The following is the text of a report set out on pages I-1 to I-[73], received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF T-ALL INSPECTION GROUP CO., LTD.* AND DONGXING SECURITIES (HONG KONG) COMPANY LIMITED.

Introduction

We report on the historical financial information of T-ALL Inspection Group Co., Ltd.* (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[3] to I-[73], which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[3] to I-[73] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company (the "**Directors**") are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2023, 2024 and 2025, of the Company's financial position as at 31 December 2023, 2024 and 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note 16 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "**IASB**") and were audited by us in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	473,941	447,357	496,981
Cost of sales		(276,011)	(264,047)	(311,053)
Gross profit		197,930	183,310	185,928
Other income	*8*	8,401	8,926	11,229
Other gains and losses	*9*	(790)	(2,588)	7
Impairment losses (including reversals of impairment losses) on financial assets	*10*	(1,872)	(1,967)	(2,948)
Selling expenses		(5,829)	(6,930)	(5,744)
Administrative expenses		(37,171)	(42,461)	(51,308)
Research and development costs		(19,131)	(19,830)	(18,404)
Finance costs	*11*	(790)	(505)	(425)
Profit before tax		140,748	117,955	118,335
Income tax expense	*12*	(17,894)	(14,991)	(18,073)
Profit for the year	*13*	122,854	102,964	100,262
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to profit or loss:				
Fair value (loss)/gain of bills receivables measured at fair value through other comprehensive income ("**FVTOCI**")		(19)	10	(13)
Exchange differences on translation of foreign operations		319	2,079	(3,851)
Other comprehensive income/(expense) for the year, net of income tax		300	2,089	(3,864)
Total comprehensive income for the year		123,154	105,053	96,398
Earnings per share	*17*			
Basic and diluted (RMB)		0.52	0.45	0.50

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current Assets				
Property, plant and equipment	*18*	126,764	136,598	132,829
Right-of-use assets	*19*	15,865	14,515	13,278
Intangible assets	*20*	1,753	1,316	1,256
Goodwill	*21*	2,632	2,632	2,632
Prepayments and other receivables	*25*	2,460	13,922	9,923
Deferred tax assets	*22*	1,931	2,803	2,474
Restricted deposits	*26*	–	–	982
		151,405	171,786	163,374
Current Assets				
Inventories	*24*	37,483	48,427	62,905
Trade receivables	*23*	240,192	274,565	338,520
Bills receivables at FVTOCI		54,914	18,240	12,424
Prepayments and other receivables	*25*	15,918	22,140	31,742
Restricted deposits	*26*	2,001	26,531	21,280
Cash and cash equivalents	*26*	494,673	339,667	366,296
		845,181	729,570	833,167
Current Liabilities				
Trade and bills payables	*27*	96,100	139,008	168,708
Other payables and accruals	*28*	47,171	44,872	49,134
Contract liabilities		323	87	6,134
Lease liabilities	*29*	1,921	1,943	1,901
Income tax payable		12,090	9,965	10,671
		157,605	195,875	236,548
Net Current Assets		687,576	533,695	596,619
Total Assets less Current Liabilities		838,981	705,481	759,993

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current Liabilities				
Lease liabilities	*29*	6,424	5,430	4,594
Deferred tax liabilities	*22*	2,488	4,287	3,102
		8,912	9,717	7,696
Net Assets		830,069	695,764	752,297
Capital and Reserves				
Share capital	*30*	239,816	202,522	195,000
Reserves		590,253	493,242	557,297
Total Equity		830,069	695,764	752,297

