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SPT Energy Group Inc.

華油能源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1251)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS HIGHLIGHTS

For the six months ended 30 June 2026, the Group's revenue was RMB725.7 million, representing a decrease of RMB21.5 million, or 2.9%, from RMB747.2 million for the same period of the previous year.

The profit attributable to owners of the Company for the six months ended 30 June 2026 was RMB5.5 million, as compared to the loss attributable to owners of the Company of RMB47.9 million for the same period of the previous year.

No interim dividend for the six months ended 30 June 2026 was proposed to be paid to the shareholders of the Company by the Board (for the six months ended 30 June 2025: nil).

The board (the "**Board**") of directors (the "**Directors**") of SPT Energy Group Inc. (the "**Company**") announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the same period of the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	**30 June 2026** ***RMB'000*** **Unaudited**	31 December 2025 *RMB'000* Audited
ASSETS			
Non-current assets			
Property, plant and equipment		**344,013**	352,407
Right-of-use assets		**41,011**	42,000
Intangible assets		**12,194**	12,381
Investment in an associate		**1,999**	1,560
Investment in a joint venture		**1,386**	1,564
Deferred income tax assets		**119,824**	117,513
Financial assets at fair value through other comprehensive income		**10,439**	10,988
Other non-current assets		**16,145**	16,145
Prepayments and other receivables	*6*	**1**	12,661
		547,012	567,219
Current assets			
Inventories		**548,486**	529,594
Contract assets		**19,288**	22,002
Trade and note receivables	*5*	**535,608**	592,848
Prepayments and other receivables	*6*	**272,994**	266,148
Restricted bank deposits		**67,372**	47,264
Cash and cash equivalents		**144,381**	366,508
		1,588,129	1,824,364
Total assets		**2,135,141**	2,391,583
EQUITY			
Equity attributable to the Company's equity holders			
Share capital	*7*	**1,247**	1,247
Share premium		**869,971**	869,969
Other reserves		**367,482**	366,394
Currency translation differences		**(561,711)**	(542,554)
Retained earnings		**200,108**	195,750
		877,097	890,806
Non-controlling interests		**(1,410)**	(90)
Total equity		**875,687**	890,716

	Notes	**30 June 2026** *RMB'000* **Unaudited**	31 December 2025 *RMB'000* Audited
LIABILITIES			
Non-current liabilities			
Borrowings		**53,749**	95,823
Non-current lease liabilities		**7,032**	5,453
Deferred income tax liabilities		**25,219**	24,896
		86,000	126,172
Current liabilities			
Borrowings		**397,071**	455,291
Current portion of long-term borrowings		**100,371**	97,450
Contract liabilities		**37,568**	50,821
Trade and note payables	*8*	**465,277**	572,293
Accruals and other payables	*9*	**150,775**	175,832
Current income tax liabilities		**18,095**	17,100
Current portion of lease liabilities		**4,297**	5,908
		1,173,454	1,374,695
Total liabilities		**1,259,454**	1,500,867
Total equity and liabilities		**2,135,141**	2,391,583

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 *RMB'000* Unaudited	2025 *RMB'000* Unaudited
Revenue	*4*	**725,669**	747,216
Other losses, net		**(2,051)**	(7,371)
Material costs		**(149,319)**	(200,485)
Employee benefit expenses		**(237,605)**	(285,024)
Short-term and low-value lease expenses		**(61,949)**	(52,778)
Transportation costs		**(12,667)**	(10,706)
Depreciation and amortisation		**(27,669)**	(28,493)
Technical service expenses		**(128,162)**	(88,672)
Royalty fee		**(3,320)**	–
Net impairment losses of financial assets and contract assets		**7,900**	(5,510)
Write-down of inventories and provision for prepayments		**(2,339)**	(1,836)
Others		**(84,711)**	(89,079)
		(699,841)	(762,583)
Operating profit/(loss)		**23,777**	(22,738)
Finance income		**1,297**	2,086
Finance costs		**(12,965)**	(19,900)
Finance costs, net	*10*	**(11,668)**	(17,814)
Share of net profit of an associate and a joint venture accounted for using the equity method		**259**	238
Profit/(loss) before income tax		**12,368**	(40,314)
Income tax expense	*11*	**(8,493)**	(7,782)
Profit/(loss) for the period		**3,875**	(48,096)

	Note	Six months ended 30 June 2026 RMB'000 Unaudited	2025 RMB'000 Unaudited
Profit/(loss) for the period		**3,875**	(48,096)
Profit/(loss) attributable to:			
Owners of the Company		**5,450**	(47,935)
Non-controlling interests		**(1,575)**	(161)
		3,875	(48,096)
Earnings/(loss) per share for the profit/(loss) attributable to the owners of the Company			
Basic and diluted earnings/(loss) per share	*13*	**RMB0.003**	RMB(0.025)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Profit/(loss) for the period	**3,875**	(48,096)
Other comprehensive income/(loss):		
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	**5,860**	1,980
Items that will not be subsequently reclassified to profit or loss:		
Currency translation differences	**(24,762)**	(3,384)
Changes in fair value of equity investments at fair value through other comprehensive income	**(549)**	1,329
Total comprehensive loss for the period	**(15,576)**	(48,171)
Total comprehensive loss for the period attributable to:		
Owners of the Company	**(14,256)**	(47,853)
Non-controlling interests	**(1,320)**	(318)
	(15,576)	(48,171)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Cash flows from operating activities		
Cash used in operations	**(55,962)**	(122,192)
Income tax paid	**(10,678)**	(14,625)
Net cash used in operating activities	**(66,640)**	(136,817)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(10,829)**	(12,173)
(Increase)/decrease in restricted bank deposits	**(20,108)**	3,599
Payment for acquisition of subsidiaries in prior years	**(3,076)**	–
Interest received	**1,297**	1,987
Proceeds from disposal of property, plant and equipment	**385**	15
Net cash used in investing activities	**(32,331)**	(6,572)
Cash flows from financing activities		
Proceeds from borrowings	**238,557**	372,673
Repayments of borrowings	**(335,162)**	(364,922)
Interest paid	**(12,705)**	(15,843)
Principal elements of lease payments	**(3,179)**	(2,973)
Payments of financing fee and deposits	**(4,030)**	(2,509)
Proceeds from exercise of share options	**1**	–
Net cash used in financing activities	**(116,518)**	(13,574)
Net decrease in cash and cash equivalents	**(215,489)**	(156,963)
Cash and cash equivalents at beginning of the period	**366,508**	389,230
Effects of exchange rate changes on cash and cash equivalents	**(6,638)**	(458)
Cash and cash equivalents at end of the period	**144,381**	231,809

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. GENERAL INFORMATION

SPT Energy Group Inc. (the "**Company**") was incorporated in the Cayman Islands on 12 June 2008 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P. O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands.

The Company and its subsidiaries (collectively the "**Group**") are an international comprehensive energy company principally engaged in oilfield exploration and development, oil-field services and new energy business in the People's Republic of China (the "**PRC**") and overseas. The Group are committed to providing comprehensive solutions for the exploration and development of conventional and unconventional energy sources such as oil and natural gas, and providing technical research and engineering services in the entire industry chain of carbon sequestration, utilization, and storage. In addition to the above areas, the Group established an oilfield exploration and production segment in early 2026, which was principally engaged in activities related to overseas exploration and extraction operations. The ultimate controlling party of the Group is Mr. Wang Guoqiang (王國強) and Mr. Ethan Wu (吳東方) (collectively referred to as the "**Controlling Shareholders**").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 23 December 2011.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**").

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial assets which are measured at fair value.

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except as described below.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB which are effective for the Group's financial year beginning 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The nature and impact of the amended IFRS Accounting Standards are described below:

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments clarify the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the "settlement date" and an accounting policy choice is introduced to derecognise financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments include additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments. The amendments specify new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

The application of the amendments in the current period had no material impact on these condensed consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity

The amendments apply only to contracts that reference nature-dependent electricity, and they clarify the application of the 'own-use' requirements for in-scope contracts; amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments relating to the own-use exception are applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting are applied prospectively to new hedging relationships designated on or after the date of the initial application.

The application of the amendments in the current period had no material impact on these condensed consolidated financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The application of the amendments in the current period had no material impact on these condensed consolidated financial statements.

4. SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the Chief Executive Officer, vice presidents and directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segment based on this financial information.

