

JUTAL

INTERIM REPORT 2026



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

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 03303

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Financial Highlights

- Revenue was RMB319,391,000, a 25.42% decrease from the same period in last year.
- Gross profit was RMB2,915,000, a 97.79% decrease from the same period in last year.
- For the six months ended 30 June 2026, loss attributable to owners of the Company was RMB70,862,000.
- For the six months ended 30 June 2025, profit attributable to owners of the Company was RMB56,049,000.
- Basic and diluted loss per share were RMB3.014 cents for the six months ended 30 June 2026.
- The Board recommended that no interim dividend would be declared in respect of the six months ended 30 June 2026.

The board (the “Board”) of directors (the “Directors”) of Jutal Offshore Oil Services Limited (the “Company”) is pleased to present the unaudited condensed consolidated results for the six months ended 30 June 2026 of the Company and its subsidiaries (collectively referred to as the “Group”), together with the comparative figures for the corresponding period in 2025. The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been reviewed by the audit committee of the Company (the “Audit Committee”), but was not reviewed by the Company’s auditor.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	319,391	428,270
Cost of sales and services		(316,476)	(296,261)
Gross profit		2,915	132,009
Other income	6	30,433	6,599
(Impairment losses)/reversal of impairment losses on trade and other receivables		(48)	1,428
Impairment losses on contract assets		(31)	(5,925)
Administrative expenses		(81,261)	(59,325)
Other operating expenses	7	(18,114)	(8,810)
(Loss)/profit from operations		(66,106)	65,976
Finance costs	8	(6,190)	(2,803)
Share of loss of a joint venture		(995)	(2)
(Loss)/profit before tax		(73,291)	63,171
Income tax credit/(expense)	10	2,429	(7,122)
(Loss)/profit for the period attributable to owners of the Company	11	(70,862)	56,049
		RMB	RMB (Restated)
(Loss)/earnings per share	12		
Basic		(3.014) cents	2.376 cents
Diluted		(3.014) cents	2.348 cents

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)/profit for the period	(70,862)	56,049
Other comprehensive income:		
<i>Item that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(7,395)	(3,812)
Share of other comprehensive income of a joint venture, net of related income tax	30	3
Other comprehensive expense for the period, net of tax	(7,365)	(3,809)
Total comprehensive (expense)/income for the period attributable to owners of the Company	(78,227)	52,240

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	13	1,150,766	1,063,584
Right-of-use assets	14	348,989	346,224
Interest in a joint venture		–	50
Goodwill		52,444	52,444
Intangible assets		2,675	3,057
Trade receivables, non-current	15	2,332	1,168
Deferred tax assets		7,002	12,870
		1,564,208	1,479,397
Current assets			
Inventories		116,550	90,797
Trade and bills receivables	15	213,959	157,579
Contract cost assets		2,352	5,004
Contract assets		474,413	426,726
Prepayments, deposits and other receivables		178,751	78,517
Derivative financial instruments		14,276	2,728
Financial assets at fair value through profit or loss		81,394	–
Current tax assets		–	339
Pledged bank deposits		53,757	69,044
Bank and cash balances		641,157	665,681
		1,776,609	1,496,415

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current liabilities			
Trade payables	16	234,032	236,508
Contract liabilities		199,094	10,897
Accruals and other payables		126,972	113,838
Provisions		63,919	128,010
Bank borrowings		182,871	61,986
Other borrowings		2,520	2,421
Deferred income		12,402	8,494
Lease liabilities		7,492	3,348
Current tax liabilities		419	–
		829,721	565,502
Net current assets		946,888	930,913
Total assets less current liabilities		2,511,096	2,410,310
Non-current liabilities			
Deferred income		65,044	53,919
Lease liabilities		13,824	9,828
Bank borrowings		294,528	135,194
Deferred tax liabilities		12,007	23,619
		385,403	222,560
NET ASSETS		2,125,693	2,187,750

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Capital and reserves			
Share capital	17	22,306	19,153
Reserves		2,103,387	2,168,597
TOTAL EQUITY		2,125,693	2,187,750

Approved by the Board of Directors on 28 August 2026.

Wang Lishan
Director

Tang Hui
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital RMB'000	Share premium account RMB'000	Share held under share award scheme RMB'000	Special reserve RMB'000	Convertible loan notes equity reserve RMB'000	Foreign currency translation reserve RMB'000	Share- based payment reserve RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2026	19,153	1,348,203	(46,083)	(52,040)	2,951	(52,456)	48,797	40,275	878,950	2,187,750
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	(70,862)	(70,862)
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	(7,395)	-	-	-	(7,395)
Share other comprehensive income of a joint venture	-	-	-	-	-	30	-	-	-	30
Changes in equity for the period	-	-	-	-	-	(7,365)	-	-	(70,862)	(78,227)
Exercise of share option	7	478	-	-	-	-	(137)	-	-	348
Shares repurchased	-	-	(35,346)	-	-	-	-	-	-	(35,346)
Share-based payments	-	-	-	-	-	-	2,582	-	-	2,582
Issue of shares under rights issue	3,146	46,962	(1,522)	-	-	-	-	-	-	48,586
At 30 June 2026 (Unaudited)	22,306	1,395,643	(82,951)	(52,040)	2,951	(59,821)	51,242	40,275	808,088	2,125,693