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current Assets				
Property, plant and equipment	*18*	115,359	125,260	118,116
Right-of-use assets	*19*	11,118	10,360	8,665
Intangible assets	*20*	1,753	1,316	1,238
Investments in subsidiaries	*38*	121,478	141,478	141,478
Prepayments and other receivables	*25*	2,159	13,917	9,738
Deferred tax assets	*22*	397	954	–
Restricted deposits		–	–	982
		252,264	293,285	280,217
Current Assets				
Inventories	*24*	33,820	37,636	49,948
Trade receivables	*23*	223,295	239,038	312,817
Bills receivables at FVTOCI		52,929	18,082	12,281
Prepayments and other receivables	*25*	51,169	98,319	141,719
Restricted deposits		514	24,598	19,733
Cash and cash equivalents		387,979	226,220	222,317
		749,706	643,893	758,815
Current Liabilities				
Trade and bills payables	*27*	108,199	138,467	168,030
Other payables and accruals	*28*	118,206	180,712	208,639
Contract liabilities		137	87	6,133
Lease liabilities		1,392	1,615	1,041
Income tax payable		9,739	6,406	9,070
		237,673	327,287	392,913
Net Current Assets		512,033	316,606	365,902
Total Assets less Current Liabilities		764,297	609,891	646,119

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current Liabilities				
Lease liabilities		1,707	1,041	–
Deferred tax liabilities	*22*	2,488	4,656	3,102
		4,195	5,697	3,102
Net Assets		760,102	604,194	643,017
Capital and Reserves				
Share capital	*30*	239,816	202,522	195,000
Reserves		520,286	401,672	448,017
Total Equity		760,102	604,194	643,017

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Share-based Payments reserve	FVTOCI reserve	Translation reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000 *(Note 30)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Note i)*	*RMB'000*	*RMB'000*
At 1 January 2023	222,527	197,584	–	–	3,580	14,855	170,755	609,301
Profit for the year	–	–	–	–	–	–	122,854	122,854
Other comprehensive (expense)/income for the year	–	–	–	(19)	319	–	–	300
Total comprehensive (expense)/income for the year	–	–	–	(19)	319	–	122,854	123,154
Capital injection from shareholders	17,289	80,241	–	–	–	–	–	97,530
Recognition of share-based payment expenses *(Note 31)*	–	–	84	–	–	–	–	84
Provision of statutory surplus reserve	–	–	–	–	–	10,716	(10,716)	–
At 31 December 2023	239,816	277,825	84	(19)	3,899	25,571	282,893	830,069
Profit for the year	–	–	–	–	–	–	102,964	102,964
Other comprehensive income for the year	–	–	–	10	2,079	–	–	2,089
Total comprehensive income for the year	–	–	–	10	2,079	–	102,964	105,053
Capital reduction from shareholders	(37,294)	(173,086)	–	–	–	–	–	(210,380)
Recognition of share-based payment expenses *(Note 31)*	–	–	1,022	–	–	–	–	1,022
Provision of statutory surplus reserve	–	–	–	–	–	8,344	(8,344)	–
2023 final dividends	–	–	–	–	–	–	(30,000)	(30,000)
At 31 December 2024	202,522	104,739	1,106	(9)	5,978	33,915	347,513	695,764
Profit for the year	–	–	–	–	–	–	100,262	100,262
Other comprehensive expense for the year	–	–	–	(13)	(3,851)	–	–	(3,864)
Total comprehensive (expense)/income for the year	–	–	–	(13)	(3,851)	–	100,262	96,398
Capital reduction from shareholders	(7,522)	(34,908)	–	–	–	–	–	(42,430)
Recognition of share-based payment expenses *(Note 31)*	–	–	2,565	–	–	–	–	2,565
Provision of statutory surplus reserve	–	–	–	–	–	7,870	(7,870)	–
At 31 December 2025	195,000	69,831	3,671	(22)	2,127	41,785	439,905	752,297