The Group's operating segments, which are also the reportable segments, are entity or group of entities that offer different products and services, which is the basis by which the CODM makes decisions about resources to be allocated to the segments and assesses their performance. They are so managed according to different natures of products and services. Financial information of these entities has been separated to present discrete segment information to be reviewed by the CODM.

The CODM assesses performance of five reportable segments: drilling, well completion, reservoir, exploration and production ("**E&P**"), and others. In accordance with the development to E&P during current interim period, the CODM extracted the segment information for E&P segment from others. The segment information of EBITDA, assets and geographic non-current assets was re-presented accordingly. These reporting segments comprise respective services performed in above areas and related ancillary manufacturing activities , as well as activities related to the newly exploration and extraction operations during the period.

(a) Revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Drilling	**241,760**	207,393
Well completion	**72,636**	148,333
Reservoir	**318,310**	305,314
E&P	**20,333**	–
Others*	**72,630**	86,176
	725,669	747,216

* Others include the sales of natural gas and the related services provided.

The revenue from external customers reported to the CODM is measured in a manner consistent with that in the condensed consolidated income statement. The CODM evaluates the performance of the reportable segments based on profit or loss before income tax expense, depreciation and amortisation, interest income, finance costs and certain unallocated expenses ("**EBITDA**").

(b) Segment information

The segment information for the six months ended 30 June 2026 and 2025 are as follows:

	Drilling	**Well completion**	**Reservoir**	**E&P**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Six months ended 30 June 2026 (Unaudited)						
Revenue from external customers	**241,760**	**72,636**	**318,310**	**20,333**	**72,630**	**725,669**
Time of revenue recognition						
– At a point in time	**20,861**	**11,681**	**21,605**	**20,333**	**72,630**	**147,110**
– Over time	**220,899**	**60,955**	**296,705**	**–**	**–**	**578,559**
EBITDA	**30,636**	**8,940**	**71,862**	**560**	**5,232**	**117,230**

	Drilling	Well completion	Reservoir	E&P	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (Unaudited) (Re-presented)*						
Revenue from external customers	207,393	148,333	305,314	–	86,176	747,216
Time of revenue recognition						
– At a point in time	14,908	94,839	31,553	–	86,176	227,476
– Over time	192,485	53,494	273,761	–	–	519,740
EBITDA	20,516	27,769	29,398	(1,786)	5,420	81,317

* The comparative figures in the segment information have been re-presented to conform with the current period's presentation.

The segment information on total assets as at 30 June 2026 and 31 December 2025 are as follows:

	Drilling *RMB'000*	**Well completion** *RMB'000*	**Reservoir** *RMB'000*	**E&P** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
As at 30 June 2026 (Unaudited)						
Segment assets	**441,191**	**562,524**	**459,489**	**83,832**	**14,340**	**1,561,376**
Unallocated assets						**573,765**
Total assets						**2,135,141**
Additions to non-current assets (other than financial assets and deferred income tax assets)	**7,772**	**5,049**	**7,647**	**4,773**	**–**	**25,241**

	Drilling *RMB'000*	Well completion *RMB'000*	Reservoir *RMB'000*	E&P *RMB'000*	Others *RMB'000*	Total *RMB'000*
As at 31 December 2025 (Audited) (Re-presented)*						
Segment assets	475,541	595,128	459,074	41,551	7,586	1,578,880
Unallocated assets						812,703
Total assets						2,391,583
Additions to non-current assets (other than financial assets and deferred income tax assets)	17,759	18,867	7,505	2,139	2,706	48,976

Disclosure of liabilities has not been included in segment information because the liabilities balances of the Group are not allocated to segments.

* The comparative figures in the segment information have been re-presented to conform with the current period's presentation.

A reconciliation of EBITDA to profit/(loss) before income tax is provided as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
EBITDA for reportable segments	**117,230**	81,317
Unallocated expenses		
– Share-based payments	**(546)**	(1,948)
– Other losses, net	**(2,051)**	(7,371)
– Unallocated overhead expenses	**(62,928)**	(66,005)
	(65,525)	(75,324)
	51,705	5,993
Depreciation and amortisation	**(27,669)**	(28,493)
Finance income *(Note 10)*	**1,297**	2,086
Finance costs *(Note 10)*	**(12,965)**	(19,900)
Profit/(loss) before income tax	**12,368**	(40,314)

	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Segment assets for reportable segments	**1,561,376**	1,578,880
Unallocated assets		
– Deferred income tax assets	**119,824**	117,513
– Unallocated inventories	**57,228**	57,871
– Unallocated prepayment and other receivables	**171,136**	209,435
– Restricted bank deposits	**67,372**	47,264
– Cash and cash equivalents	**144,381**	366,508
– Financial assets at fair value through other comprehensive income	**10,439**	10,988
– Investments in an associate and a joint venture	**3,385**	3,124
	573,765	812,703
Total assets	**2,135,141**	2,391,583

(c) Geographical segment

The following table shows revenue by geographical segment which is based on where the customer is located.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Revenue		
PRC	**319,156**	397,215
Kazakhstan	**151,195**	129,537
Turkmenistan	**31,430**	45,747
Indonesia	**61,369**	68,590
Middle East	**119,153**	78,672
Canada	**15,506**	26,322
Peru	**20,333**	–
Others	**7,527**	1,133
	725,669	747,216

The following table shows the non-current assets other than investments in an associate and a joint venture, deferred income tax assets and financial assets at fair value through other comprehensive income by geographical segment according to the country of domicile of the respective entities in the Group:

	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Audited
(Re-presented)*		
Non-current assets		
PRC	**203,488**	200,565
Indonesia	**73,670**	74,897
Turkmenistan	**41,828**	44,260
Kazakhstan	**27,215**	36,709
Middle East	**23,744**	27,237
Singapore	**18,314**	32,196
Peru	**3,271**	148
Canada	**2,345**	2,705
Others	**19,489**	16,877
	413,364	435,594

* The comparative figures in the segment information have been re-presented to conform with the current period's presentation.

5. TRADE AND NOTE RECEIVABLES

	30 June 2026 ***RMB'000*** **Unaudited**	31 December 2025 *RMB'000* Audited
Trade receivables	**715,173**	781,686
Less: impairment loss	**(180,942)**	(189,508)
Trade receivables, net	**534,231**	592,178
Note receivables	**1,383**	676
Less: impairment loss	**(6)**	(6)
Note receivables, net	**1,377**	670
	535,608	592,848

(a) The ageing analysis of the trade and note receivables based on invoice date is as follows:

	30 June 2026 ***RMB'000*** **Unaudited**	31 December 2025 *RMB'000* Audited
Up to 6 months	**380,158**	509,421
6 months – 1 year	**117,068**	34,870
1 – 2 years	**40,641**	50,802
2 – 3 years	**13,745**	20,404
Over 3 years	**164,944**	166,865
Trade and note receivables, gross	**716,556**	782,362
Less: impairment loss	**(180,948)**	(189,514)
Trade and note receivables, net	**535,608**	592,848

(b) Certain trade and note receivables have been pledged for the Group's bank borrowings.

6. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 *RMB'000* **Unaudited**	31 December 2025 *RMB'000* Audited
Current		
Advances to suppliers	**82,319**	81,195
Prepayment for taxes	**113,596**	107,211
Less: provision	**(3,978)**	(3,992)
Total non-financial assets	**191,937**	184,414
Deposits and other receivables	**37,260**	49,972
Receivable from sales of property, plant and equipment	**35,319**	36,924
Loan to a joint venture (a)	**12,595**	–
Less: impairment loss	**(4,117)**	(5,162)
Total financial assets	**81,057**	81,734
Total current financial assets	**272,994**	266,148
Non-current		
Deposits and other receivables	**1**	1
Loan to a joint venture (a)	**–**	12,660
Total financial assets	**1**	12,661
Total non-current financial assets	**1**	12,661
Total	**272,995**	278,809

Note:

(a) The loan to a joint venture bears interest at a rate of 8% per annum and the maturity date of the loan is 30 June 2027.

7. SHARE CAPITAL

	Number of shares *(Thousands)*	Share capital *RMB'000*
Authorised:		
Ordinary shares of USD0.0001 each as at 31 December 2025 (Audited) and 30 June 2026 (Unaudited)	5,000,000	3,219

	Number of shares *(Thousands)*	Share capital *RMB'000*
Issued and fully paid:		
Ordinary shares of USD0.0001 each as at 31 December 2025 (Audited) and 1 January 2026 (Unaudited)	1,954,136	1,247
Add: Exercise of share options	8	-*
As at 30 June 2026 (Unaudited)	1,954,144	1,247

* Less than RMB1,000.

