
Additions	199,492	225,949	9,303	-	124,121	558,865
Remeasurement of leases	981	(679)	282	-	-	584
Expiration of or early termination of lease	(164,623)	(39,847)	(10,294)	-	-	(214,764)
Disposals/write-off	(23,639)	(835,686)	-	-	-	(859,325)
Transferred from construction in progress	3,784	274,482	-	-	(278,266)	-
At 30 June 2026	2,920,152	66,586,611	135,992	175,559	474,553	70,295,867
Accumulated depreciation and impairment						
Balance at 1 January 2026	1,528,137	43,930,540	75,252	45,841	-	45,579,770
Depreciation	207,614	1,550,556	24,069	2,117	-	1,784,356
Expiration of or early termination of lease	(161,989)	(39,824)	(9,291)	-	-	(211,104)
Disposals/write-off	(9,457)	(800,520)	-	-	-	(809,977)
At 30 June 2026	1,564,305	44,640,752	90,030	47,958	-	46,343,045
Carrying amounts						
At 30 June 2026 (Unaudited)	1,355,847	21,948,859	45,962	127,601	474,553	23,952,822
At 31 December 2025 (Audited)	1,376,020	23,034,852	61,449	129,718	628,698	25,230,737

14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS (CONTINUED)

(a) Property, Plant and Equipment

Note:

As at 30 June 2026, right-of-use assets with carrying amounts of RMB1,001,706,000 are included in property, plant and equipment (31 December 2025: RMB891,261,000).

	Carrying amounts		Depreciation
	As at 30 June 2026 RMB'000	As at 1 January 2026 RMB'000	During the six months ended 30 June 2026 RMB'000
Buildings	482,972	465,182	180,048
Oil engineering equipment and others	345,171	234,912	114,960
Land	45,962	61,449	24,069
Prepaid land leases	127,601	129,718	2,117
	1,001,706	891,261	321,194

14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS (CONTINUED)

(a) Property, Plant and Equipment

For the six months ended 30 June 2025 (Unaudited)

	Buildings	Oil Engineering equipment and others	Land	Prepaid Land leases	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
Balance at 1 January 2025	2,915,672	66,530,950	151,277	164,176	796,989	70,559,064
Additions	427,009	127,122	40,688	5,281	373,682	973,782
Remeasurement of leases	(14,051)	(2,312)	(830)	-	-	(17,193)
Expiration of or early termination of contract	(346,471)	(83,677)	(60,939)	-	-	(491,087)
Disposals/write-off	(8,117)	(596,779)	-	-	-	(604,896)
Transferred from construction in progress	-	373,149	-	-	(373,149)	-
At 30 June 2025	2,974,042	66,348,453	130,196	169,457	797,522	70,419,670
Accumulated depreciation and impairment						
Balance at 1 January 2025	1,592,576	43,133,599	97,496	41,752	3,502	44,868,925
Depreciation	208,399	1,600,564	20,982	2,099	-	1,832,044
Expiration of or early termination of contract	(346,471)	(83,677)	(60,939)	-	-	(491,087)
Disposals/write-off	(7,595)	(572,515)	-	-	-	(580,110)
At 30 June 2025	1,446,909	44,077,971	57,539	43,851	3,502	45,629,772
Carrying amounts						
At 30 June 2025 (Unaudited)	1,527,133	22,270,482	72,657	125,606	794,020	24,789,898
At 31 December 2024 (Audited)	1,323,096	23,397,351	53,781	122,424	793,487	25,690,139

14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS (CONTINUED)

(b) Other Non-Current Assets

For the six months ended 30 June 2026 (unaudited)

	Special tools of petroleum engineering	Other tools of petroleum engineering	Camping house	Other long-term deferred expenses	Total
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Cost					
At 1 January 2026	21,833,505	4,967,467	3,147,194	91,347	30,039,513
Additions	82,951	359,346	11,874	10,452	464,623
At 30 June 2026	**21,916,456**	**5,326,813**	**3,159,068**	**101,799**	**30,504,136**
Accumulated depreciation					
At 1 January 2026	16,797,596	3,817,226	2,586,761	61,955	23,263,538
Depreciation	913,341	493,365	135,825	6,043	1,548,574
At 30 June 2025	**17,710,937**	**4,310,591**	**2,722,586**	**67,998**	**24,812,112**
Carrying amounts					
At 30 June 2026 (Unaudited)	**4,205,519**	**1,016,222**	**436,482**	**33,801**	**5,692,024**
At 31 December 2025 (Audited)	**5,035,909**	**1,150,241**	**560,433**	**29,392**	**6,775,975**

14. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS (CONTINUED)