Note i: In accordance with the People' Republic of China (the "**PRC**") Company Law and the articles of association of the Company, the Company is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Company, the statutory surplus reserve may be used either to offset losses or to be converted to increase paid-in capital, provided that the balance after such conversion is not less than 25% of the registered capital of the respective entities. The reserve cannot be used for purposes other than those for which it is permitted and is not distributable as cash dividends.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	140,748	117,955	118,335
Adjustments for:			
Finance costs	790	505	425
Interest income	(5,130)	(6,305)	(4,483)
Losses/(gains) on disposal of items of property, plant and equipment	197	(304)	607
Depreciation of property, plant and equipment	16,091	18,575	24,174
Depreciation of right-of-use assets	2,499	2,927	2,628
Amortisation of intangible assets	226	437	508
Impairment losses (including reversals of impairment losses) on financial assets	1,872	1,967	2,948
Share-based payment expense	84	1,022	2,565
Net foreign exchange loss/(gain)	730	2,407	(1,188)
Operating cash flows before movements in working capital	158,107	139,186	146,519
Increase in inventories	(3,806)	(10,944)	(14,478)
Increase in trade receivables	(31,309)	(36,987)	(67,610)
Increase in prepayments and other receivables	(2,987)	(6,295)	(9,765)
(Increase)/decrease in bills receivables at FVTOCI	(28,884)	36,777	5,791
Decrease/(increase) in restricted deposits	239	(24,530)	4,269
Increase in trade and bills payables	17,805	42,908	29,700
(Decrease)/increase in contract liabilities	(221)	(236)	6,047
Increase/(decrease) in accruals and other payables	2,992	3,071	(2,845)
Cash generated from operations	111,936	142,950	97,628
Income tax paid	(17,591)	(16,189)	(18,223)
Net cash generated from operating activities	94,345	126,761	79,405

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investing activities			
Purchases of property, plant and equipment	(27,652)	(45,197)	(10,978)
Proceeds on disposal of property, plant and equipment	240	321	362
Interest income received	5,130	6,305	4,483
Net cash used in investing activities	(22,282)	(38,571)	(6,133)
Financing activities			
Repayments of short-term borrowings	(100,000)	–	–
Repayments of lease liabilities	(2,088)	(2,549)	(2,269)
Interest paid	(921)	(505)	(425)
Capital injection from shareholders	97,530	–	–
Payments on repurchase of shares	–	(210,380)	(42,430)
Dividends paid	–	(30,000)	–
Withdrawal of restricted deposits	51,825	–	–
Net cash from/(used in) financing activities	46,346	(243,434)	(45,124)
Net increase/(decrease) in cash and cash equivalents	118,409	(155,244)	28,148
Cash and cash equivalents at beginning of the year	375,129	494,673	339,667
Exchange gain on cash and cash equivalents	1,135	238	(1,519)
Cash and cash equivalents at end of the year	494,673	339,667	366,296

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

T-ALL Inspection Group Co., Ltd.* (the "**Company**"), formerly known as Xinjiang Tong'ao Oilfield Technology Services Co., Ltd. (新疆通奧油田技術服務有限公司), was a limited liability company established in the PRC on 21 February 2002. On 9 October 2021, the Company was converted from a limited liability company to a joint stock limited liability company. The addresses of the registered office and principal place of business of the Company are set out in the section headed "Corporate Information" to the Document.

The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are engaged in testing, inspection and certification services to customers in the oil and gas industry.

Its parent company is Anton Oilfield Services Company Limited ("**Oilfield Services**"). Its ultimate holding company is Anton Oilfield Services Group ("**Anton Group**"), and the ultimate controlling party is Mr. Luo Lin.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The statutory financial statements of the Company for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, a certified public accountant registered in the PRC.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the IFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 20	Regulatory Assets and Regulatory Liabilities[4]

1 *Effective for annual periods beginning on or after a date to be determined*
2 *Effective for annual periods beginning on or after 1 January 2026*
3 *Effective for annual periods beginning on or after 1 January 2027*
4 *Effective for annual periods beginning on or after 1 January 2029*

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements upon effective of IFRS 18*) and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statements of profit or loss and other comprehensive income.