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash (used in)/from operating activities	(148,214)	133,683
Interest received	3,165	4,682
Increase in financial assets at fair value through profit or loss	(81,433)	–
Purchases of property, plant and equipment	(125,851)	(63,076)
Proceeds from disposal of property, plant and equipment	18	30
Government grants received	26,646	45,901
Decrease/(increase) in pledged bank deposits	15,287	(3,606)
Net receipts/(payments) from settlement of derivative financial instruments	2,376	(797)
Net cash used in investing activities	(159,792)	(16,866)
Bank borrowings raised	326,205	129,000
Other borrowings raised	99	1,278
Repayments of bank and other borrowings	(45,986)	(57,000)
Payments for the repurchase of the shares of the Company	(35,346)	–
Proceeds from issuance of shares under rights issue	48,586	–
Proceeds from exercise of share option	348	–
Principal elements of lease payments	(2,389)	(4,200)
Net cash from financing activities	291,517	69,078

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net (decrease)/increase in cash and cash equivalents	(16,489)	185,895
Cash and cash equivalents at beginning of period	665,681	785,249
Effect of foreign exchange rate changes	(8,035)	(3,772)
Cash and cash equivalents at end of period, represented by	641,157	967,372
Bank and cash balances	641,157	967,372

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

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

The condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the accounting policies adopted in the Group’s annual financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards effective as of 1 January 2026. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

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

The directors anticipate that the adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

3. FAIR VALUE MEASUREMENTS

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

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

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Disclosures of level in fair value hierarchy

At 30 June 2026

Description	Fair value measurement using Level 2 RMB'000
Recurring fair value measurements:	
Financial assets	
Financial assets at fair value through profit or loss	
Money market funds	54,963
Unlisted private funds	26,431
Derivatives	
Foreign currency forward	14,276
Total	95,670

At 31 December 2025

Description	Fair value measurement using Level 2 RMB'000
Recurring fair value measurements:	
Financial assets	
Derivatives	
Foreign currency forward	2,728
Total	2,728

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Money market funds RMB'000	Unlisted private funds RMB'000
At 1 January 2026		
Purchases	54,991	26,442
Total (losses)/gains recognised in profit or loss (#)	(28)	378
Exchange difference	—	(389)
At 30 June 2026	54,963	26,431
(#) Include (losses)/gains for assets held at the end of reporting period	(28)	378
	Money market funds RMB'000	Unlisted private funds RMB'000
At 1 January 2025		
Purchases	—	—
Total (losses)/gains recognised in profit or loss (#)	—	—
Exchange difference	—	—
At 30 June 2025	—	—
(#) Include (losses)/gains for assets held at the end of reporting period	—	—

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. FAIR VALUE MEASUREMENTS (CONTINUED)

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

The Group has engaged external valuation expert with the professional qualifications and recent experience to perform the fair value measurement of foreign currency forward contracts outstanding as at 30 June 2026 and 31 December 2025.

The fair value of money market funds and unlisted private funds are determined based on their net asset value, representing the fair value of the funds reported by respective fund managers.

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

Level 2 fair value measurements

Description	Valuation technique	Key inputs	Fair value			
			30 June 2026		31 December 2025	
			Assets RMB'000	Liabilities RMB'000	Assets RMB'000	Liabilities RMB'000
Money market funds	Net asset value	Net asset value	54,963	-	-	-
Unlisted private funds	Net asset value	Net asset value	26,431	-	-	-
Derivatives – foreign currency forward	Discounted cash flows	Forward exchange rate; Contract forward rates; and Discount rate	14,276	-	2,728	-
Total			95,670	-	2,728	-

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

4. SEGMENT INFORMATION

The Group has two reportable segments as follows:

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

4. SEGMENT INFORMATION (CONTINUED)

	Oil and gas segment RMB'000 (Unaudited)	New energy and refinery and chemical segment RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Six months ended 30 June 2026				
Revenue from external customers	274,951	28,108	16,332	319,391
Segment profit/(loss)	57,099	(31,083)	(23,101)	2,915
At 30 June 2026				
Segment assets	2,090,680	345,515	49,033	2,485,228
Segment liabilities	627,890	15,819	1,624	645,333
Six months ended 30 June 2025				
Revenue from external customers	321,753	106,517	–	428,270
Segment profit/(loss)	148,396	(16,387)	–	132,009
At 31 December 2025	(Audited)	(Audited)	(Audited)	(Audited)
Segment assets	1,805,826	363,761	12	2,169,599
Segment liabilities	457,735	44,691	3	502,429

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

4. SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Reconciliations of segment profit:		
Total profit of reportable segments	2,915	132,009
Unallocated amounts:		
Other income	30,433	6,599
Finance costs	(6,190)	(2,803)
Other corporate expenses	(100,449)	(72,634)
Consolidated (loss)/profit before tax for the period	(73,291)	63,171

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5. REVENUE

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

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

	Oil and gas segment		New energy and refinery and chemical segment		Others		Total	
	2026 RMB'000	2025 RMB'000	2026 RMB'000	2025 RMB'000	2026 RMB'000	2025 RMB'000	2026 RMB'000	2025 RMB'000
For the six months ended 30 June (unaudited)								
Timing of revenue recognition								
Goods and services transferred at a point in time	19,270	15,064	-	375	-	-	19,270	15,439
Goods and services transferred over time	255,681	306,689	28,108	106,142	16,332	-	300,121	412,831
Total	274,951	321,753	28,108	106,517	16,332	-	319,391	428,270

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5. REVENUE (CONTINUED)

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade and bills receivables	216,291	158,747
Contract assets	474,413	426,726
Contract liabilities	199,094	10,897