(b) Other Non-Current Assets

For the six months ended 30 June 2025

	Special tools of petroleum engineering	Other tools of Petroleum engineering	Camping house	Other long-term deferred expenses	Total
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Cost					
At 1 January 2025	20,124,343	4,039,024	2,952,399	79,398	27,195,164
Additions	151,454	234,144	9,291	31,445	426,334
At 30 June 2025	**20,275,797**	**4,273,168**	**2,961,690**	**110,843**	**27,621,498**
Accumulated depreciation					
At 1 January 2025	14,736,145	2,896,265	2,301,895	51,959	19,986,264
Depreciation	991,292	394,817	139,948	4,986	1,531,043
Other decrease	250	2,319	334	-	2,903
At 30 June 2026	**15,727,687**	**3,293,401**	**2,442,177**	**56,945**	**21,520,210**
Carrying amounts					
At 30 June 2025 (Unaudited)	**4,548,110**	**979,767**	**519,513**	**53,898**	**6,101,288**
At 31 December 2024 (Audited)	**5,388,198**	**1,142,759**	**650,504**	**27,439**	**7,208,900**

15. FINANCIAL ASSETS AT FVTOCI

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current assets:		
Unlisted equity investments – the PRC	135,834	135,834
Current assets:		
Notes receivables	1,402,116	4,029,356

Notes:

(a) Unlisted equity investments represent the Groups' equity interests in the unlisted entities in the PRC. They are mainly engaged in drilling and technical services operations.

The Group designated its investment in unlisted investment as financial assets at FVTOCI (non-recycling), as the investment is held for strategic purpose.

(b) As at 30 June 2026 and 31 December 2025, notes receivables were classified as financial assets at FVTOCI, as the Group's business model is achieved both by collecting contractual cash flows and by selling of these assets.

All notes receivables of the Group are banks' acceptance notes and commercial acceptance bills usually collected within six months from the date of issue.

As at 30 June 2026 and 31 December 2025, none of the Group's notes receivables were pledged as collateral or overdue.

(c) All financial assets at FVTOCI are denominated in RMB.

16. TRADE RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables		
- Sinopec Group and its subsidiaries	3,867,597	5,226,551
- Joint ventures of the Group	12,415	11,863
- Joint ventures and associates of Sinopec Group	25,319	23,414
- Third parties	7,903,093	7,481,813
	11,808,424	12,743,641
Less: ECL allowance	(1,495,230)	(1,569,073)
Trade receivables - net	10,313,194	11,174,568

As at 30 June 2026 and 31 December 2025, the Group's trade receivables were approximately their fair values.

The Group usually provides customers with a credit term between 90 to 180 days. For the settlement of trade receivables from provision of services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management. The Group does not hold any collateral as security.

16. TRADE RECEIVABLES (CONTINUED)

Ageing analysis of trade receivables net of ECL allowance based on invoice date is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	9,781,497	10,546,327
1 to 2 years	386,880	466,971
2 to 3 years	89,902	98,897
Over 3 years	54,915	62,373
	10,313,194	11,174,568

The movements of ECL allowance on trade receivables are as follows:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	For the year ended 31 December 2025 RMB'000 (Audited)
At the beginning of the period/year	1,569,073	1,788,860
Reversal	(37,438)	(137,218)
Others	(36,405)	(22,827)
Receivables write-off as uncollectible	-	(59,742)
At the end of the period/year	1,495,230	1,569,073

17. PREPAYMENT AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Prepayments (note (a))	645,681	514,153
Other receivables (note (b))		
Petty cash funds	5,522	2,097
Guarantee deposits	936,346	1,169,777
Disbursement of funds	1,100,655	776,987
Temporary payment	880,637	528,060
Escrow payments	4,817	4,808
Deposits	33,458	26,765
Export tax refund receivables	7,866	16,909
Excess value-added tax paid	1,344,804	1,033,485
Value added tax to be certified	118,763	103,880
Prepaid value-added tax	1,982,688	1,752,315
Prepaid income tax	243,322	121,262
Dividend receivable	-	469
Others	606,002	493,755
	7,264,880	6,030,569
Less: ECL allowance	(512,432)	(511,049)
	6,752,448	5,519,520
Prepayments and other receivables – net	7,398,129	6,033,673

Notes:

(a) As at 30 June 2026, prepayments included related party balances: Sinopec Group and its subsidiaries amounting to RMB34,135,000 (31 December 2025: RMB43,805,000).

(b) As at 30 June 2026, other receivables included related party balances: Sinopec Group and its subsidiaries amounting to RMB164,837,000 (31 December 2025: RMB185,100,000), the joint ventures of the Group amounting to RMB149,590,000 (31 December 2025: RMB 152,741,000) and the associates and joint ventures of Sinopec Group amounting to RMB688,901,000 (31 December 2025: RMB93,176,000).

(c) The amounts due from related parties are unsecured, interest free and repayable on demand.

(d) The carrying amounts of the Group's prepayments and other receivables as at 30 June 2026 and 31 December 2025 approximate their fair value.

17. PREPAYMENT AND OTHER RECEIVABLES (CONTINUED)

The movements of ECL allowance on other receivables are as follows:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	For the year ended 31 December 2025 RMB'000 (Audited)
At the beginning of the period/year	511,049	542,901
ECL allowance	36,740	72,691
Reversal	(33,660)	(105,747)
Receivables written-off as uncollectible	(561)	6,319
Others	(1,136)	(5,115)
At the end of the period/year	512,432	511,049

18. CONTRACT ASSETS AND COST TO FULFIL CONTRACTS/CONTRACT LIABILITIES

(a) Contract assets and cost to fulfil contracts

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contract assets arising from construction and service contracts	20,562,469	17,124,416
Cost to fulfil contracts	1,516,852	106,592
Less: ECL allowance	(70,143)	(58,454)
	22,009,178	17,172,554

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's construction and service contracts include payment schedules which require progress payments over the construction period once certain specified milestones are reached. Approximate 5% of progress billings of engineering construction service would be retained as quality guarantee. This amount is included in contract assets until the end of guarantee period.