Except as described above, the directors of the Company (the "**Directors**") anticipate that the application of the amendments to other IFRS Accounting Standards will have no material impact on the Group's Historical Financial Information in the foreseeable future.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

(a) has power over the investee;

(b) is exposed, or has rights, to variable returns from its investment with the investee; and

(c) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill

Goodwill arises on the acquisition of subsidiaries, and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("**CGUs**"), that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

Goodwill impairment reviews are undertaken annually or more frequently when there is indication that the CGU may be impaired. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the CGUs.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less any identified impairment loss.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services or goods underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service or good (or a bundle of services or goods) that is distinct or a series of distinct services or goods that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service or good.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate reflects the fixed rate at which the Company could borrow an amount similar to the value of the right-of-use asset, in the same currency, for the lease term, and with similar collateral.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable, and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Employees in the PRC are members of a state-managed employee pension scheme operated by the relevant municipal government in the PRC which undertakes to assume the retirement benefit obligations of all existing and future retired employees. The Group's obligation is to make the required contributions under the scheme. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares awards granted to employees

The Group participates in the share-based payment plan of its ultimate holding company. The Group recognised the share-based payment plan as an equity-settled share-based payment as the Group, being the service recipient with no settlement obligation.

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date without taking into consideration all non-market vesting conditions. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash. In the consolidated statements of cash flows, cash and cash equivalents include cash on hand and bank deposits.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

(ii) Bills receivables classified at FVTOCI

Subsequent changes in the carrying amounts for bills receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these bills receivables had been measured at amortised cost. All other changes in the carrying amount of these bills receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these bills receivables. When these bills receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, bills receivables at FVTOCI, other receivables, restricted deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables. For trade receivables with significant balances mainly from large multinational and state-owned oil companies or credit-impaired, the ECL are assessed individually. For trade receivables from private and relatively small customers, the ECL are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables from private and relatively small customers are assessed as a separate group);
- Aging
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Except for bills receivables that are measured at FVTOCI, the Group recognises an impairment loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables, where the corresponding adjustment is recognised through a loss allowance account. For bills receivables measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amounts of these bills receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a financial liability.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of bills receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision for ECL on trade receivables

The impairment of trade receivables under ECL model is determined by the management based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future conditions.

The Group uses provision matrix to calculate ECL for the trade receivables from private and relatively small customers. The provision rates are based on ageing analysis as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical loss rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed loss rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. In estimating the provision of ECL, the management is required to consider all relevant factors with reasonable and supportable assumptions to make significant accounting estimations. The information about the ECL on the Group's trade receivables are disclosed in Note 34.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of services or goods			
Revenue from services			
Oil And Gas Development Engineering Solutions	299,649	272,449	295,854
Infrastructure Solutions	171,567	157,468	179,361
New Energy Solutions	2,082	14,554	18,870
Intelligent Solutions	643	2,886	2,896
Total	473,941	447,357	496,981
Geographical markets			
Mainland China	398,337	374,148	396,087
Middle East	33,268	39,615	66,746
Africa	14,147	13,593	18,656
Other countries	28,189	20,001	15,492
Total	473,941	447,357	496,981
Timing of revenue recognition			
At a point in time	471,112	445,005	494,566
Over time	2,829	2,352	2,415
Total	473,941	447,357	496,981

(ii) Performance obligations for contracts with customers and revenue recognition policies

The Group primarily provides oilfield testing and technical services to large multinational and state-owned oil companies.

Revenue from performance obligations to deliver testing and technical services to customers is recognised when control of the services is transferred to the customer. According to the testing and technical service contracts between the Group and customers, the Group cannot reasonably determine whether the services provided comply with contractual requirements until customer acceptance is completed. As a result, control of the services is transferred to the customer only upon successful completion of customer acceptance. Therefore, revenue from testing and technical services is recognised upon completion of the services and formal customer acceptance.