8. TRADE AND NOTE PAYABLES

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

	30 June 2026 *RMB'000* **Unaudited**	31 December 2025 *RMB'000* Audited
Up to 6 months	**250,502**	415,435
6 months to 1 year	**112,818**	30,067
1 – 2 years	**23,509**	38,002
2 – 3 years	**13,242**	15,028
Over 3 years	**65,206**	73,761
	465,277	572,293

9. ACCRUALS AND OTHER PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Payroll and welfare payable	**53,449**	71,344
Other tax payables	**22,082**	24,071
Other payables – related parties	**14,872**	14,872
Other payables for purchase of property, plant and equipment	**5,548**	4,236
Other payables	**54,824**	61,309
	150,775	175,832

10. FINANCE COSTS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Finance income:		
– Interest income from bank deposits	**1,297**	1,987
Net foreign exchange gain on financing activities	**–**	99
Finance income	**1,297**	2,086
Interest expense:		
– Bank borrowings	**(6,682)**	(11,050)
– Lease liabilities	**(347)**	(468)
– Other borrowings	**(3,525)**	(5,218)
Bank charges and others	**(2,411)**	(3,164)
Net foreign exchange loss on financing activities	**–***	–
Finance costs	**(12,965)**	(19,900)
Finance costs, net	**(11,668)**	(17,814)

* Less than RMB1,000.

11. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Current income tax	**10,830**	10,941
Deferred income tax	**(2,337)**	(3,159)
Income tax expense	**8,493**	7,782

During the six months ended 30 June 2026, the estimated income tax rates applicable to the Group entities (excluding group companies that are currently tax exempted) ranged from 5% to 30% (2025: 5% to 30%).

12. DIVIDEND

The Board of Directors did not propose a dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

13. EARNINGS/(LOSS) PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
Profit/(loss) attributable to owners of the Company (RMB'000)	**5,450**	(47,935)
Weighted average number of ordinary shares in issue (thousands)	**1,954,142**	1,953,776
Basic earnings/(loss) per share (RMB per share)	**0.003**	(0.025)

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options.

The share options in issue have not been included in the calculation of the diluted loss per share, as the adjusted exercise prices of those share options are higher than the average annual market price of the Company's shares. Accordingly, these share options had no dilutive effect during the six months ended 30 June 2026 and 2025, and the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share during the six months ended 30 June 2026 and 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the global economic recovery continued to slow down. The combined effects of multiple factors, including intensified geopolitical conflicts, recurring international trade frictions and the accelerated global energy transformation, significantly intensified volatility in the international energy market. The International Monetary Fund ("**IMF**") released the World Economic Outlook Report in July 2026, in which the global economic growth forecast for the current year was revised downward to 3.0%, highlighting the overall downside risks to the economy. The weakening macroeconomic environment, coupled with wide fluctuations in crude oil prices, dampened the willingness of oil and gas companies to undertake medium – to long-term capital expenditure. The International Energy Agency ("**IEA**") stated in the "World Energy Investment 2026" that capital expenditure on upstream oil and gas exploration and development worldwide was expected to amount to approximately US$546 billion in 2026, remaining broadly stable compared with 2025. Capital investment in the industry remained at a low level, with investment attitudes becoming more prudent. The accelerated low-carbon transformation of the global energy and continued fluctuations in international oil prices heightened uncertainty and operational costs in exploration and development, at the same time, sluggish global economic growth also led to a slowdown in the expected growth of oil and gas demand, further lowering expectations for capital returns on investment. Affected by it, major oil companies generally optimized their investment structures and focused on high-return, high-quality resource blocks. Market competition continued to intensify, placing pressure on the overall operating environment of the oilfield services industry.

During the Period, the Group recorded revenue of RMB725.7 million, representing a decrease of RMB21.5 million, or 2.9% from the same period of the previous year; and recorded profit for the Period of RMB3.9 million, as compared to the loss of RMB48.1 million for the same period of the previous year. In terms of revenue by region, revenue from the PRC market amounted to RMB319.2 million, representing a decrease of RMB78.0 million, or 19.6% as compared with the same period of the previous year, and accounted for 44.0% of the total revenue. Revenue from the overseas markets amounted to RMB406.5 million, representing an increase of RMB56.5 million, or 16.1% as compared with the same period of the previous year, and accounted for 56.0% of the total revenue.

Against the external environment of sluggish global economic growth, prudent investment in the upstream oil and gas sector and increasingly fierce market competition, in the first half of 2026, the Group steadily implemented its established operating strategies and proactively addressed the operating pressure arising from the downward industry cycle by focusing on core technology research and development, refined operational management and control, and domestic and overseas market layout. The specific measures are as follows: firstly, the Group deepened independent technological innovation and built core competitive advantages. The Group adhered to driving business development through technological innovation and carried out dedicated research to address core technical challenges in the industry, including ultra-deep wells, high-temperature and high-pressure operations, and unconventional oil and gas operations, efficiently resolving operational difficulties faced by customers. Leveraging its continuously strengthened independent research and development capabilities and full utilization of advantages in integrated comprehensive services, the Group established differentiated barriers to market competition and consolidated its leading position in the industry. Secondly, the Group fully implemented refined management and continued to improve quality and efficiency. The Group strengthened its refined operational management and control, continuously optimized its internal management efficiency, enhanced its project cost, cash flow and risk management and control systems, implemented cost reduction and efficiency enhancement targets at each level, and improved operational efficiency and risk resilience. The Group applied lean management and control throughout the main phases of operation, including drilling, well completion, reservoir services and carbon capture, utilization and storage ("**CCUS**") low-carbon businesses, promoting the concentrated allocation of core resources to high-return and high-quality projects and striving to improve operational efficiency. Through measures to improve quality and efficiency across the entire business chain, the Group laid a solid foundation for its high-quality and sustainable development. Thirdly, the Group optimized and adjusted its market layout and continued to optimize its business structure. The Group deepened its presence in its core oil and gas technical services business and consolidated its market shares in existing mature markets at home and abroad. Leveraging its technological and resource advantages, the Group expanded its overseas oil and gas exploration and production business, precisely assessed market opportunities, prudently built its presence in markets with long-term potential, and steadily advanced its international development strategy. Meanwhile, the Group continued to deepen strategic cooperation with core customers, enhanced its whole-life-cycle management capabilities for overseas projects, optimized and adjusted its business structure, and further strengthened the Group's operational resilience.

The Group has consistently adhered to a prudent financial policy and remained committed to the principle of stable operation and development, which has enabled the Group to maintain solid risk resilience and sufficient flexibility for operational adjustments amid a complex macroeconomic environment and industry transformation and adjustments, thereby providing solid support for the implementation of its various operating strategies and the stable development of its business.

REVENUE ANALYSIS

During the Period, the Group recorded revenue of RMB725.7 million, representing a decrease of RMB21.5 million or 2.9% from the same period of the previous year. The analysis of the Group's revenue by business segments are as follows:

Revenue	Six months ended 30 June 2026 *RMB'000*	2025 *RMB'000*	Change *(%)*
Reservoir	**318,310**	305,314	4.3%
Drilling	**241,760**	207,393	16.6%
Well completion	**72,636**	148,333	(51.0%)
E&P	**20,333**	–	–
Others	**72,630**	86,176	(15.7%)
Total	**725,669**	747,216	(2.9%)

Revenue from reservoir segment amounted to RMB318.3 million, representing an increase of RMB13.0 million or 4.3% from the same period of the previous year, accounting for 43.9% of the total revenue. Revenue from drilling segment amounted to RMB241.8 million, representing an increase of RMB34.4 million or 16.6% from the same period of the previous year, accounting for 33.3% of the total revenue. Revenue from well completion segment amounted to RMB72.6 million, representing a decrease of RMB75.7 million or 51.0% from the same period of the previous year, accounting for 10.0% of the total revenue. Revenue from the newly added exploration and production segment amounted to RMB20.3 million, representing 2.8% of the total revenue. Revenue from other segments amounted to RMB72.6 million, representing a decrease of RMB13.5 million or 15.7% from the same period of the previous year, accounting for 10.0% of the total revenue.