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

The amount of approximately RMB5,579,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2026.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

6. OTHER INCOME

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Gain on disposals of property, plant and equipment	72	30
Interest income on bank deposits	3,165	4,682
Gain on lease modification	770	–
Government grants recognised	11,613	1,819
Compensation income	531	23
Net gains on derivative financial instruments (note)	13,924	–
Net gains on financial assets at fair value through profit or loss	350	–
Sundry income	8	45
	30,433	6,599

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

7. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net foreign exchange losses	8,174	270
Net losses on derivative financial instruments	–	5,329
Impairment losses on inventories	2,596	2,098
Write-off of contract assets	5,383	–
Impairment losses on property, plant and equipment (<i>note</i>)	548	–
Others	1,413	1,113
	18,114	8,810

Note: At 30 June 2026, before impairment testing, the Group has property, plant and equipment with carrying amount of approximately RMB452,492,000 (at 30 June 2025: RMB313,959,000) located and used in the Group's Zhuhai fabrication plant which is regarded as the cash generating unit of the related property, plant and equipment (the "CGU"). The Group has assessed there is an impairment indication of the CGU and estimates the recoverable amount of the CGU on the basis of their value in use using discounted cash flow method. The rate used to discount the forecast cash flows is 12.5% (for the six months ended 30 June 2025: 12.3%). For the six months ended 30 June 2026, no impairment loss was recognised on the property, plant and equipment of the CGU (for the six months ended 30 June 2025: RMB Nil).

Other than Zhuhai's CGU, the Group has an equipment located in the Group's Penglai fabrication plant. The Group has assessed there is an impairment indication of the equipment and the recoverable amounts of the equipment was estimated by using fair value less cost of disposal basis. For the six months ended 30 June 2026, no impairment loss was recognised on the equipment (for the six months ended 30 June 2025: RMB Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

8. FINANCE COSTS

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Interest on bank borrowings	3,488	1,444
Interest on lease liabilities	445	490
Others	2,257	869
	6,190	2,803

9. DIVIDENDS

The Board recommended that no interim dividend would be declared in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: HK\$0.015 per share).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

10. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax – The People's Republic of China (the "PRC") Enterprise Income Tax Provision for the period	3,315	4,834
Under-provision in prior periods	–	673
Deferred tax	3,315 (5,744)	5,507 1,615
	(2,429)	7,122

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits arising in Hong Kong for the periods ended 30 June 2026 and 2025.

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

11. (LOSS)/PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Impairment losses on inventories	2,596	2,098
Gain on disposals of property, plant and equipment	(72)	(30)
Directors' emoluments		
– As directors	423	481
– For management	2,214	1,501
	2,637	1,982

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

12. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the following:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)/earnings		
(Loss)/profit attributable to owners of the Company, used in the basic and diluted (loss)/earnings per share calculation	(70,862)	56,049
Number of shares		(Restated)
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share (<i>note</i>)	2,351,254,984	2,358,510,476
Effect of dilutive potential ordinary shares arising from share options	—	28,698,375
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	2,351,254,984	2,387,208,851

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

12. (LOSS)/EARNINGS PER SHARE (CONTINUED)

Note: The weighted average number of ordinary shares for the period ended 30 June 2025 has been restated to take into account the effect of the bonus element in ordinary shares issued as a result of the rights issue completed during the period ended 30 June 2026.

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

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

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately RMB136,409,000 (six months ended 30 June 2025: RMB67,568,000).

14. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026 and 2025, the Group makes fixed payments throughout the lease period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

15. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	294,552	214,190
Allowance for doubtful debts	(81,041)	(81,000)
	213,511	133,190
Bills receivables	2,780	25,557
	216,291	158,747
Classified as:		
Trade receivables, non-current	2,332	1,168
Trade and bills receivables, current	213,959	157,579
	216,291	158,747

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

15. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Billed:		
0 to 30 days	92,038	31,242
31 to 90 days	14,150	48,953
91 to 365 days	102,596	46,445
Over 365 days	46,916	47,126
Unbilled	255,700 38,852	173,766 40,424
	294,552	214,190

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

16. TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	234,032	236,508

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0 to 30 days	98,156	127,379
31 to 90 days	27,716	52,625
91 to 365 days	74,901	17,102
Over 365 days	33,259	39,402
	234,032	236,508

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 December 2025 (Audited) and 30 June 2026 (Unaudited)	4,000,000,000	40,000

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

	Notes	Number of shares	Amount HK\$'000	Equivalent to amount RMB'000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At 1 January 2025 (Audited)		2,131,598,389	21,316	19,145
Exercise of share option	(a)	886,000	9	8
At 31 December 2025 (Audited), 1 January 2026 (Audited) and 30 June 2026 (Unaudited)		2,132,484,389	21,325	19,153
Exercise of share option	(b)	803,000	8	7
Issue of shares under rights issue	(c)	355,547,898	3,555	3,146
30 June 2026 (Unaudited)		2,488,835,287	24,888	22,306

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

17. SHARE CAPITAL (CONTINUED)

Notes:

- (a) Share options were exercised by option holders during the year ended 31 December 2025 to subscribe for a total of 886,000 ordinary shares of the Company at total consideration of approximately HK\$425,000 (equivalent to approximately RMB387,000), of which approximately RMB8,000 was credited to share capital and the balance of approximately RMB379,000 was credited to the share premium account. Approximately RMB151,000 has been transferred from the share-based payment reserve to the share premium account.
- (b) Share options were exercised by option holders during the period ended 30 June 2026 to subscribe for a total of 803,000 ordinary shares of the Company at total consideration of approximately HK\$385,000 (equivalent to approximately RMB348,000), of which approximately RMB7,000 was credited to share capital and the balance of approximately RMB341,000 was credited to the share premium account. Approximately RMB137,000 has been transferred from the share-based payment reserve to the share premium account.
- (c) On 6 February 2026, the Company proposed to implement the rights issue on the basis of one rights share for every six existing shares at the subscription price of HK\$0.16 per rights share, by issuing up to 355,547,898 rights shares, to the qualifying shareholders of the Company (the "Rights Issue"). The Rights Issue was completed on 19 March 2026. The gross proceeds from the Rights Issue were approximately HK\$56,888,000 (equivalent to approximately RMB50,334,000), of which approximately HK\$3,555,000 (equivalent to approximately RMB3,146,000) was credited to share capital account and the balance of approximately HK\$53,076,000 (equivalent to approximately RMB46,962,000) was credited to share premium account.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

18. SHARE AWARD SCHEME

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

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

For the six months ended 30 June 2026, the Trustee purchased an aggregate of 70,148,000 shares at prices ranging from HK\$0.49 to HK\$0.61 per share at a total consideration of approximately HK\$40,103,000 (equivalent to approximately RMB35,346,000) on the Hong Kong Stock Exchange for the purpose of the Scheme.

For the six months ended 30 June 2026, 55,000,000 award shares were granted to selected eligible participants.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share award reserve. The fair value of the related award shares were HK\$23,375,000 (equivalent to approximately RMB20,654,000). For the six months ended 30 June 2026, share award expense of HK\$2,922,000 (equivalent to approximately RMB2,582,000) was recognised in profit or loss under “administrative expense” (for the six months ended 30 June 2025: no share award expense was recognised in profit or loss).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

19. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Payment on lease liabilities to a related company (<i>note</i>)	946	912

Note: The related company is a wholly-owned subsidiary of a company owned by Mr. Wang Lishan, an executive director and Chairman of the Group.

20. SEASONALITY

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

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2026

21. CAPITAL COMMITMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property, plant and equipment – contracted but not provided for	75,593	117,598

22. CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities at 30 June 2026.

Management Discussion and Analysis

1. REVIEWS

As a comprehensive equipment manufacturer and service provider operating across the energy and chemical sectors, the Group has built up extensive experience and a proven performance record in large-scale module fabrication, as well as in the construction of offshore engineering and energy equipment. In recent years, the Group has been proactively driving its strategic transformation towards EPC (engineering, procurement, and construction) turnkey contracting. To this end, it has assembled a dedicated professional team and established a design and management centre in Shanghai. From the fourth quarter of 2025 through the first half of 2026, the Group successively won bids for a number of EPC projects, including offshore oil and gas engineering and the fabrication of topside modules for floating production units, with an aggregate contract amount of approximately RMB3.8 billion, achieving a historic breakthrough for the Group.

In alignment with its business transformation and leveraging practical project experience, the Group has enhanced the development of its large-scale EPC project management system. Functions have been clearly defined across key dimensions, including design, supply chain, and construction, with management responsibilities and standards duly implemented. Workflows have been streamlined, and the Group has actively adapted to the EPC business mindset and operating model. Concurrently, the Group has accelerated talent development, rolled out an integrated management system, and intensified training efforts to strengthen its large-scale manufacturing capabilities, thereby meeting project requirements and supporting the strategic development of its EPC business.

The construction of the Quay#2 at the Group's Zhuhai site was completed in May 2026, followed by the finalisation of completion acceptance inspections in July 2026, and the quay operating permit was obtained. The Group is currently in the process of applying for and undergoing review of the requisite subsequent certificates, and is advancing the relevant formalities to enable the quay's fully operation. Zhuhai Quay#2 has a 50,000-tonne general berth. Once operational, it will substantially bolster the Group's competitive edge at the Zhuhai site in offshore oil and gas equipment manufacturing, module transportation, and international logistics services, thereby supporting the Group's global market expansion and enabling the provision of more efficient services to its clients.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

In addition to the new quay, the Group also carried out various upgrades and enhancements to its site facilities during the first half of the year, including the construction of new workshops and skidway facilities, as well as the installation of large-capacity crane equipment, to improve its manufacturing capabilities for large modular equipment such as offshore wind power converter stations, integrate and innovate production processes, and enhance operational efficiency.

Due to the deferral of construction schedules for certain projects on hand as a result of client-related factors, and the fact that the Group's EPC projects were in the preliminary design and procurement stages during the first half of the year, the workload at the Group's construction site was materially insufficient. Looking ahead to the second half of the year, as ongoing projects are expected to progressively enter peak operational stages, a marked increase in workload is anticipated.