The Group's contracts for such services include provisions specifying that payment is due only after customer acceptance has been obtained.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023, 2024 and 2025 and the expected timing of recognising revenue are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	273,025	333,114	349,885
More than one year but not more than two years	60,564	51,914	22,705
More than two years	4,145	4,607	1,950
	337,734	389,635	374,540

7. OPERATING SEGMENTS

Information reported to the Chief Executive Officer ("**CEO**"), being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under IFRS 8 *Operating Segments* are as follows:

(a) Oil And Gas Development Engineering Solutions

(b) Infrastructure Solutions

(c) New Energy Solutions

(d) Intelligent Solutions

Oil and gas development engineering solutions cover the professional inspection and testing services for casing and tubing, drilling tools and equipment, and provide solutions for the construction and maintenance of workshops for casing and tubing, drilling tools inspection. Following completion of inspection, repairs for defective assets will be carried out to restore their performance and extend service life.

Infrastructure solutions deliver comprehensive testing, inspection and certification solutions for critical infrastructure assets. The infrastructure assets mainly encompass four categories, namely, (1) plant, process and module facilities, (2) pipeline, (3) instrument and (4) asset integrity management, with core technical capabilities including non-destructive testing, pipeline integrity inspection, leak testing and metrological calibration.

New energy solutions deliver inspection, testing and supervision services for new energy projects, mainly including wind power, photovoltaic, and energy storage systems.

Intelligent solutions deploy monitoring devices to track key indicators such as structural integrity, corrosion progression, operational parameters and sealing performance around the clock, automatically identify abnormal conditions and potential hazards, and provide data-backed operation and maintenance recommendations to customers.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Oil and Gas Development Engineering Solutions	Infrastructure Solutions	New Energy Solutions	Intelligent Solutions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023					
Segment revenue					
Sales to external customers	299,649	171,567	2,082	643	473,941
Segment cost					
Sales to external customers	(155,750)	(118,589)	(1,221)	(451)	(276,011)
Segment results	143,899	52,978	861	192	197,930
Year ended 31 December 2024					
Segment revenue					
Sales to external customers	272,449	157,468	14,554	2,886	447,357
Segment cost					
Sales to external customers	(148,359)	(105,445)	(8,189)	(2,054)	(264,047)
Segment results	124,090	52,023	6,365	832	183,310

	Oil and Gas Development Engineering Solutions	Infrastructure Solutions	New Energy Solutions	Intelligent Solutions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025					
Segment revenue					
Sales to external customers	295,854	179,361	18,870	2,896	496,981
Segment cost					
Sales to external customers	(179,692)	(117,005)	(12,507)	(1,849)	(311,053)
Segment results	116,162	62,356	6,363	1,047	185,928

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. Segment results represent gross profit earned by each segment without allocation of other income, other gains and losses, impairment losses under ECL model, net of reversal, selling expenses, administrative expenses, research and development costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information

The Group's operations are located in Mainland China and several other countries and jurisdictions. Information about the Group's non-current assets is presented based on the geographical location of the assets.

Non-current assets

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Mainland China	145,708	164,325	149,984
Outside Mainland China including:			
Middle East	3,504	4,481	5,759
Africa	111	96	3,052
Other countries	151	81	1,123
	149,474	168,983	159,918

Note: Non-current assets excluded financial instruments and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	235,363	229,500	261,448

8. OTHER INCOME

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest income from bank and deposits	5,130	6,305	4,483
Government grants	3,271	2,621	6,746
— Related to income	2,438	2,570	6,700
— Tax refund and incentives	833	51	46
Total	8,401	8,926	11,229

Government grants mainly represented job retention subsidies and tax refund received from the local governments, which was recognised in the consolidated statements of profit or loss and other comprehensive income upon receipt of these rewards and the related conditions associated with the rewards are met. There are no unfulfilled conditions or contingencies relating to these grants.

9. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
(Losses)/gains on disposal of property, plant and equipment, net	(197)	304	(607)
Foreign exchange differences, net	(730)	(2,407)	1,188
Others	137	(485)	(574)
Total	(790)	(2,588)	7

10. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses recognised/(reversed) on:			
— Trade receivables	1,709	1,987	2,774
— Other receivables	57	73	163
— Others	106	(93)	11
Total	1,872	1,967	2,948

Details of impairment assessment are set out in Note 34.