The amount of contract assets that is expected to be recovered after more than one year is RMB1,465,118,000 (31 December 2025: RMB2,949,424,000).

18. CONTRACT ASSETS AND COST TO FULFIL CONTRACTS/CONTRACT LIABILITIES (CONTINUED)

(b) Contract liabilities

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contract liabilities arising from construction and service contracts	5,810,661	7,617,701

The balance of contract liabilities as at 1 January 2026 is RMB7,617,701,000, in which RMB5,810,661,000 was recognised as revenue during the period.

Unsatisfied performance obligation:
The Group has signed engineering service contracts with several customers to provide petroleum engineering and technical service and construction engineering contracts, which will be completed within the agreed period and regarded as a single performance obligation as a whole. As at 30 June 2026, part of the Group's petroleum engineering and technical service and construction engineering contracts were still in the process, and the total transaction price apportioned to the unsatisfied and partially unsatisfied performance obligation was RMB45.99 billion (31 December 2025: RMB44.29 billion), the amount of which was related to the progress of the performance of each contract, and will be recognised as revenue in accordance with the percentage of work performed in the future, which is expected to be completed in the coming 60 months.

19. INVENTORIES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Raw materials	778,703	804,607
Work in progress	8,537	3,798
Finished goods	215,967	159,473
Turnover materials	70,631	62,981
	1,073,838	1,030,859
Less: Inventories write-down	(12,446)	(12,446)
	1,061,392	1,018,413

For the six months ended 30 June 2026 and 2025, cost of inventories recognised as expenses and included in "cost of sales" amounting to RMB14,091,362,000 and RMB15,191,866,000 respectively. For the six months ended 30 June 2026, no addition provision for inventories was made to write down inventories to their net realisable value and no reversal of inventories write-down (For the six months ended 30 June 2025: RMB nil) was made.

20. SHARE CAPITAL

	As at 30 June 2026		As at 31 December 2025	
	Number of shares (Share)	**Share capital RMB'000 (Unaudited)**	**Number of shares** (Share)	**Share capital RMB'000 (Audited)**
Registered, issued and paid:				
- Domestic non-public legal person shares of RMB1.00 each	11,674,988,900	11,674,989	11,674,988,900	11,674,989
- Social public A shares of RMB1.00 each	1,872,023,933	1,872,024	1,872,023,933	1,872,024
- H shares of RMB1.00 each	5,410,033,000	5,410,033	5,410,033,000	5,410,033
	18,957,045,833	18,957,046	18,957,045,833	18,957,046

	As at 30 June 2026		As at 31 December 2025	
	Number of shares (Share)	**Share capital RMB'000 (Unaudited)**	**Number of shares** (Share)	**Share capital RMB'000 (Audited)**
Issued and paid:				
At beginning of the period/year	18,957,045,833	18,957,046	18,979,412,033	18,979,412
Share repurchased	-	-	(22,366,200)	(22,366)
At end of the period/year	18,957,045,833	18,957,046	18,957,045,833	18,957,046

21. NOTES AND TRADE PAYABLES AND LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENT

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables		
- Sinopec Group and its subsidiaries	2,911,637	2,606,864
- Joint ventures of the Group	37,186	5,814
- Joint ventures and associates of Sinopec Group	5,979	2,505
- Third parties	16,926,863	18,143,289
	19,881,665	20,758,472
Notes payables	1,906,047	1,773,050
Liabilities under supplier finance arrangement	2,880,170	2,258,481
	24,667,882	24,790,003

As at 30 June 2026 and 31 December 2025, the carrying amount of Group's notes and trade payables and liabilities under supplier finance arrangement were approximately their fair values.

Ageing analysis of notes and trade payables based on invoice date is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	24,620,280	24,751,015
1 to 2 years	11,780	2,018
2 to 3 years	-	3
Over 3 years	35,822	36,967
	24,667,882	24,790,003

21. NOTES AND TRADE PAYABLES AND LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENT (CONTINUED)

Liabilities under supplier finance arrangement

During the period, the Group has entered into agreements with supply chain financing institutions such as Easy-Pec and banks (the "Institutions"), agreeing that they will provide the Group with agency payment and accounts payable factoring services. The Group is required to repay the amount to the Institutions within agreed period (usually not more than 18 months) from the actual payment date of the Institutions. The financing arrangement does not involve any guarantees or pledges.

From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group does not incur any additional interest towards the Institutions on the amounts due to the suppliers. The Group therefore presents the amounts subject to the arrangement together with notes and trade payables because the nature and function of these payables remains the same as those of notes and trade payables.