Revenue

Compared with the corresponding period of last year, the workload of the Group's construction sites decreased remarkably. The Group recorded a revenue of approximately RMB319,391,000 in the first half of 2026, representing a decrease of RMB108,879,000 or 25.42% as compared with the corresponding period of last year. Among them, revenue from the fabrication of facilities and provision of integrated services for oil and gas industries decreased by RMB46,802,000 or 14.55%, revenue from the fabrication of facilities and provision of integrated services for new energy and refining and chemical industries decreased by RMB78,409,000 or 73.61%, and other revenue increased by RMB16,332,000 or 100% as compared with the corresponding period of last year.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Revenue (Continued)

The table below sets out the analysis of revenue by business segment categories for the six months ended 30 June 2024, 2025 and 2026:

Product/service	For the six months ended 30 June					
	2026		2025		2024	
	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %
1. Fabrication of facilities and provision of integrated services for oil and gas industries	274,951	86	321,753	75	1,281,731	100
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	28,108	9	106,517	25	2,226	–
3. Others	16,332	5	–	–	299	–
Total	319,391	100	428,270	100	1,284,256	100

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Cost of Sales and Services

During the reporting period, cost of sales and services of the Group amounted to approximately RMB316,476,000, representing an increase of approximately RMB20,215,000 or 6.82% compared with that of the corresponding period of last year. Cost of sales and services comprised direct costs and manufacturing overheads. Direct costs in the current period amounted to approximately RMB222,403,000, representing approximately 70.27% of total cost of sales and services, and an increase of approximately RMB25,132,000 or 12.74% from approximately RMB197,271,000 of the corresponding period of last year. The Group calculates the cost of sales and services of projects on an order-by-order basis. Since the composition of cost differs for each project, the composition of cost of sales and services also varies accordingly. Manufacturing overheads in the current reporting period was approximately RMB94,073,000, representing a decrease of approximately RMB4,917,000 or 4.97% when compared with approximately RMB98,990,000 of the corresponding period of last year.

Gross Profit

During the reporting period, the total amount of gross profit of the Group amounted to approximately RMB2,915,000, representing a decrease of approximately RMB129,094,000 or 97.79% from approximately RMB132,009,000 in the corresponding period of last year. The overall gross profit margin decreased to 0.91% from 30.82% of the corresponding period of last year. Changes in business structure resulted in various changes in the gross profit margin of different business segments during the current period.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Gross Profit (Continued)

The table below sets out the analysis of gross profit by business segment for the six months ended 30 June 2024, 2025 and 2026:

Product/service	For the six months ended 30 June								
	2026			2025			2024		
	RMB'000	Percentage		RMB'000	Percentage		RMB'000	Percentage	
		Gross profit margin	of total gross profit		Gross profit margin	of total gross profit		Gross profit margin	of total gross profit
		%	%		%	%		%	%
1. Fabrication of facilities and provision of integrated services for oil and gas industries	57,099	21	1,959	148,396	46	112	363,510	28	100
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	(31,083)	(111)	(1,066)	(16,387)	(15)	(12)	4,428	199	–
3. Others	(23,101)	(141)	(793)	–	–	–	(437)	(146)	–
Total	2,915		100	132,009		100	367,501		100

Other Income

Other income of the Group for the first half of 2026 amounted to approximately RMB30,433,000 mainly comprising net gains on derivative financial instruments, government grants recognised and interest income on bank deposits.

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Administrative and Other Operating Expenses

Administrative and other operating expenses in aggregate increased by approximately 45.85% or RMB31,240,000 compared with the corresponding period last year to approximately RMB99,375,000. Among them, the administrative expenses increased by RMB21,936,000, primarily resulting from the increase in the accrued employee compensation and depreciation expenses in this period, and other operating expenses increased by RMB9,304,000 as compared with the corresponding period of last year, mainly due to the increase in exchange losses in this period.

Finance Costs

During the reporting period, the finance costs of the Group amounted to approximately RMB6,190,000 which was mainly comprised of interest expenses from bank borrowings of approximately RMB3,488,000, bank charges and other costs of approximately RMB2,702,000.

Loss for the Period Attributable to Owners of the Company

In the first half of 2026, loss attributable to owners of the Company amounted to approximately RMB70,862,000, basic and diluted loss per share was approximately RMB3.014 cents.

Liquidity and Financial Resources

As at 30 June 2026, the balance of working funds (cash on hand and bank deposits) of the Group amounted to approximately RMB641,157,000 (31 December 2025: RMB665,681,000). During the said period, net cash outflows from operating activities amounted to approximately RMB148,214,000, net cash outflows from investing activities amounted to approximately RMB159,792,000, and net cash inflows from financing activities amounted to approximately RMB291,517,000.

As at 30 June 2026, the Group had approximately RMB945,007,000 (31 December 2025: RMB460,066,000) of available undrawn banking facilities. Available undrawn banking facilities include bank borrowings, letters of credit, etc.

As at 30 June 2026, the Group had obtained bank guarantees under performance bonds for construction contracts of approximately RMB287,993,000 (31 December 2025: RMB305,164,000).

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Capital Structure

As at 30 June 2026, the share capital of the Company comprises 2,488,835,287 ordinary shares (31 December 2025: 2,132,484,389 ordinary shares).

As at 30 June 2026, the net assets of the Group amounted to approximately RMB2,125,693,000 (31 December 2025: RMB2,187,750,000), which comprises non-current assets of approximately RMB1,564,208,000 (31 December 2025: RMB1,479,397,000), net current assets of approximately RMB946,888,000 (31 December 2025: RMB930,913,000) and non-current liabilities of approximately RMB385,403,000 (31 December 2025: RMB222,560,000).

Significant Investment

In the first half of this year, the construction of the Quay#2 at Zhuhai Site was completed, with a total estimated investment of approximately RMB250 million. In light of market conditions and its future development plans, the Group is currently undertaking further construction works at the Zhuhai site, including workshops and skidways, among other ancillary facilities.

Apart from the above, the Group has no other significant investment for the six months ended 30 June 2026.