RESERVOIR SERVICE SEGMENT

Revenue from reservoir segment	Six months ended 30 June 2026 *RMB'000*	2025 *RMB'000*	Change *(%)*
Overseas	**157,943**	135,185	16.8%
PRC	**160,367**	170,129	(5.7%)
Total	**318,310**	305,314	4.3%

The reservoir service segment of the Group provides geology research and oil reservoir research services, dynamic monitoring service, oil testing service, oil recovery technology service, coiled tubing service and repair service of surface production devices.

During the Period, the Group's reservoir segment recorded revenue of RMB318.3 million, representing an increase of RMB13.0 million or 4.3% as compared to the same period of the previous year. Revenue from the overseas reservoir segment amounted to RMB157.9 million, representing an increase of RMB22.8 million or 16.8% as compared to the same period of the previous year. The increase in revenue from the overseas reservoir segment was primarily attributable to the sustained full workload of oil testing service and mud logging service in the Middle East. Revenue from the reservoir segment in the PRC market amounted to RMB160.4 million, representing a decrease of RMB9.8 million or 5.7% as compared to the same period of the previous year. The decrease in domestic revenue was mainly due to the decrease in services such as equipment maintenance and station operation in Xinjiang region.

DRILLING SERVICES SEGMENT

	Six months ended 30 June		
Revenue from drilling segment	**2026**	2025	Change
	RMB'000	*RMB'000*	*(%)*
Overseas	**198,202**	122,676	61.6%
PRC	**43,558**	84,717	(48.6%)
Total	**241,760**	**207,393**	16.6%

The drilling services of the Group include drilling rig service, workover rig service, complex well workover and fishing service, rotary geosteering technology service, vertical drilling technology service, horizontal drilling technology service, side tracking technology service, underbalanced drilling technology service, fine managed pressure drilling technology service, cementing services and drilling fluid services, etc.

During the Period, the Group's drilling segment recorded revenue of RMB241.8 million, representing an increase of RMB34.4 million or 16.6% as compared to the same period of the previous year. Revenue from drilling segment in the overseas market amounted to RMB198.2 million, representing an increase of RMB75.5 million or 61.6% as compared to the same period of the previous year. Such increase was mainly attributable to the increased volume of drilling activities in Indonesia and workover operations in the Middle East. As for drilling segment in the PRC market, it recorded revenue of RMB43.6 million, representing a decrease of RMB41.2 million or 48.6% as compared to the same period of the previous year. The decrease was mainly attributable to a decrease in the output value of domestic CCUS drilling projects of the Group during the Period, and the Group's optimization of its drilling business structure during the Period.

WELL COMPLETION SERVICE SEGMENT

Revenue from well completion segment	Six months ended 30 June		
	2026	2025	Change
	RMB'000	*RMB'000*	*(%)*
Overseas	**30,035**	92,140	(67.4%)
PRC	**42,601**	56,193	(24.2%)
Total	**72,636**	148,333	(51.0%)

The Group provides comprehensive well completion tools, products and services to customers, including well completion project design, well completion tools trade as well as stimulation and fracturing services.

During the Period, the Group's well completion segment recorded revenue of RMB72.6 million, representing a decrease of RMB75.7 million or 51.0% as compared to the same period of the previous year. Revenue from the overseas well completion segment amounted to RMB30.0 million, representing a decrease of RMB62.1 million or 67.4% as compared to the same period of the previous year. Such decrease was primarily attributable to a substantial decrease in the volume of the well completion trading business in Turkmenistan and Indonesia, as well as a decrease in the volume of the fracturing business in Kazakhstan. In terms of well completion segment in the PRC market, it recorded revenue of RMB42.6 million, representing a decrease of RMB13.6 million or 24.2% as compared to the same period of the previous year. Such decrease was primarily attributable to the delay in well completion trading in Xinjiang region.

EXPLORATION AND PRODUCTION SEGMENT

Revenue from exploration and production segment	Six months ended 30 June		
	2026	2025	Change
	RMB'000	*RMB'000*	*(%)*
Overseas	**20,333**	–	–
PRC	**–**	–	–
Total	**20,333**	–	–

Currently, the exploration and production segment of the Group mainly includes businesses relating to oil and natural gas exploration and extraction operations.

During the Period, the Group's revenue from the newly added exploration and production segment amounted to RMB20.3 million, representing an increase of RMB20.3 million as compared to the same period of the previous year. Revenue from overseas markets amounted to RMB20.3 million, representing an increase of RMB20.3 million as compared to the same period of the previous year, which was mainly derived from the oilfield exploration and production business in Peru, South America.

OTHER SEGMENTS

Revenue from other segments	Six months ended 30 June 2026	2025	Change
	RMB'000	*RMB'000*	*(%)*
Overseas	**–**	–	–
PRC	**72,630**	86,176	(15.7%)
Total	**72,630**	86,176	(15.7%)

Currently, revenue from other segments of the Group mainly includes revenue generated from the sale of natural gas and the provision of related services.

During the Period, revenue from other segments amounted to RMB72.6 million, representing a decrease of RMB13.5 million or 15.7% as compared to the same period of the previous year. Revenue from the PRC market amounted to RMB72.6 million, representing a decrease of RMB13.5 million or 15.7% as compared to the same period of the previous year, which was mainly due to the decrease in sales business of natural gas in Xinjiang region.

MARKET ENVIRONMENT

In 2026, affected by factors such as intensifying geopolitical tensions, diverging global economic recovery and an accelerating energy transition, the global oil and gas industry continued its structural adjustment, with market volatility increasing significantly. In the international market, the geopolitical confrontation among the United States, Israel and Iran continued to escalate, and shipping through the Strait of Hormuz was repeatedly disrupted. The heightened risk of supply disruptions drove up global oil price, resulting in substantial fluctuations in Brent crude oil prices, while the global energy supply chain remained under pressure. According to the World Economic Outlook published by the IMF in July 2026, the forecast for full-year global economic growth was revised downwards to 3.0%. Sluggish growth in advanced economies, divergent trends among emerging market economies and continued uncertainty surrounding the economic recovery continued to suppress crude oil consumption. On the demand side, the Monthly Oil Market Report released by the Organization of the Petroleum Exporting Countries ("**OPEC**") in June indicated that the global oil demand growth forecast for 2026 was revised down to 970,000 barrels per day, with demand growth remaining at a low level. On the supply side, production capacity in non-OPEC oil-producing countries was steadily brought on stream, while OPEC+ continued to implement its production increase policy. As a result, global oil supply continued to grow faster than demand, and the relatively loose supply-demand balance in the market became increasingly apparent. In the PRC market, the 15th Five-Year Plan for the Construction of a New Energy System (《新型能源體系建設"十五五" 規劃》), issued by the National Development and Reform Commission and the National Energy Administration, continued to advance the strategy of coordinating energy security with the low-carbon transition. Efforts were focused on building a resilient energy security system, maintaining stable investment in oil and gas exploration and development, and consolidating the foundation of energy supply. At the same time, the low-carbon transition of the energy structure was accelerated, emerging business formats such as renewable energy, carbon capture, utilisation and storage, and supporting new-energy applications in oilfields were fostered, and the integrated development of the traditional oil and gas industry and the low-carbon new energy industry was advanced. Overall demand in the PRC market remained stable. In response to changes in the market environment, external uncertainties and domestic policy opportunities, the Group adopted multiple measures to coordinate and advance the following key initiatives: Firstly, consolidating the fundamentals of the core traditional oil and gas services business, and concurrently expanding the petroleum exploration and development business. Through measures such as refined cost control and the optimization of project operational processes, the Group continuously solidifies the competitiveness of its core traditional oilfield services business; meanwhile, by leveraging its technological and resource advantages, the Group prudently expands the business of the exploration and development segment. Secondly, closely aligning with clients' demands for green, intelligent, and integrated services to accelerate technological iteration and service model innovation. The Group continues to increase its investment in research and development to enhance service efficiency and added value, thereby consolidating its differentiated competitive advantages. Thirdly, proactively establishing a presence in potential markets such as low-carbon oilfield services and new energy supporting facilities. Capitalizing on policy opportunities presented by the energy transition, the Group builds up technological reserves centered around emerging business formats, including carbon capture, utilization and storage, and new energy supporting facilities for oilfields, to construct a new business paradigm featuring the synergistic development of traditional oil and gas and low-carbon new energy, thereby safeguarding the long-term and steady development of the Group.