Range of payment due dates	**As at 30 June 2026**	**As at 31 December 2025**
Liabilities under supplier finance arrangement	3 to 18 months	12 to 18 months
Comparable trade payables that are not part of the supplier finance arrangement	3 to 18 months	12 to 18 months

Carrying amount of liabilities under supplier financing arrangement	**As at 30 June 2026**	**As at 31 December 2025**
	RMB'000	**RMB'000**
Liabilities under supplier finance arrangement	2,880,170	2,258,481
− of which the supplier has received payment from the institutions	2,880,170	2,258,481

The payments to the Institutions are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e. payments for the purchase of goods and services. The payments to a supplier by the Institutions of RMB2,880,170,000 (31 December 2025: RMB2,258,481,000) are considered non‑cash transactions.

22. OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Salaries payables	729,704	585,740
Other tax payables	324,878	885,042
Other payables (note (a))		
Guarantee deposits	1,060,766	1,043,411
Other deposits	100,120	101,803
Disbursement of funds	790,433	727,824
Temporary receipts	602,415	591,152
Escrow payments	31,014	28,084
Withheld payments	49,552	51,387
Project expenses payable	114,064	200,236
Others	1,046,421	882,151
	4,849,367	5,096,830

Notes:

(a) As at 30 June 2026, other payables include related party balances with Sinopec Group and its subsidiaries amounting to RMB86,123,000 (31 December 2025: RMB48,120,000), joint ventures of the Group amounting to RMB494,000 (31 December 2025: RMB1,803,000) and the joint venture of Sinopec Group amounting to RMBNil (31 December 2025: RMB1,000).

(b) The above amounts due to related parties are unsecured, interest free and repayable on demand.

23. BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Current liabilities		
Loans from Sinopec Finance Company Limited (note (a))	23,718,867	22,704,813
Lease liabilities (note (b))	417,010	353,608
Other loan (note (a))	6,312,554	5,606,231
	30,448,431	28,664,652
Non-current liabilities		
Bank borrowings (note (a))	1,051,888	1,095,839
Lease liabilities (note (b))	401,403	352,601
	1,453,291	1,448,440
	31,901,722	30,113,092

Notes:

(a) The borrowings of the Group are repayable as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	30,031,421	28,311,044
1 to 2 years	1,051,888	1,095,839
	31,083,309	29,406,883

As at 30 June 2026, annual interest rate of credit loans from related parties and bank ranged from 0.69% to 2.24% (31 December 2025: 0.74% to 2.34%).

23. BORROWINGS (CONTINUED)

(b) Lease liabilities

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Total minimum lease payments		
- Within 1 year	435,280	368,990
- 1 to 2 years	167,209	163,258
- 2 to 5 years	218,382	167,157
- Over 5 years	114,529	98,896
	935,400	798,301
Future finance charges on lease liabilities	(116,987)	(92,092)
Present value of lease liabilities	818,413	706,209

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Present value of minimum lease payments		
- Within 1 year	417,010	353,608
- 1 to 2 years	137,924	115,720
- 2 to 5 years	156,582	145,136
- Over 5 years	106,897	91,745
	818,413	706,209
Less: Portion due within one year included under current liabilities	(417,010)	(353,608)
Portion due after one year included under non-current liabilities	401,403	352,601

As at 30 June 2026, the Group leases various residential properties, office and equipment. The leases run for an initial period of 1 to 30 years (31 December 2025: 1 to 30 years), with an option to renew the leases and renegotiate the terms at the expiry date or at dates mutually agreed between the Group and respective landlords/lessors.

For the six months ended 30 June 2026, total cash outflow for the lease payment is RMB1,239,063,000 (30 June 2025: RMB787,633,000).

24. COMMITMENTS

(a) Capital commitments

Capital commitments for the purchase of property, plant and equipment outstanding as at 30 June 2026 and 31 December 2025 are as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contracted but not provided for	127,519	309,309

(b) Lease commitments

The lease commitments for short-term leases as at 30 June 2026 and 31 December 2025 are as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	235,769	128,823

As at 30 June 2026 and 31 December 2025, the Group leases various residential properties, office and equipment with a lease period of 6 to 12 months, which are qualified to be accounted for under short-term lease exemption under IFRS 16.

(c) Investment commitments

As at 30 June 2026, the Group does not has any outstanding investment commitments (31 December 2025: RMBNil).

(d) Fulfilment of commitments

The Group has fulfilled the capital and operating lease commitments as at 30 June 2026.

25. CONTINGENCIES AND GUARANTEES

In preparing this interim financial information, except for described below, there were no further developments of those contingencies as at 30 June 2026, which were disclosed in the 2025 annual report.

(a) Contingent liabilities arising from overseas tax penalties and their financial impact

Sinopec Group International Petroleum Engineering Algeria Co., Ltd. ("Algeria Subsidiary"), a subsidiary of Sinopec International Oil Engineering Company Limited ("Sinopec International"), has been operating in Algeria since its establishment. The Algerian tax department is conducting a tax audit on the taxes and fees generated by the business income of the Algerian subsidiary from 2018 to 2020. After receiving the preliminary investigation results, the Algerian subsidiary of Sinopec International and each project department hired a local intermediary agency to conduct tax defense. Based on the audit results of previous years and the assessment of project tax risks, the company's management accrues estimated liabilities for the relevant taxes that may be involved. As at 30 June 2026, the estimated liability balance is RMB36,186,000 (31 December 2025: RMB36,186,000).