Foreign Exchange Risk

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

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Assets Pledged by the Group

As at 30 June 2026, approximately RMB53,757,000 (31 December 2025: RMB69,044,000) of the bank deposits of the Group were pledged as security deposits for bank borrowings, the issuance of performance bonds, letters of credits and bank acceptance, etc.

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

Capital Management

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

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

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

Management Discussion and Analysis

1. REVIEWS (CONTINUED)

Capital Management (Continued)

The gearing ratios of the Group as at 30 June 2026 and as at 31 December 2025 were as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Total borrowings	479,919	199,601
Lease liabilities	21,316	13,176
Total equity	2,125,693	2,187,750
Gearing ratio	23.58%	9.73%

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

Employees and Remuneration Policy

As at 30 June 2026, the Group had total 1,891 employees (31 December 2025: 1,859), of which 904 (31 December 2025: 807) were management and technical staff, and 987 (31 December 2025: 1,052) were technicians.

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

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

Management Discussion and Analysis

2. FUTURE OUTLOOK

In the second half of the year, the Group's ongoing projects are expected to progressively enter peak operational phases, and the site will experience intensive construction activities. To this end, the Group will further strengthen project management and operations, enhance the overall planning and allocation of production resources, prudently manage funds, refine its talent teams, implement performance appraisals, and allocate project cost control objectives to individual project teams and departments, thereby ensuring effective cost management.

With regard to its market development strategy, the Group will continue to focus on key potential projects, with a clear focus on its market positioning and target clients. In alignment with emerging market trends, the Group will pursue the strategic expansion of overseas regional markets, while maintaining close follow-up to potential opportunities in the domestic offshore wind power equipment manufacturing sector.

The Group will continue to advance the enhancement and development of its digital management systems, establish mechanisms for routine system maintenance and data quality control, and conduct tiered operational training for employees to ensure the stable operation of systems. It will also promote data integration across various systems, streamline data flows, eliminate information silos, and achieve data synchronization across engineering, procurement, and production processes, thereby improving digital utilization rates and data quality.

In the second half of the year, the Group will, as scheduled, complete the commissioning of the new skidway and the completion of the new workshop at its sites, as well as the delivery, inspection, installation, and commissioning of newly procured equipment, along with employee training on operational skills, thereby solidifying the production foundation. Leveraging its existing EPC capabilities, the Group will actively seek external collaboration to win more project orders.

Management Discussion and Analysis

2. FUTURE OUTLOOK (CONTINUED)

The Group will implement a range of measures to enhance production efficiency and increase site capacity. In line with project construction requirements, it will balance construction manpower, raise the professional competency of its personnel, undertake advance planning and process anticipation, and resolve issues in a timely manner to ensure that all projects are completed on schedule.

The Group will also establish a dedicated team to oversee the organization and management of technological innovation initiatives, monitor domestic and international industry technology developments, engage in technical communications with various collaborative partners, and drive research on innovation-related subjects across the Group's projects.

Upholding an attitude of innovation, openness, and diligent learning, the Group advocates continuous learning and improvement to enhance competitiveness and promote the development of corporate culture.

In October 2025, the Group's wholly-owned subsidiary, Penglai Jutal Offshore Engineering Heavy Industry Co., Ltd. ("Penglai Jutal"), formally submitted a written application to the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") for removal from the Specially Designated Nationals and Blocked Persons List ("SDN List"). Penglai Jutal and its professional legal counsel have responded to relevant inquiries from the U.S. Department of State and are awaiting further feedback.

Directors Report and Corporate Governance

INTERIM DIVIDEND

The Board does not recommend a payment of interim dividend for the six months ended 30 June 2026.

USE OF THE RAISED PROCEEDS

On 14 January 2026 and 6 February 2026, the Company published an announcement and a prospectus respectively proposed, subject to fulfilment of the conditions as set out in the prospectus, a rights issue at the subscription price of HK\$0.16 per rights share on the basis of one (1) rights share for every six (6) existing shares held by the qualifying shareholders on the Record Date (5 February 2026) on a non-underwriting basis (the “Rights Issue”). The closing price of the share of the Company on 14 January 2026 and 6 February 2026 were HK\$0.52 and HK\$0.53 respectively, and the total number of shares in issue of the Company as at the Record Date was 2,133,287,389.

As set out in the announcement in relation to the results of the Rights Issue published by the Company on 19 March 2026, the total number of rights shares issued under the Rights Issue (including the compensatory arrangements) was 355,547,898, and the gross proceeds raised from the Rights Issue (including the compensatory arrangements) were approximately HK\$56.9 million, and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$55.3 million. The net subscription price is approximately HK\$0.156 per right share.

Directors Report and Corporate Governance

USE OF THE RAISED PROCEEDS (CONTINUED)

As at 30 June 2026, the raised fund from the Rights Issue has been used as follows:

Plan of use of proceeds from the Rights Issue as stipulated in the announcement in relation to the results of the Rights Issue of the Company dated 19 March 2026	Use of proceeds from the Rights Issue as at 30 June 2026	Plan of use of the outstanding balance of the proceeds from the Rights Issue
(i) Approximately HK\$49.8 million (approximately 90% of the net proceeds), will be allocated for the expansion of the Group's existing manufacturing facilities	Approximately HK\$0.6 million was used during the period	The remaining approximately HK\$49.2 million is estimated be used in year 2026 to 2027
(ii) Approximately HK\$5.5 million (approximately 10% of the net proceeds), for general working capital and general corporate purposes	All has been used as planned	—

Directors Report and Corporate Governance

SHARE OPTION

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

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

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

The general scheme limit of the 2016 Share Option Scheme has been further refreshed and approved by Shareholders' resolution at the Company's annual general meeting held on 27 May 2022. The total number of shares which may be issued upon exercise of all options to be granted under the 2016 Share Option Scheme must not, in aggregate, exceed 168,130,638 shares, representing 10% of the shares (1,681,306,389 Shares) in issue on the date of the said annual general meeting and approximately 6.76% of the shares (2,488,835,287 shares) on the date of this report.