Overseas Markets

The Group's overseas operations are mainly located in Kazakhstan and Turkmenistan in Central Asia, Indonesia and Singapore in Southeast Asia, Canada in North America, Peru in South America, and the Middle East. During the Period, as global geopolitical competition continued to intensify and the turmoil in the Middle East drove sharp fluctuations in the international crude oil market, Brent crude oil prices experienced wide-ranging fluctuations. Furthermore, as market participants steadily lowered their expectations for global economic growth, the business environment for the oil and gas industry became increasingly complex, with market uncertainties remaining elevated. Facing a severe and volatile external environment, the Group actively responded to various challenges encountered in its overseas projects by continuously optimizing its business structure, deepening its presence in existing mature markets, and seizing opportunities in emerging markets, while strengthening its technological innovation capabilities and project delivery capabilities across the entire lifecycle. Leveraging the opportunities for energy cooperation under the "Belt and Road Initiative", the Group focused on its core overseas markets, including Central Asia, the Middle East, and Indonesia. On the one hand, it consolidated its existing business foundation and actively cultivated new growth drivers, further reinforcing the fundamentals of its core oilfield technical services business. On the other hand, it methodically expanded its oilfield exploration and development operations, driving its overseas segment to maintain steady progress while ensuring stability, and continuing to achieve new breakthroughs amid cyclical industry fluctuations.

Kazakhstan serves as the Group's core market in the Central Asian region. During the Period, notwithstanding the complex operating environment and various external uncertainties in Kazakhstan, the project team overcame various difficulties and steadily advanced all operational fronts. In terms of project operations, significant breakthroughs were made in core operations such as well testing, gas testing, and well completion at the oil and gas exploration area in shallow areas of the Caspian Sea near Atyrau. In terms of market expansion, the Kazakhstan region successively won bids for various tender projects including high-temperature well testing, water shutoff testing services, and multi-pad fracturing operations, with new orders exceeding 60 well operations, effectively expanding the scale of regional basic operations and enhancing market share in the Kazakhstan region. Meanwhile, the Kazakhstan region accelerated its technological innovation and successfully undertook the proppant fracturing trial project in carbonate reservoirs, effectively bridging the regional technological gaps in specialized processes. The above bid-winning achievements and technological breakthroughs ensured a stable performance for subsequent production and operations. In the Middle East region, each project team proactively responded to various risks and challenges amidst a volatile and complex geopolitical operating environment, upheld service standards, ensured operational quality and efficiency, and pursued a market-oriented approach driven by client and market needs. Through coordinated development across multiple business segments, the market scale in the Middle East region maintained steady growth, effectively driving sustained increases in output value and profitability. The Group continued to optimize its business layout in Iraq and has established a comprehensive oil and gas service system covering well workover and fishing, well cementing, mud logging, well logging, oil testing, reservoir dynamic monitoring, and oilfield tool accessories trading in Iraq. Integrated service capabilities and core market competitiveness in Iraq have continued to strengthen. The Indonesia market made simultaneous progress in its exploration and development and oilfield services businesses. In terms of the exploration and development segment, the Group has successfully completed the oil and well testing work for the key well in the Jabung Tengah Block, laying a solid foundation for subsequent exploration and development and supporting the Group's business expansion in the Indonesian oil and gas market. In terms of the oilfield technical services segment, the 1,000 HP drilling rig service project for an oil and gas field in South Sumatra operated steadily. By virtue of its high-quality on-site performance, the project received high recognition from the owner and successfully completed the renewal of the project contract, establishing a solid reputation for the project department in the local oilfield services market, particularly in the field of drilling rig services, and significantly enhancing its brand influence and market visibility. Leveraging the synergistic advantages of the project, the Group continued to extend its reach into surrounding markets, injecting new momentum into the continued growth of the Group's overseas business. The Group's Peru project team steadily advanced the implementation of its core business and successfully signed a 30-year operating rights contract for Block VI of the Talara Oilfield in Peru. Following the completion of the takeover of the oilfield, the project team rapidly advanced the entire process of oilfield rectification, resumption of production and commercial production, achieving a major transformational breakthrough for the project. The oilfield successfully resumed oil production, with daily crude oil production increasing to approximately 1,600 barrels within a short period. As the Group's first overseas oilfield independently developed for commercial production, the successful resumption of production represents a key breakthrough in the Group's strategic layout in South America, and effectively expands the Group's portfolio of high-quality overseas assets. Going forward, the Peru project team will continue to deepen its presence in the local market, meticulously implement operational management measures to stabilize production, enhance efficiency, and improve quality at the oilfield, and continue to provide strong support for the Group's overall high-quality development and performance growth.

In the first half of 2026, the Group secured new orders of approximately RMB256.2 million in overseas service markets, accounting for approximately 40.8% of the Group's total new orders. In the first half of 2026, revenue from the overseas markets amounted to approximately RMB406.5 million, representing an increase of RMB56.5 million, or 16.1% as compared with the same period of the previous year.

PRC Market

In the first half of 2026, driven by the dual imperatives of ensuring energy supply and advancing the "dual carbon" strategy, the oilfield services industry in the PRC domestic market was characterised by capital expenditure remaining at a high level, increasingly stringent cost control and divergence in business structure. At the policy level, the 15th Five-Year Plan for the Construction of a New Energy System (《新型能源體系建設"十五五"規劃》), issued by the National Development and Reform Commission and the National Energy Administration, clearly called for increased investment in boosting oil and gas reserves and production, and intensified exploration and development of conventional large-scale oil and gas fields and unconventional resources such as shale oil and gas. Focusing on the four major areas of deep subsurface, deep sea, unconventional resources and mature oil and gas fields, the strategy of "stabilising oil production and increasing gas production" was steadily implemented, with efforts focused on making offshore and unconventional resources important pillars supporting stable domestic crude oil production. Development targets were established to maintain annual domestic crude oil production at approximately 200 million tonnes and achieve steady growth in natural gas production, providing clear policy guidance for the long-term development of the industry. According to data from the National Bureau of Statistics, domestic oil and gas production reached a record high for the corresponding period in the first half of 2026. Various regions steadily advanced efforts to increase reserves and production. Crude oil production by industrial enterprises above designated size reached 109.43 million tonnes, representing a year-on-year increase of 0.9%, while natural gas production reached 133.0 billion cubic metres, representing a year-on-year increase of 1.6%. Overall energy supply in the PRC domestic market remained stable, effectively offsetting the impact of volatility in overseas markets, and the industry as a whole demonstrated strong development resilience. Against this backdrop, the Group kept closely abreast of industry development trends, continued to deepen its presence in the domestic market, optimise its regional strategic layout and strengthen the enabling role of its core technologies. By adopting multiple measures in technological innovation, service upgrades and market expansion, the Group effectively alleviated the pressure arising from intensifying industry competition and continued to strengthen and consolidate its core competitive advantages.