(b) Contingent liabilities and financial impacts from guarantee provided for other entities

As at 30 June 2026 there is no material contingency from guarantee provided for other entities except for disclosed in note 25(c) below (31 December 2025: none).

(c) Performance guarantee

As at 30 June 2026, the Group agreed to provide performance guarantee for DS Servicios Petroleros, S.A.de C.V. ("Mexico DS Company") for the performance obligations under the production sharing contract for the EBANO project entered into between Mexican National Hydrocarbons Commission, being the beneficiary, and the Mexico DS Company. During the guarantee period, when Mexico DS Company loses contract performance capabilities, the Group shall undertake to perform the contracts on its behalf to an amount not exceed USD274,950,000.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. The Group is subject to the control of the PRC government which also controls a significant portion of the productive assets and entities in the PRC (collectively known as the "state-owned enterprises").

In accordance with IAS 24 "Related party disclosures", other state-owned enterprises and their subsidiaries, directly or indirectly controlled by the PRC government are regarded as related parties of the Group ("other state-owned enterprises"). For the purpose of related party disclosures, the Group has in place procedures to identify the immediate ownership structure of its customers and suppliers to determine whether they are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programs. Nevertheless, management believes that meaningful information relating to related party transaction has been adequately disclosed.

In addition to the related party transactions and balances shown elsewhere in this interim financial information, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties, including other state-owned enterprises, for the six months ended 30 June 2026 and 2025.

The transactions with related parties are carried out on normal commercial terms or relevant agreements with counterparties in the ordinary course of business.

The majority of these significant related party transactions with Sinopec Group and its fellow subsidiaries also constitute continuing connected transactions as defined under Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions arising with Sinopec Group and its subsidiaries and fellow subsidiaries:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
PURCHASES OF MATERIALS - SINOPEC GROUP AND ITS SUBSIDIARIES	3,763,775	4,192,896
SALE OF PRODUCTS - SINOPEC GROUP AND ITS SUBSIDIARIES	50,420	41,552
RENDERING OF ENGINEERING SERVICES - SINOPEC GROUP AND ITS SUBSIDIARIES	19,243,498	21,437,034
RECEIVING OF ENGINEERING SERVICES - SINOPEC GROUP AND ITS SUBSIDIARIES	54,387	127,371
RENDERING OF INTEGRATED SERVICES - SINOPEC GROUP AND ITS SUBSIDIARIES	75,483	54,823
RECEINING OF COMMUNITY SERVICES - SINOPEC GROUP AND ITS SUBSIDIARIES	12,499	13,802
RECEIVING OF INTEGRATED SERVICES - SINOPEC GROUP AND ITS SUBSIDIARIES	371,390	402,993
RENDERING OF TECHNOLOGY RESEARCH AND DEVELOPMENT SERVICES - SINOPEC GROUP AND ITS SUBSIDIARIES	45,440	68,017

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions arising with Sinopec Group and its subsidiaries and fellow subsidiaries: (Continued)

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
RENTAL INCOME - BUILDINGS - SINOPEC GROUP AND ITS SUBSIDIARIES	448	1,340
RENTAL INCOME - EQUIPMENT - SINOPEC GROUP AND ITS SUBSIDIARIES	1,232	479
LEASE PAYMENT – LANDS AND BUILDINGS - SINOPEC GROUP AND ITS SUBSIDIARIES	90,945	282,798
LEASE PAYMENT – EQUIPMENT - SINOPEC GROUP AND ITS SUBSIDIARIES	831	11,275
DEPOSITS INTEREST INCOME - SINOPEC GROUP'S SUBSIDIARIES	15,626	16,034
LOANS INTEREST EXPENSES - SINOPEC GROUP AND ITS SUBSIDIARIES	242,798	301,468
INTEREST EXPENSES ON LEASE LIABILITIES - SINOPEC GROUP AND ITS SUBSIDIARIES	7,853	7,998
BORROWINGS OBTAINED - SINOPEC GROUP AND ITS SUBSIDIARIES	14,145,000	12,645,000
BORROWINGS REPAID - SINOPEC GROUP AND ITS SUBSIDIARIES	13,135,480	11,878,786

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions arising with Sinopec Group and its subsidiaries and fellow subsidiaries: (Continued)

	FOR THE SIX MONTHS ENDED 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
SAFETY AND INSURANCE FUND EXPENSES		
- SINOPEC GROUP	42,040	42,100
SAFETY AND INSURANCE FUND REFUND		
- SINOPEC GROUP	46,285	44,917

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant related party transactions arising with the associates and joint ventures of the Group:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
SALE OF PRODUCTS		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	-	209
RENDERING OF ENGINEERING SERVICES		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	2,399	1,091
RECEIVING OF ENGINEERING SERVICES		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	917,524	1,103,259
RENDERING OF INTEGRATED SERVICES		
- ASSOCIATES AND JOINT VENTURES OF THE GROUP	3,678	2,905