11. FINANCE COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	450	505	425
Interest on bank borrowings	340	–	–
	790	505	425

12. INCOME TAX EXPENSE

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	16,246	14,064	18,929
Deferred taxation	1,648	927	(856)
Total	17,894	14,991	18,073

PRC Enterprise Income Tax

Under the Law of the PRC Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

The Company has been recognised as the High New Tech Enterprises and qualified for western development tax incentives (the "**Western Development**") during the Track Record Period. The subsidiaries Xinjiang Foyou Petroleum Engineering Construction Co., Ltd.(新疆佛友石油工程建設有限責任公司), Fuyou Inspection Technology (Sichuan) Co., Ltd.(賦友檢測技術(四川)有限公司) and ANTON Instrument Inspection Co., Ltd.(安東儀器儀表檢測有限公司) are qualified for the Western Development during the Track Record Period. The EIT Law and its implementation rules permit tax incentives for the High New Tech Enterprises and the Western Development, to enjoy a reduced 15% enterprise income tax rate subject to companies meeting certain qualification criteria.

In accordance with the relevant laws and regulations issued by the State Administration of Taxation of the PRC ("**SAT**"), with effect from 1 January 2021, manufacturing enterprises engage in research and development activities were entitled to an additional deduction of 100% of the research and development expenses incurred as deductible expenses during the year when determining their taxable profits. Accordingly, the Group adopted the super deduction rate of 200% from 1 January 2023 to 31 December 2025. In determining the taxable profits for the Track Record Period, the Group has made the best estimate of the research and development expenses entitled to super deduction.

The Company was entitled to deduct the full cost of purchasing new equipment with a unit value not exceeding RMB5 million during the Track Record Period.

Other overseas areas

Taxation arising in Dubai is calculated at 9%.

The corporate income tax of Iraq entities is levied at the higher of 7% on the total turnover, or 35% on the net taxable profit.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	140,748	117,955	118,335
Tax at income tax rate of 15%	21,112	17,693	17,750
Effect of different tax rates	(927)	494	1,864
Expenses not deductible for tax	180	204	290
Additional deduction of research and development expenses	(2,931)	(3,019)	(2,786)
Others	460	(381)	955
Total	17,894	14,991	18,073

13. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Depreciation of property, plant and equipment	*18*	16,091	18,575	24,174
Depreciation of right-of-use assets	*19*	2,499	2,927	2,628
Amortisation of intangible assets	*20*	226	437	508
Total depreciation and amortisation		18,816	21,939	27,310
Auditor's remuneration		375	297	300
Employee benefit expenses (including Directors' emoluments as set out in *Note 14*)		108,007	111,593	102,241
Retirement benefits cost		7,537	8,731	8,576
Share-based payments		84	1,022	2,565
		115,628	121,346	113,382
Cost of inventories recognised as an expense (exclude employee benefit expenses)		148,828	140,091	173,192

14. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The emoluments paid or payable to the Directors and chief executive of the Company by entities comprising the Group during the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Year ended 31 December 2023						
	Fees	Salaries and allowances	Performance related bonuses	Share-based Payments	Retirement benefits	Welfare, medical and other benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Li, Pandeng *(Note i)*	–	1,099	–	32	55	76	1,262
Non-executive directors:							
Mr. Shen, Haihong *(Note ii)*	–	–	–	–	–	–	–
Mr. Liu, Guoqing *(Note ii)*	–	–	–	–	–	–	–
Mr. Zhang, Yanping *(Note ii)*	–	–	–	–	–	–	–
Mr. Zhao, Gang *(Note ii)*	–	–	–	–	–	–	–
Mr. Fan, Haibin *(Note ii)*	–	–	–	–	–	–	–
Independent non-executive directors:							
Mr. Li, Runsheng *(Note iv)*	90	–	–	–	–	–	90
Ms. Zhang, Ran *(Note iv)*	90	–	–	–	–	–	90
Mr. Zhang, Wei *(Note iv)*	90	–	–	–	–	–	90
Total	270	1,099	–	32	55	76	1,532