In the first half of 2026, the Group's operations in the PRC regional markets remained generally robust. The foundation of its traditional existing businesses was solid, and businesses in various core regions advanced steadily. As the core strategic market for the Group's oil and gas services in the domestic market, the Xinjiang region has high-quality and stable customer resources, with its service scope comprehensively covering the Tarim Oilfield, Xinjiang Oilfield, Sinopec Northwest Bureau, Tuha Oilfield, Qinghai Oilfield and various private oil and gas blocks. In the face of downward pressure on service prices resulting from customers' continued efforts to enhance quality and efficiency, as well as the low-price bidding strategies generally adopted in private blocks, the Group seized the opportunities arising from the industry recovery, leveraged technological innovation to overcome project execution bottlenecks, and effectively promoted steady growth in its core operating volumes within the region. In particular, the drilling business successfully won bids for a rotary geosteering service project and specialised turnkey contracts for drilling acceleration, which are expected to gradually contribute output value at scale over the next one to two years and are poised to become new growth drivers in the Xinjiang region. Reservoir technical services advanced simultaneously, with the ultra-high-temperature and ultra-high-pressure suction-type pressure-volume-temperature ("**PVT**") sampling business already generating output value at scale. The fibre-optic temperature and pressure monitoring project for gas storage successfully completed technical incubation and was officially contracted for implementation. The aforementioned business layout further consolidated the Group's competitive advantages in the high-end oilfield services sector in Xinjiang. In the Sichuan-Chongqing region, the Group's overall business operations remained stable. While consolidating its existing advantages, the Group actively expanded its business into markets such as Tianjin, Hebei and Jiangsu. In particular, for the reservoir business, the Group successfully won the bid for the natural gas well wireline well testing technical services project in the Sichuan-Chongqing region, further solidifying its business layout in the Sichuan-Chongqing regional market. Regarding the well completion business, the Group successfully completed the delivery of multiple batches of downhole safety valves, completion packers and other high-end completion tools, earning high recognition from customers for its reliable product quality, excellent technical performance and efficient delivery capabilities. In respect of regional market expansion, the Group also continued to exert its efforts. The permanent fiber-optic monitoring service project for gas mines progressed smoothly, and the Group has established clear intentions to enter into contracts with multiple customers regarding emerging businesses such as multi-stage fracturing tools and fiber-optic monitoring, continuing to tap into the incremental market space in the Sichuan-Chongqing region. In the field of new energy, the Group focused on the core area of CCUS, steadily advancing the implementation of benchmark projects and market-oriented expansion. During the period, the Group successfully completed two core projects, namely the exploration and site selection and exploratory well construction services for the million-tonne-scale CCUS project of National Energy Group Coal-to-Liquid Co. and the CCUS pilot test project of CHN Energy Yulin Chemical Co., Ltd., and its professional technical service capabilities were fully recognised by the customers. The Group will continue to follow up on subsequent cooperation opportunities for key projects and advance the development of its CCUS business in other regions in an orderly manner, continuously accumulating project experience and building its industry reputation, thereby laying a solid foundation for the Group's green and low-carbon transition and diversified high-quality development.

In the first half of 2026, the Group secured new orders of approximately RMB371.6 million in the domestic market, accounting for approximately 59.2% of the Group's total new orders. In the first half of 2026, revenue from the domestic market amounted to approximately RMB319.2 million, representing a decrease of RMB78.1 million, or 19.7% as compared with the same period of the previous year.

RESEARCH AND DEVELOPMENT ("R&D") AND MANUFACTURING

The Group continues to adhere to the core strategy of "technology leading the development and innovation driving future". Taking independent research and development as the mainline, and relying on technology integration, process upgrading and industrial application as the pathway, the Group continuously builds a technology system oriented towards the demands of deep earth, high-temperature and high-pressure, complex reservoirs, and energy transition. In response to the industry trend where oil and gas exploration and development continuously advance towards ultra-deep, ultra-high-temperature, ultra-high-pressure, high-sulfur and low-grade reservoirs, the Group continuously strengthens its technology-led efficiency, and transforms its research and development accomplishments into three core capabilities, namely standardized operations, equipment manufacturing and integrated services, thereby promoting the upgrade of traditional oilfield service business towards high technological content, high added value and high reliability.

In the field of reservoir technology, the Group continuously consolidates its technological advantages in the dynamic monitoring of reservoirs in ultra-deep, ultra-high temperature and ultra-high pressure wells ("**three-ultra wells**"), gradually forming a complete technology chain that covers downhole high-temperature and high-pressure ("**HTHP**") data acquisition, fluid sampling, data processing and reservoir evaluation. Core instruments such as the 35,000 psi, 230°C HTHP-resistant pressure gauges and HTHP downhole pressure-retaining PVT samplers have been put into field application, marking that the Group's downhole sensing and fluid sampling technologies under extreme working conditions have reached an internationally leading level. Relevant technologies have been validated in HTHP exploration wells, scientific exploration wells and various major key oil and gas field projects, providing high-quality data support for the dynamic evaluation of oil and gas reservoirs, reservoir characterization, and the optimization of development plans. During the period, the Group completed the distributed optical fiber monitoring technology service inside a deep well pipeline of a gas storage facility in a certain oilfield, which further enhanced the Group's technological advantages in this field.

In the field of drilling technology, the Group continuously carries out technological breakthroughs centered on speed and efficiency enhancement, drilling in complex strata, and integrated drilling services. Targeting key oilfields in Xinjiang, the Group implements integrated drilling speed-up supporting technologies which are implemented in key oilfields in Xinjiang. Through the optimization of drilling tool assemblies, drilling fluid systems, rotary steerable tools and dynamic operational parameters, drilling records in the block have been repeatedly broken during operations in both vertical wells and horizontal sections, effectively improving the rate of penetration (ROP), shortening the well construction cycle, and reducing comprehensive drilling costs. At the same time, the Group deepens the development of high-temperature and oil-based mud resistant screw drilling tools and supporting extended technical services, continuously strengthening its core technological competitiveness in the development of complex structural wells, long horizontal wells, and deep oil and gas resources. In addition, the ultra-deep slim-hole complex handling technology of the Group has formed a standardized and highly efficient construction process targeting the operation scenarios of key exploration wells in deep layers and high-pressure gas wells. It can efficiently resolve difficult industry problems such as downhole debris jams, perforating pipe string jams, and dropped gun connector follow-up rotation. Multiple highly difficult workover operations have been successfully completed in regions such as the southern margin of the Junggar Basin and the Tarim Basin through the technology, effectively resolving difficulties such as wellbore blockage and pipe string sticking, with significant improvements in operation efficiency and safety, therefore further strengthening the Group's industry advantage in the field of complex wellbore management.

In the field of well completion technology, the ultra-deep and high-pressure well completion operations completed by the Group in the southern margin of the Junggar Basin and the Tarim Basin in Xinjiang have continuously maintained domestic records for the difficulty and depth of well completion operations, marking that the Group has formed a comprehensive technological system in the field of ultra-deep well completion technology and possesses the technical strength to cope with the world's most stringent geological conditions. High-end well completion tools such as 25,000 psi and 20,000 psi downhole safety valves and full-bore dissolvable sliding sleeves, have been successfully applied in multiple key exploration and development wells in China with stable and reliable performance, gaining high recognition from property owners and consolidating the foundation of independent controllability of core equipment for domestic ultra-high pressure well completion. In addition, following the obtainment of the American Petroleum Institute ("**API**") certification, Tianjin Well Completion Tool R&D and Manufacturing Plant has continuously improved its quality management system and full-process production capacity construction, integrally coordinated the R&D, manufacturing and on-site technical services of well completion tools, and continuously consolidated the Group's leading position in the field of ultra-deep, high-temperature and high-pressure well completion business.

In the field of exploration and production technology, the Group's Peru project in the South America region has officially taken over the operations of Block VI of the Talara Oilfield. Leveraging the Group's mature integrated technology system and professional production and operation team, the production resumption of the project has been advanced in an orderly manner. The daily crude oil production increased to approximately 1,600 barrels within a short period with the oilfield production system gradually entering into a stable operation stage. The natural gas production was resumed simultaneously. During the Period, the project achieved a cumulative production of approximately 39,000 barrels of crude oil and approximately 110 million cubic feet of natural gas, representing an aggregate oil and gas production of approximately 58,000 barrels of oil equivalent, fully demonstrating the Group's capabilities in the rapid takeover, production recovery, and comprehensive operation management of mature oilfields. Going forward, by integrating its proprietary technological advantages, the Group will optimize oil recovery schemes and production regimes, actively advance operational measures including complex workovers, perforation interval changes, and fracturing stimulations, and deeply tap into the residual resource potential of the mature oilfield, with an aim to drive the project from rapid production resumption to sustained production enhancement and highly efficient development, thereby realizing the industrialized implementation of the Group's self-developed technologies in the overseas market.

The Group will continue to drive high-quality development through technological innovation. The Group will deepen its technology in deep-earth high-temperature and high-pressure complete sets of technologies, high-end downhole tools, core instruments, and the integrated drilling and completion services, and consolidate the dual-track development pattern of "traditional business continuing to lead the market while emerging fields achieving breakthroughs in innovation", so as to continuously create comprehensive development value for upstream and downstream customers and lay a solid core technological foundation for the steady operation and long-term sustainable development of the enterprise.

HUMAN RESOURCES

The remuneration of the Group's employees was determined based on market conditions, employee's position and duty, and annual performance. The Group also regularly reviewed and continuously optimised its remuneration system. In the first half of 2026, closely aligned with the Group's strategic layout, we synergistically promoted talent allocation and performance incentives, while continuously conducting employee training. There were 397 training sessions in total in the first half of 2026, including online and offline trainings, with 5,891 participants and 63,342 training hours cumulatively.