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant related party transactions arising with the associates and joint ventures of Sinopec Group:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 **RMB'000** **(Unaudited)**	**2025** **RMB'000** **(Unaudited)**
SALE OF PRODUCTS **- ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP**	5	71
RENDERING OF ENGINEERING SERVICES **- ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP**	3,416,710	2,313,997
RECEIVING OF ENGINEERING SERVICES **- ASSOCIATES AND JOINT VENTURES OF THE GROUP**	86,666	88,924
RENDERING OF INTEGRATED SERVICES **- ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP**	1,260	1,119
RECEIVING OF INTEGRATED SERVICES **- ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP**	1,996	569
RENTAL INCOME - EQUIPMENT **- SINOPEC GROUP AND ITS SUBSIDIARIES**	-	354
LEASE PAYMENT – EQUIPMENT **- ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP**	87,705	30,219
INTEREST EXPENSES ON LEASE LIABILITIES **- ASSOCIATES AND JOINT VENTURES OF SINOPEC GROUP**	-	68

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Remuneration of key management personnel

Key management includes directors, supervisors, president, vice presidents, chief financial officer and secretary to the Board of Directors. The compensation paid or payable to key management form employee services is shown below:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
FEE	300	300
SALARIES, ALLOWANCES AND BONUS	3,899	5,802
CONTRIBUTIONS TO PENSION PLANS	222	314
	4,421	6,416

(e) Provision for counter guarantee

As at 31 December 2025, the Group has not provided the counter guarantee to Sinopec Group. As at 30 June 2026, the Group does not provide any counter guarantee.

27. FAIR VALUE

Other than noted as below, the carrying amount of the Group's financial assets and liabilities stated at the condensed consolidated statement of financial position are not materially different from their fair values.

Fair value is the price that would be received to sell assets or paid to transfer liabilities in an orderly transaction between market participants at the measurement date. The Group discloses fair value measurements of financial instruments by level of the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

27. FAIR VALUE (CONTINUED)

(a) Recurring fair value measurement of the Group's financial assets measured at fair value

The financial assets measured at fair value in the condensed consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 3	
	As at 30 June 2026 RMB'000 (Unaudited)	**As at 31 December 2025 RMB'000 (Audited)**
Financial assets at FVTOCI (non-recycling)		
- Unlisted equity investments	135,834	135,834
Financial assets at FVTOCI		
- Notes receivables	1,402,116	4,029,356
	1,537,950	4,165,190

The reconciliation of the carrying amounts of assets classified within Level 3 of the fair value hierarchy is as follows:

	For the months ended 30 June 2026 RMB'000 (Unaudited)	**For the year ended 31 December 2025 RMB'000 (Audited)**
At the beginning of the period/year	4,165,190	2,694,752
(Settlement)/Addition, net	(2,627,240)	1,472,045
Movement in fair value recognised in other comprehensive income	-	(1,607)
At the end of the period/year	1,537,950	4,165,190

27. FAIR VALUE (CONTINUED)

(a) Recurring fair value measurement of the Group's financial assets measured at fair value (Continued)

The fair value of the unlisted equity investments and notes receivables is measured using valuation techniques with reference to the net asset value and discounted cash flows, respectively. The Directors believe that the change in fair value (which is included in other comprehensive income) derived from the valuation technique is reasonable and is the most appropriate value at the end of the reporting period. There have been no transfers into or out of Level 3 during the six months period ended 30 June 2026 (2025: Nil).

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amount of the Group's financial instruments measured at amortised cost are not materially different from fair value as at 30 June 2026 and 31 December 2025.

28. EVENT AFTER THE REPORTING PERIOD

On 13 July 2026, the Group completed the public issuance of its 2026 Sci-Tech Innovation Corporate Bonds (First Tranche) (the "Bonds") of RMB1 billion to professional investors. The Bonds are interest bearing at 1.54% per annum. The net proceeds, after deducting issuance expenses, will be used to repay the interest-bearing debts of the Group. Details of the issuance of the Bonds are set out in the Company's announcements dated 13 July 2026 and 16 March 2026.

7.2 Interim financial report prepared in accordance with the PRC ASBE

The following financial information has been extracted from the Company's unaudited interim financial report, prepared in accordance with the PRC ASBE, for the six months ended 30 June 2026.