	Year ended 31 December 2024						
	Fees	Salaries and allowances	Performance related bonuses	Share-based Payments	Retirement benefits	Welfare, medical and other benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Li, Pandeng *(Note i)*	–	1,141	–	382	55	76	1,654
Non-executive directors:							
Mr. Shen, Haihong *(Note ii)*	–	–	–	–	–	–	–
Mr. Liu, Guoqing *(Note ii)*	–	–	–	–	–	–	–
Mr. Zhang, Yanping *(Note ii)*	–	–	–	–	–	–	–
Mr. Zhao, Gang *(Note ii)*	–	–	–	–	–	–	–
Mr. Fan, Haibin *(Note ii)*	–	–	–	–	–	–	–
Independent non-executive directors:							
Mr. Li, Runsheng *(Note iv)*	180	–	–	–	–	–	180
Ms. Zhang, Ran *(Note iv)*	180	–	–	–	–	–	180
Mr. Zhang, Wei *(Note iv)*	180	–	–	–	–	–	180
Total	540	1,141	–	382	55	76	2,194

	Year ended 31 December 2025						
	Fees	Salaries and allowances	Performance related bonuses	Share-based Payments	Retirement benefits	Welfare, medical and other benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Li, Pandeng *(Note i)*	–	1,058	–	521	55	76	1,710
Mr. Guan, Qingbin *(Note iii)*	–	28	–	14	2	2	46
Non-executive directors:							
Mr. Shen, Haihong *(Note ii)*	–	–	–	–	–	–	–
Mr. Liu, Guoqing *(Note ii)*	–	–	–	–	–	–	–
Mr. Zhang, Yanping *(Note ii)*	–	–	–	–	–	–	–
Independent non-executive directors:							
Mr. Li, Runsheng *(Note iv)*	180	–	–	–	–	–	180
Ms. Zhang, Ran *(Note iv)*	180	–	–	–	–	–	180
Mr. Zhang, Wei *(Note iv)*	180	–	–	–	–	–	180
Total	540	1,086	–	535	57	78	2,296

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive and independent non-executive directors' remunerations shown above were mainly for their services as directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Notes:

i. Mr. Li, Pandeng has been appointed as executive director since 26 October 2021 and resigned as executive director on 7 January 2026.

ii. Mr. Shen, Haihong, Mr. Liu, Guoqing, Mr. Zhang, Yanping, Mr. Zhao, Gang and Mr. Fan, Haibin's emoluments were mainly provided by Anton Group.

Mr. Zhao, Gang and Mr. Fan Haibin resigned as non-executive director on 25 October 2024, and Mr. Zhang, Yanping resigned as non-executive director on December 17, 2025.

iii. Mr. Guan, Qingbin has been appointed as an executive director since 23 December 2025.

iv. Mr. Li, Runsheng, Ms. Zhang, Ran and Mr. Zhang, Wei have been appointed as independent non-executive director since 29 June 2023.

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included one, one, and one director of the Company for the years ended 31 December 2023, 2024 and 2025 respectively, details of whose remuneration are set out in Note 14 above. Details of the remuneration of the remaining four, four, and four highest paid employees for the respective years who are not directors are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Note)*
Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	2,903	3,057	3,489
Share-based payment expenses	14	183	764
Total	2,917	3,240	4,253

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Note)*
HK$500,001 to HK$1,000,000	4	3	3
HK$1,000,001 to HK$1,500,000	–	1	1
	4	4	4

Note: The remuneration of the remaining highest paid employees for 2025 who are not directors includes the remuneration of Mr. Guan, Qingbin from 1 January 2025 to 22 December 2025.