As of 30 June 2026, the Group had 3,407 employees, representing an increase of 82 employees compared to 31 December 2025.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group realized a revenue of RMB725.7 million, representing a year-on-year decrease of RMB21.5 million, or 2.9% from RMB747.2 million for the same period of the previous year.

Other losses, net

For the six months ended 30 June 2026, the Group recorded other losses, net of RMB2.1 million, as compared with other losses, net of RMB7.4 million for the same period of the previous year. The variance was mainly due to fluctuations in exchange rates.

Material costs

For the six months ended 30 June 2026, the Group's material costs amounted to RMB149.3 million, representing a year-on-year decrease of RMB51.2 million, or 25.5% from RMB200.5 million for the same period of the previous year. Such decrease was mainly due to the changes in business structure.

Employee benefit expenses

For the six months ended 30 June 2026, the Group's employee benefit expenses were RMB237.6 million, representing a year-on-year decrease of RMB47.4 million, or 16.6% from RMB285.0 million for the same period of the previous year. Such decrease was mainly due to the adjustment of the Group's business structure and the continuous optimization of overall personnel efficiency.

Short-term and low-value lease expenses

For the six months ended 30 June 2026, the Group recorded short-term and low-value lease expenses of RMB61.9 million, representing a year-on-year increase of RMB9.1 million, or 17.2% from RMB52.8 million for the same period of the previous year.

Transportation costs

For the six months ended 30 June 2026, the Group's transportation costs amounted to RMB12.7 million, representing a year-on-year increase of RMB2.0 million, or 18.7% from RMB10.7 million for the same period of the previous year.

Depreciation and amortisation

For the six months ended 30 June 2026, the Group's depreciation and amortisation was RMB27.7 million, representing a year-on-year decrease of RMB0.8 million, or 2.8% from RMB28.5 million for the same period of the previous year.

Technical service expenses

For the six months ended 30 June 2026, technical service expenses of the Group were RMB128.2 million, representing a year-on-year increase of RMB39.5 million, or 44.5% from RMB88.7 million for the same period of the previous year. Such increase was mainly due to the changes in business structure.

Royalty fee

For the six months ended 30 June 2026, the Group's royalty fee amounted to RMB3.3 million. The increase was mainly attributable to the exploitation royalty fee payable to the Peruvian government pursuant to the contract upon obtaining oil and gas products through extraction operations at the newly added oilfield in Peru.

Reversal of impairment losses/(Impairment losses) on assets

For the six months ended 30 June 2026, the Group recorded reversal of impairment losses on assets of RMB5.6 million, compared to impairment losses on assets of RMB7.3 million for the same period of the previous year.

Others

For the six months ended 30 June 2026, the Group's other operating costs were RMB84.7 million, representing a year-on-year decrease of RMB4.4 million, or 4.9% from RMB89.1 million for the same period of the previous year.

Operating profit/(loss)

In view of the above reasons, the Group's operating profit during the Period was RMB23.8 million, as compared to an operating loss of RMB22.7 million for the same period of the previous year.

Finance costs, net

For the six months ended 30 June 2026, the Group's finance costs, net, were RMB11.7 million, representing a year-on-year decrease of RMB6.1 million, or 34.3% from RMB17.8 million for the same period of the previous year.

Share of net profits of an associate and a joint venture accounted for using the equity method

For the six months ended 30 June 2026, the Group's share of net profits of an associate and a joint venture accounted for using the equity method was RMB0.3 million.

Income tax expense

For the six months ended 30 June 2026, the income tax expense was RMB8.5 million, compared with the income tax expense of RMB7.8 million for the same period of the previous year.

Profit/(loss) for the Period

As a result of the explanations above, the Group's profit for the Period was RMB3.9 million, as compared to a loss of RMB48.1 million for the same period of the previous year.

Profit/(loss) attributable to equity holders of the Company

For the six months ended 30 June 2026, the profit attributable to equity holders of the Company was RMB5.5 million, as compared to a loss attributable to equity holders of the Company of RMB47.9 million for the same period of the previous year.

Property, plant and equipment

As at 30 June 2026, property, plant and equipment were RMB344.0 million, representing a decrease of RMB8.4 million, or 2.4% from RMB352.4 million as at 31 December 2025. Such decrease was mainly due to provisions made for the depreciation of property, plant and equipment.

Right-of-use assets

As at 30 June 2026, the carrying value of right-of-use assets amounted to RMB41.0 million, representing a decrease of RMB1.0 million, or 2.4% from RMB42.0 million as at 31 December 2025.

Intangible assets

As at 30 June 2026, intangible assets were RMB12.2 million, representing a decrease of RMB0.2 million, or 1.6% from RMB12.4 million as at 31 December 2025.

Deferred income tax assets

As at 30 June 2026, deferred income tax assets were RMB119.8 million, representing an increase of RMB2.3 million, or 2.0% from RMB117.5 million as at 31 December 2025.

Prepayments and other receivables

As at 30 June 2026, the non-current portion of prepayments and other receivables was RMB0.0 million, as compared to RMB12.7 million as at 31 December 2025. As at 30 June 2026, the current portion of prepayments and other receivables was RMB273.0 million, as compared to RMB266.1 million as at 31 December 2025.

Inventories

As at 30 June 2026, inventories were RMB548.5 million, representing an increase of RMB18.9 million, or 3.6% from RMB529.6 million as at 31 December 2025. The increase was mainly due to an increase in amount of uncompleted work.

Contract assets, trade and note receivables/contract liabilities, trade and note payables

As at 30 June 2026, contract assets, trade and note receivables were RMB554.9 million, representing a decrease of RMB60.0 million, or 9.8% from RMB614.9 million as at 31 December 2025. The decrease was mainly due to more timely collection of accounts receivable during the Period. As at 30 June 2026, contract liabilities, trade and note payables were RMB502.8 million, representing a decrease of RMB120.3 million, or 19.3% from RMB623.1 million as at 31 December 2025. Such decrease was mainly due to more prompt payments to suppliers.

Liquidity and capital resources

As at 30 June 2026, the Group's cash and bank deposits, including cash and cash equivalents and restricted bank deposits, were RMB211.8 million, representing a decrease of RMB202.0 million, or 48.8% from RMB413.8 million as at 31 December 2025.

As at 30 June 2026, the Group's short-term borrowings and the current portion of long-term borrowings was RMB497.4 million, while the long-term borrowings were RMB53.7 million. As at 31 December 2025, the current portion of the Group's short-term borrowings and long-term borrowings was RMB552.7 million, while the long-term borrowings were RMB95.8 million. As at 30 June 2026, the bank borrowings of the Group were mainly denominated in RMB and were subject to fixed interest rates.

As at 30 June 2026, the Group's current lease liabilities amounted to RMB4.3 million and the non-current lease liabilities amounted to RMB7.0 million. As at 31 December 2025, the Group's current lease liabilities amounted to RMB5.9 million and the non-current lease liabilities amounted to RMB5.5 million.

As at 30 June 2026, the Group's gearing ratio was 64.2%, representing a decrease of 9.9% as compared with 74.1% as at 31 December 2025. Gearing ratio was calculated as interest-bearing liabilities and lease liabilities divided by total equity.

Capital structure

The capital of the Company comprises only ordinary shares. As at 30 June 2026, the total number of ordinary shares of the Company in issue was 1,954,143,999 shares (31 December 2025: 1,954,135,999 shares). As at 30 June 2026, equity attributable to the equity holders of the Company was RMB877.1 million, representing a decrease of RMB13.7 million, or 1.5% from RMB890.8 million as at 31 December 2025.

Significant investment held

As at 30 June 2026, the Group did not hold any significant investment.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

During the Period, the Company had no material acquisitions or disposals of subsidiaries and associates.

Assets pledged to secure bank borrowings

As at 30 June 2026, the Group pledged certain of its right-of-use assets and trade and note receivables to secure the Group's bank borrowings. The carrying values of the assets pledged are as follows:

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Right-of-use assets	**562**	1,073
Trade and note receivables	**124,250**	154,000

Assets pledged to secure the loans from a third-party institution

The Group's loans from a third-party financial institution will expiry from 2026 to 2028 and are secured by certain machinery with a carrying amount of RMB130,636,000 (2025: RMB152,274,000), and guaranteed by certain subsidiaries of the Group.