Consolidated balance sheets
(Expressed in thousands of Renminbi Yuan)

Assets	**30 June 2026**	**31 December 2025**
Current assets:		
Cash at bank and on hand	**5,065,072**	5,008,213
Accounts receivable	**10,313,194**	11,174,568
Receivable at FVTOCI	**1,402,116**	4,029,356
Prepayments	**645,681**	514,153
Other receivables	**2,978,911**	2,416,186
Inventories	**2,578,245**	1,125,005
Contract assets	**20,492,325**	17,065,962
Other current assets	**3,689,708**	3,010,942
Total current assets	**47,165,252**	**44,344,385**
Non-current assets:		
Long-term equity investments	**105,731**	145,426
Other equity instrument investments	**135,834**	135,834
Fixed assets	**22,561,850**	23,803,167
Construction in progress	**474,552**	628,698
Right-of-use assets	**874,109**	761,546
Intangible assets	**329,195**	365,792
Long-term prepaid expenses	**5,690,565**	6,775,975
Deferred tax assets	**292,904**	293,770
Total non-current assets	**30,464,740**	**32,910,208**
Total assets	**77,629,992**	**77,340,105**

Consolidated balance sheets (continued)

(Expressed in thousands of Renminbi Yuan)

Liabilities and shareholders' equity	**30 June 2026**	**31 December 2025**
Current liabilities:		
Short-term loans	**30,031,421**	28,311,044
Bills payable	**1,906,047**	1,773,050
Accounts payable	**22,761,835**	23,016,953
Contract liabilities	**5,810,661**	7,617,701
Employee benefits payable	**729,704**	585,740
Taxes payable	**439,635**	1,015,033
Other payables	**3,387,410**	3,452,203
Non-current liabilities due within one year	**678,838**	406,896
Total current liabilities	**65,745,551**	**66,178,620**
Non-current liabilities:		
Long-term loans	**1,051,888**	1,095,839
Lease liabilities	**401,403**	352,601
Long-term payables	**145,547**	120,556
Provisions	**87,807**	88,829
Deferred income	**103,272**	84,040
Deferred income tax liabilities	**67,542**	68,406
Total non-current liabilities	**1,857,459**	**1,810,271**
Total liabilities	**67,603,010**	**67,988,891**
Equity:		
Share capital	**18,957,046**	18,957,046
Capital reserve	**11,701,258**	11,701,258
Other comprehensive income	**-22,867**	-18,189
Specific reserve	**588,379**	339,577
Surplus reserve	**200,383**	200,383
Retained earnings	**-21,416,132**	-21,925,671
Total equity attributable to owners of the Company	**10,008,067**	**9,254,404**
Non-controlling interests	**18,915**	**11,298**
Total equity	**10,026,982**	**9,265,702**
Total liabilities and equity	**77,629,992**	**77,254,593**

Consolidated income statements
(Expressed in thousands of Renminbi Yuan)

	For the six months ended 30 June	
	2026	**2025**
1.Revenue	**37,664,258**	37,050,751
Less: Cost of sales	**34,465,422**	33,923,926
Taxes and surcharges	**182,932**	179,866
Selling and distribution expenses	**30,040**	30,919
General and administrative expenses	**900,331**	901,284
Research and development expenses	**765,203**	882,537
Finance costs	**546,889**	427,379
Including: Interest expense	**316,020**	377,778
Interest income	**32,596**	28,131
Add: Other income	**39,575**	13,176
Investment income (“-” for losses)	**-11,339**	-28,683
Including: Share of profit of associates and joint ventures	**-29,051**	-45,678
Credit impairment losses (“-” for losses)	**34,358**	82,040
Assets impairment (“-” for losses)	**-11,689**	-9,669
Gains from disposal of non-current asset (“-” for losses)	**874**	26,503
2.Operating profit (“-” for losses)	**825,220**	**788,207**
Add: Non-operating income	**39,588**	49,720
Less: Non-operating expenses	**81,109**	54,957
3.Profit before income tax (“-” for losses)	**783,699**	**782,970**
Less: Income tax expenses	**274,152**	290,714
4.Net profit for the period (“-” for losses)	**509,547**	**492,256**
Profit for the period attributable to:		
- Owners of the company	**509,539**	**492,256**
- Non-controlling interests	8	-
5.Earnings per share(“-” for losses):		
Basic earnings per share (in RMB)	**0.027**	0.026
Diluted earnings per share (in RMB)	**0.027**	0.026
6.Other comprehensive income for the period	-4,678	-63,492
Other comprehensive income, net of tax, attributable to owners of the parent company	-4,678	-63,492
(I) Other comprehensive income that cannot be reclassified into profit or loss	-	-
(II) Other comprehensive income that will be reclassified into profit or loss	-4,678	-63,492
1.Other comprehensive income from transferable gains or losses under the equity method	-4,678	-63,492
7.Total comprehensive income for the period	**504,869**	**428,764**
Total comprehensive income for the period attributable to:		
- Owners of the Company	**504,861**	428,764
- Non-controlling shareholders	8	-

Consolidated cash flow statement

(Expressed in thousands of Renminbi Yuan)