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

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

The amendments to Chapter 17 of the Listing Rules have come into effect on 1 January 2023. In order to comply with such amendments, the 2016 Share Option Scheme was terminated and the Company's 2024 share option scheme ("2024 Share Option Scheme") was adopted by Shareholders' resolutions at the Company's annual general meeting held on 11 June 2024 with a valid period of 10 years commencing on the date of adoption. Unless approval of the shareholders has been obtained, the total number of shares which may be issued upon exercise of all options to be granted under the 2024 Share Option Scheme and other share option schemes of the Company must not, in aggregate, exceed 213,159,838 shares, representing 10% of the shares in issue (2,131,598,389 shares) on the date of the said annual general meeting and 8.56% of the shares (2,488,835,287 shares) on the date of this report.

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

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

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

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

The remaining life of the 2024 Share Option Scheme is approximately 7 years and 10 months as at the date of this report.

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

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

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

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

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

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

From 1 January 2018 to 30 June 2026, details of the share options approved by the Board to grant and granted by the Company are as follows (as a result of the Rights Issue, the Company has conducted the calculation on the necessary adjustments to the exercise price and the number of shares to be issued upon exercise of the outstanding share options in accordance with (i) the terms and conditions of the 2016 Share Option Scheme; (ii) Rule 17.03(13) of the Listing Rules; and (iii) the Frequently Asked Question No. 072-2020 (the “Stock Exchange Supplementary Guidance”)):

(i) Options granted in on 9 January 2018

Vesting period:	12 months
Exercise period:	9 January 2019 to 8 January 2028
Exercise price/Adjusted exercise price (HK\$):	2.14/1.93
Closing price of the shares immediately before the date of granting the options (HK\$):	2.11

Name of grantee	Number of options as at 1 January 2026	Number of options exercised during the period	Weighted average closing price of the shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Adjusted number of options outstanding as at 30 June 2026	Shareholding percentage of the underlying shares for the options in the share capital of the Company
Directors:							
Wang Lishan	2,300,000	-	-	-	-	2,554,790	0.10%
Tang Hui	1,500,000	-	-	-	-	1,666,168	0.07%
Other Employees	26,400,000	-	-	-	-	29,324,551	1.18%
Total	30,200,000	-	-	-	-	33,545,509	1.35%

Note: The percentage is calculated on the basis of 2,488,835,287 shares in issue as at 30 June 2026.

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

(ii) Options granted on 24 April 2020

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

Name of grantee	Number of options as at 1 January 2026	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2026	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
Directors:							
Tang Hui	146,000	146,000	-	-	-	-	-
Other Employees	657,000	657,000	-	-	-	-	-
Total	803,000	803,000	-	-	-	-	-

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

(iii) Options granted on 9 November 2023

Vesting period:	12 Months
Exercise period:	9 November 2024 to 8 November 2028
Exercise price/Adjusted exercise price (HK\$):	0.52/0.47
Closing price of the Shares immediately before the date of granting the options (HK\$):	0.54

Name of grantee	Number of options as at 1 January 2026	Number of options exercised during the period	Weighted average closing price of the shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Adjusted number of options outstanding as at 30 June 2026	Shareholding percentage of the underlying shares for the options in the share capital of the Company
Directors:							
Tang Hui	8,000,000	-	-	-	-	8,886,228	0.36%
Choy So Yuk	1,800,000	-	-	-	-	1,999,401	0.08%
Cheung Ngar Tat Eddie	1,800,000	-	-	-	-	1,999,401	0.08%
Tam Kin Yip	1,800,000	-	-	-	-	1,999,401	0.08%
Other Employees	105,800,000	-	-	-	-	117,520,359	4.79%
Total	119,200,000	-	-	-	-	132,404,790	5.32%

Note: The percentage is calculated on the basis of 2,488,835,287 shares in issue as at 30 June 2026.

Directors Report and Corporate Governance

SHARE OPTION (CONTINUED)

There is no performance target attached to the options granted.

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

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

The number of options available for grant under the Share Option Schemes at the 1 January 2026 and 30 June 2026 are 213,159,838.

The number of shares that may be issued in respect of option granted under all schemes of the Company during the period	The weighted average number of shares in issue of the Company for the period	Percentage
165,950,299	2,351,254,984	7.06%

Directors Report and Corporate Governance

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

At 30 June 2026, the interests and short positions of each Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) ("SFO"), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Number of Share Options held (Note 1)	Number of Shares interested (Note 1)	Approximate percentage of issued share capital of the Company (Note 4)
Wang Lishan	Interest of a controlled corporation (Note 2)	–	463,063,157 (L)	18.61%
	Beneficial owner	–	65,899,333 (L)	2.65%
	Beneficial owner (Note 3)	2,554,790 (L)		0.10%
		2,554,790 (L)	528,962,490 (L)	21.36%
Tang Hui	Beneficial owner		15,670,333 (L)	0.63%
	Beneficial owner (Note 3)	10,552,396 (L)	–	0.42%
		10,552,396 (L)	15,670,333 (L)	1.05%