Foreign exchange risk

Fluctuations in exchange rates of Tenge ("**KZT**") and USD have exposed the Group to foreign currency exchange risk. Currently, certain sales to and purchases from overseas of the Group are mostly denominated in USD. Kazakhstan is the largest overseas market of the Group in terms of revenue contribution. In accordance with certain laws and regulations, local service contracts in Kazakhstan are required to be denominated in KZT. In the first half of 2026, the exchange rates of KZT against RMB experienced an overall increase, while the exchange rate of USD against RMB saw an overall decrease compared with the same period of the previous year, but such movement did not have a significant impact on the overall business of the Group.

Contingent liabilities

As at 30 June 2026, the Group had no material contingent liabilities.

Off-balance sheet arrangements

As at 30 June 2026, the Group had no off-balance sheet arrangements.

Capital commitments

As at 30 June 2026, the Group had capital expenditure commitments of RMB28.8 million.

SUBSEQUENT WORK PLANS

In the second half of 2026, the external environment will remain complex and volatile, and the uncertainties within the oilfield services industry will continue to be prominent. Based on the actual situation of current operations, the Group will unswervingly deepen its strategic transformation and fully implement the crucial tasks of improving quality and enhancing efficiency. Adhering to the development strategy of "deepening the presence in mature domestic and overseas markets, focusing on the layout of high-value overseas projects, and driving value growth through lean management", the Group will stick to a performance-oriented approach, strive to enhance operational quality and efficiency, and lay a solid foundation for long-term and stable growth. To this end, we will continue to deepen the following key aspects of our work:

1. Continue to optimize its global market layout, driving synergistic development among the Group' s three major business segments. Centering on the medium and long-term operational goal of "diversified synergy, quality improvement, and efficiency enhancement", the Group will promote the synergistic development of its three major business segments, namely oilfield technical services, oilfield exploration and development and new energy. Relying on the interoperability of resources and technological complementarity among these segments, the Group will lay a solid foundation for long-term and steady development. As the core business of the Group, the oilfield technical services segment will continue to deepen its penetration in the deep and unconventional oil and gas sectors in China, actively seize the incremental market opportunities in ultra-deep wells and unconventional oil and gas, stimulated by the domestic energy supply guarantee strategy, and focus on developing integrated high-end technical services. Meanwhile, regarding the overseas market, the Group will vigorously expand into potential markets in the Middle East, Southeast Asia, and along the "Belt and Road" initiatives, so as to ensure the efficient operation of existing projects. The Group will proactively divest inefficient businesses and those subject to low-price competition to consolidate its core competitiveness in the oilfield services market. The exploration and development segment will steadily advance the operations of overseas projects, accelerate the exploration and development of overseas blocks in Indonesia and Peru, and actively promote capacity construction to support the steady growth of the overseas business scale. On this basis, in line with the global energy transition trend, the Group will actively lay out low-carbon ancillary services such as CCUS, extend the application of mature oil and gas technologies to clean energy sectors including geothermal energy, and promote the deep integration of traditional oil and gas with new energy at the levels of technology, market, and resource. The Group will fully leverage the synergies among the three major segments, continuously optimize its business structure, enhance its integrated comprehensive service capabilities, realize quality improvement and efficiency enhancement in the traditional oil and gas business as well as innovative breakthroughs in the new energy business, and drive the long-term steady growth of its business scale and operating performance.

2. Persist in taking technological innovation as the Group' s core development engine, building differentiated technological barriers, fully implement the strategic guideline of "Sharpening the Sword of Technology", and take independent research and development as the core lever, focusing on key operational fields such as ultra-deep wells, high-temperature and high-pressure conditions and unconventional oil and gas. It will concentrate efforts on overcoming core technological difficulties such as rotary steerable systems and real-time fracturing monitoring, so as to establish a complete suite of technological systems suitable for complex reservoirs and the energy transition. Relying on the supporting techniques in integrated drilling and completion and well stimulation, and coupled with self-developed high-end downhole completion tools and high-temperature and high-pressure monitoring equipment, the Group will efficiently resolve operational difficulties under complex well conditions and significantly improve operational efficiency and construction quality. Based on such technological accumulation, the Group will continuously iterate and upgrade its self-developed high-temperature and high-pressure resistant downhole temperature and pressure monitoring instruments to form a comprehensive core technological system and build up strong differentiated technological barriers. By empowering market expansion with technological upgrades and driving the synergistic development of all business segments, the Group will continuously strengthen its core competitiveness and propel its high-quality development through technological value creation.

3. Continuously optimize its internal management system boosting operational efficiency and risk resilience. With "enhancing efficiency, reducing costs, controlling risks, and solidifying foundations" as its main management focus, the Group will constantly refine its organizational structure, business processes, and full-lifecycle project control mechanisms, thereby establishing a closed-loop management system that encompasses proactive prevention, concurrent control, and retrospective evaluation and optimization. Building on a solid internal management foundation, the Group will further optimize internal resource allocation, streamline decision-making processes, strictly control operating costs, and continue to fortify its management foundations. In addition, the Group will closely monitor external risk factors – including geopolitical tensions, exchange rate fluctuations, and industry cycles – while improving its contingency plans and compliance management mechanisms to systematically enhance its operational risk resistance and resilience. The Group will leverage comprehensive management upgrades to enhance operational efficiency, build a solid foundation for long-term competitiveness through meticulous control, and solidify the foundations for its long-term sustainable development.

4. Uphold performance-oriented principle and intensify efforts to build a strong talent team. The Group will build a "performance-oriented" appraisal and incentive mechanism, continuously optimize talent management, and establish an appraisal management system centered on value contribution. Driven by a result-oriented approach, the Group will fully stimulate the enthusiasm and innovative vitality of its employees, thereby comprehensively enhancing operational efficiency. To meet the development demands of its three major business segments, the Group will fully upgrade its talent strategy, precisely recruiting composite backbone talents equipped with professional expertise, a global vision, and innovative thinking. Meanwhile, internal training and promotion mechanisms will be enhanced to drive the iterative upgrading of the internal talent pipeline. The Group will also strengthen the dynamic alignment between talent resources and business development, achieving deep synergy among human resource allocation, technical reserves, and market expansion. By perfecting the appraisal, incentive and training systems, the Group will stabilize its core talent pool and fortify its competitive edge in talent. On this basis, it will provide solid talent support for global market expansion, quality and efficiency enhancements in traditional oil and gas sectors, and breakthroughs in the new energy business, driving the Group's steady and long-term development with a high-quality talent pool.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 to the shareholders of the Company (for the six months ended 30 June 2025: nil).

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

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 contained in the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with such code of conduct during the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

Save as disclosed below, the Company was in compliance with the code provisions set out in the CG Code during the six months ended 30 June 2026.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code Provision C.2.1 of Part 2 of the CG Code, the roles of chairman of the Board and chief executive officer of the Company should be segregated and should not be performed by the same individual. The Company does not separate the roles of chairman and chief executive officer. Mr. Ethan Wu has performed both the positions of chairman of the Board and chief executive officer of the Company. The Board believes that as one of the founders of the Company, Mr. Ethan Wu has extensive experience in the industry and business operations. Vesting the roles of both chairman of the Board and chief executive officer of the Company in Mr. Ethan Wu has the benefit of ensuring consistent leadership and operation within the Group and enables more effective and efficient overall strategic planning for the Group. The Board and the nomination committee of the Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company if and when it is appropriate, taking into account the circumstances of the Group as a whole.

The Company will continue to review and monitor its corporate governance practices on a regular basis to ensure compliance with the CG Code and maintain high standards of corporate governance practices of the Company.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities (including sale of treasury shares). As of 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies and practices adopted by the Group and the unaudited interim results for the six months ended 30 June 2026 of the Group.

PUBLICATION

The interim results announcement for the six months ended 30 June 2026 of the Company is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sptenergygroup.com) respectively. The 2026 interim report will be despatched to the shareholders of the Company (if necessary), and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
SPT Energy Group Inc.
Mr. Ethan Wu
Chairman

Hong Kong, the PRC, 26 August 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Ethan Wu and Mr. Li Qiang; the non-executive Directors of the Company are Mr. Wang Guoqiang, Mr. Wu Jiwei and Ms. Chen Chunhua; and the independent non-executive Directors of the Company are Ms. Zhang Yujuan, Mr. Wu Kwok Keung Andrew and Mr. Ma Xiaohu.

* *For identification purpose only*