	For the six months ended 30 June	
	2026	**2025**
1.Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	**35,045,218**	34,967,272
Refund of taxes	**45,787**	33,956
Cash received from other operating activities	**1,099,714**	1,593,730
Sub-total of cash inflows	**36,190,719**	**36,594,958**
Cash paid for goods and services	**22,151,176**	23,418,655
Cash paid to and for employees	**7,864,893**	7,819,768
Cash paid for all types of taxes	**1,670,747**	1,696,233
Cash paid relating to other operating activities	**1,567,242**	1,509,735
Sub-total of cash outflows	**33,254,058**	**34,444,391**
Net cash inflow from operating activities	**2,936,661**	**2,150,567**
2.Cash flows from investing activities：		
Cash received from the investment income	**6,626**	5,335
Net cash received from disposal of fixed assets	**15,399**	64,720
Sub-total of cash inflows	**22,025**	**70,055**
Cash paid for acquisition of fixed assets, intangible assets and other long term assets	**506,932**	**860,092**
Cash paid for the investments	**-**	**-**
Sub-total of cash outflows	**506,932**	**860,092**
Net cash inflow from investing activities ("-" for outflow)	**-484,907**	**-790,037**
3.Cash flows from financing activities：		
Cash received from absorbing investments	**7,609**	
Cash received from borrowings	**14,345,982**	12,856,918
Sub-total of cash inflows	**14,353,591**	12,856,918
Cash paid for repayments of borrowings	**16,037,632**	11,886,274
Cash paid for distribution of dividend, profit or payments of interests	**272,047**	329,174
Cash paid for other financing activities	**221,757**	234,010
Sub-total of cash outflows	**16,531,436**	12,449,458
Net cash inflow from financing activities	**-2,177,845**	407,460
4.Effect of foreign exchange rate changes on cash and cash equivalents	**-104,261**	1,763
5.Net decreasein cash and cash equivalents	**169,648**	1,769,753
Add: Cash and cash equivalents at the beginning of the period	**4,664,046**	3,441,398
6.Cash and cash equivalents at the end of the period	**4,833,694**	5,211,151

Consolidated Statement of changes in equity

(Expressed in thousands of Renminbi Yuan)

Items	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	(Accumulated losses)/Retained earnings	Non-controlling interests	Total equity
Balance at 31 December 2025 and 1 January 2026	18,957,046	11,701,258	-18,189	339,577	200,383	-21,925,671	11,298	9,265,702
Changes during the period (decrease in "-")	-	-	-4,678	248,802	-	509,539	7,617	761,280
Total comprehensive income	-	-	-4,678	-	-	509,539	8	504,869
Increase or decrease of capital	-	-	-	-	-	-	7,609	7,609
Specific reserve-provided during the period	-	-	-	511,221	-	-	-	511,221
Specific reserve-used during the period (expressed in "-")	-	-	-	262,419	-	-	-	262,419
Balance at 30 June 2026	**18,957,046**	**11,701,258**	**-22,867**	**588,379**	**200,383**	**-21,416,132**	**18,915**	**10,026,982**
Balance at 31 December 2024 and 1 January 2025	18,979,412	11,720,452	30,193	302,874	200,383	-22,584,512	-	8,648,802
Changes during the period (decrease in "-")	-22,366	-19,603	-63,492	267,893	-	492,256	-	654,688
Total comprehensive income	-	-	-63,492	-	-	492,256	-	428,764
Increase or decrease of capital	-22,366	-19,603						-41,969
Specific reserve-provided during the period	-	-	-	542,706	-	-	-	542,706
Specific reserve-used during the period (expressed in "-")	-	-	-	274,813	-	-	-	274,813
Balance at 30 June 2025	**18,957,046**	**11,700,849**	**-33,299**	**570,767**	**200,383**	**-22,092,256**	**-**	**9,303,490**

7.3 Reconciliation statement of differences in the financial statements prepared under different GAAPs

The difference between the financial statements prepared under the IFRS and PRC ASBE on net profit and net assets are as follows:

	Net profit attributable to equity shareholders of the Company		**Net assets attributable to equity shareholders of the Company**	
	For the six months ended 30 June			
	2026	**2025**	**At 30 June 2026**	**At 1 January 2026**
	RMB’000	RMB’000	RMB’000	RMB’000
Amounts under PRC ASBE	**509,539**	**492,256**	10,008,067	9,254,404
Adjustments under IFRS:				
Specific reserve (a)	248,802	267,893	-	-
Amounts under IFRS	**758,341**	**760,149**	10,008,067	9,254,404

a. Specific reserve

Under PRC ASBE, accrued production safety fund is recognised as expenses in profit or loss and separately recorded as a specific reserve in shareholders’ equity according to the national regulation. As using production safety fund, if it is profit or loss related, the cost of expenditure is directly charged against the specific reserves. While if it is capital expenditure related, the cost of fixed asset is offset against the specific reserves and the same amount of accumulated depreciation is recognised, then the fixed asset is no longer depreciated in its useful life.

8. OTHER EVENTS

8.1 Compliance with the Corporate Governance Code

For the six months ended 30 June 2026, the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

8.2 Compliance with the Model Code

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific inquires of all the directors and senior management, the Company confirms that its directors and senior management have fully complied with the standards as set out in the Model Code during the reporting period.

8.3 Purchase, sale or redemption of the Company's listed securities

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

By order of the Board
Shen Zehong
Company Secretary

17 August 2026
Beijing, The PRC

As at the date of this announcement, the Board of Directors comprises Mr. Wu Baizhi#, Mr. Zhang Jiankuo#, Mr. Wang Minsheng+, Ms. Zhang Lili+, Mr. Du Kun+, Mr. Zheng Weijun, Mr. Wang Pengcheng*, Ms. Liu Jiangning* and Mr. Li Lizhi△.*

 # Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*

△ Employee Representative Director