Directors Report and Corporate Governance

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

Name of Directors	Nature of interest	Number of Share Options held (Note 1)	Number of Shares interested (Note 1)	Approximate percentage of issued share capital of the Company (Note 4)
Choy So Yuk	Beneficial owner (Note 3)	1,999,401 (L)	–	0.08%
Cheung Ngar Tat Eddie	Beneficial owner (Note 3)	1,999,401 (L)	–	0.08%
Tam Kin Yip	Beneficial owner (Note 3)	1,999,401 (L)	–	0.08%

Notes:

- (1) The letter "L" denotes a long position in the shares.
- (2) These shares are held by Cheung Hing Investments Limited, which is wholly-owned by Mr. Wang Lishan.
- (3) These underlying shares represent the interests in share options granted to each of the relevant grantees under the 2016 Share Option Scheme to subscribe for shares.
- (4) The percentage is calculated on the basis of 2,488,835,287 shares in issue as at 30 June 2026.

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

Directors Report and Corporate Governance

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

At 30 June 2026, in addition to those of the Directors and chief executives already disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of Part XV of the SFO shows that the Company had been notified of the following substantial shareholders' interests and/or short positions, being 5% or more of the Company's issued share capital:

Name of Shareholder	Nature of interest	Number of Share Options held	Number of Shares interested (Note 1)	Approximate percentage of issued share capital of the Company (Note 7)
Sanju Environmental Protection (Hong Kong) Limited	Beneficial owner (Note 2)	–	641,566,556 (L)	25.78%
Beijing Haixin Energy Technology Co., Ltd.* (北京海新能源科技股份 有限公司)	Interest of a controlled corporation (Note 2)	–	641,566,556 (L)	25.78%

Directors Report and Corporate Governance

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

Name of Shareholder	Nature of interest	Number of Share Options held	Number of Shares interested (Note 1)	Approximate percentage of issued share capital of the Company (Note 7)
Cheung Hing Investments Limited	Beneficial owner (Note 3)	–	463,063,157 (L)	18.61%
Wang Lishan	Interest of a controlled corporation (Note 3)	–	463,063,157 (L)	18.61%
	Beneficial owner	–	65,899,333 (L)	2.65%
	Beneficial owner (Note 4)	2,554,790 (L)	–	0.10%
		2,554,790 (L)	528,962,490 (L)	21.36%
Capital Pilot Limited	Person having a security interest in shares (Note 5)	–	161,995,555 (L)	6.51%
			161,995,555 (S)	6.51%
Shiu Shu Ming	Interest of a controlled Corporation (Note 5)	–	161,995,555 (L)	6.51%
			161,995,555 (S)	6.51%

Directors Report and Corporate Governance

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

Name of Shareholder	Nature of interest	Number of Share Options held	Number of Shares interested (Note 1)	Approximate percentage of issued share capital of the Company (Note 7)
Lo Chun Yim	Interest of a controlled corporation (Note 6)	–	161,995,555 (L)	6.51%
			161,995,555 (S)	6.51%
Golden Talent (HK) Technology Co., Limited	Beneficial owner (Note 6)	–	161,995,555 (L)	6.51%
			161,995,555 (S)	6.51%

Notes:

- (1) The letters "L" denotes a long position and the letters "S" denotes a short position in the Shares respectively.
- (2) These Shares are held by Sanju Environmental Protection (Hong Kong) Limited, which is wholly-owned by Beijing Haixin Energy Technology Co., Ltd. (北京海新能源科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300072).
- (3) These Shares are held by Cheung Hing Investments Limited, which is wholly-owned by Mr. Wang Lishan.
- (4) These underlying shares represent the interests in share options granted to each of the relevant grantees under the 2016 Share Option Scheme to subscribe for shares
- (5) These Shares are held by Capital Pilot Limited, which is wholly-owned by Mr. Shiu Shu Ming.
- (6) These Shares are held by Golden Talent (HK) Technology Co., Limited, which is beneficially and wholly-owned by Mr. Lo Chun Yim.
- (7) The percentage is calculated on the basis of 2,488,835,287 shares in issue as at 30 June 2026.

Directors Report and Corporate Governance

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

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

In the opinion of the Directors, the Company has complied with the Corporate Governance Code for the period ended 30 June 2026, save for the deviations from the code provisions as follows:

"Under code provision D.1.2, Management should provide all members of the board with, and the board and each director are entitled to and should request for, monthly updates giving a balanced and understandable assessment of the issuer's financial and operating performance, position and prospects in sufficient detail....."

Directors Report and Corporate Governance

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

DIRECTORS' SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process, risk management and internal control system of the Group, and to make proposals to the Board as to appointment, renewal and resignation of the Company's external auditor and the related remuneration and appointment terms. The Audit Committee has reviewed the unaudited interim financial information of the Group for the period ended 30 June 2026 with no disagreement and is of the opinion that such information complies with the applicable accounting standards, and the Listing Rules and legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 28 August 2026

Corporate Information

SHARE INFORMATION

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

Stock code : 03303

Listing date : 21 September 2006

Stock name : Jutal Oil Ser

Issued shares : 2,488,835,287
ordinary shares

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

BOARD OF DIRECTORS

Executive directors

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

Independent non-executive directors

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

COMPANY REPRESENTATIVE

Mr. Tang Hui
Ms. Leung Fung Yee Alice

COMPANY SECRETARY

Ms. Leung Fung Yee Alice

REGISTERED OFFICE

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