16. DIVIDENDS

In June 2024, the 2023 annual profit distribution proposal was duly approved during the 2023 annual general meeting. Based on the Company's total share capital of 239,816,000 shares, a cash dividend of RMB1.25 per 10 shares (tax inclusive) was distributed to all shareholders, with the total dividend amounting to RMB30,000,000 (tax inclusive), and it was paid in July 2024. No dividend was declared or paid in respect of 2024 and 2025 annual profit distribution.

17. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Earnings:			
Profit for the year attributable to owners of the Company, for the purpose of the basic earnings per share	122,854	102,964	100,262
Number of shares:			
Weighted average number of ordinary shares outstanding during the year for the purpose of the basic earnings per share	237,049	227,894	202,336

The weighted average number of ordinary shares for the purpose of the basic earnings per share has been adjusted for the number of ordinary shares issued and repurchased during the Track Record Period.

No diluted earnings per share was presented as there were no potential ordinary shares in issue for the Track Record Period.

18. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery equipment	Transportation equipment	Office and electronic equipment	Instruments and meters	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost							
At 1 January 2023	128,002	88,340	9,908	6,064	28,966	3,003	264,283
Additions	1,857	11,848	2,177	640	6,325	2,327	25,174
Transfers	2,049	2,650	–	–	–	(4,699)	–
Disposals	(276)	(4,601)	(597)	–	(322)	–	(5,796)
Exchange realignment	–	61	–	–	11	–	72
At 31 December 2023	131,632	98,298	11,488	6,704	34,980	631	283,733
Additions	4,806	14,627	629	544	4,440	3,320	28,366
Transfers	66	2,164	–	–	–	(2,230)	–
Disposals	–	–	(343)	–	–	–	(343)
Exchange realignment	–	70	–	–	22	–	92
At 31 December 2024	136,504	115,159	11,774	7,248	39,442	1,721	311,848
Additions	1,829	4,354	2,245	1,322	6,451	5,435	21,636
Transfers	58	1,428	–	–	–	(1,486)	–
Disposals	–	(6,780)	(369)	(4)	(2,472)	–	(9,625)
Exchange realignment	(1)	(143)	–	(13)	(94)	(114)	(365)
At 31 December 2025	138,390	114,018	13,650	8,553	43,327	5,556	323,494
Depreciation							
At 1 January 2023	(57,540)	(60,804)	(4,868)	(4,372)	(18,633)	–	(146,217)
Provided for the year	(6,714)	(4,565)	(1,370)	(426)	(3,016)	–	(16,091)
Disposals	249	4,323	481	–	306	–	5,359
Exchange realignment	–	(16)	–	–	(4)	–	(20)
At 31 December 2023	(64,005)	(61,062)	(5,757)	(4,798)	(21,347)	–	(156,969)
Provided for the year	(7,442)	(5,413)	(1,707)	(524)	(3,489)	–	(18,575)
Disposals	–	–	326	–	–	–	326
Exchange realignment	–	(24)	–	–	(8)	–	(32)
At 31 December 2024	(71,447)	(66,499)	(7,138)	(5,322)	(24,844)	–	(175,250)
Provided for the year	(9,961)	(6,981)	(1,629)	(650)	(4,953)	–	(24,174)
Disposals	–	6,129	351	4	2,172	–	8,656
Exchange realignment	–	75	–	1	27	–	103
At 31 December 2025	(81,408)	(67,276)	(8,416)	(5,967)	(27,598)	–	(190,665)
Carrying values							
At 31 December 2023	67,627	37,236	5,731	1,906	13,633	631	126,764
At 31 December 2024	65,057	48,660	4,636	1,926	14,598	1,721	136,598
At 31 December 2025	56,982	46,742	5,234	2,586	15,729	5,556	132,829

The Company

	Buildings	Machinery equipment	Transportation equipment	Office and electronic equipment	Instruments and meters	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost							
At 1 January 2023	125,842	70,205	7,536	4,833	15,088	3,004	226,508
Additions	1,857	10,929	2,177	628	4,494	2,252	22,337
Transfers	2,049	2,650	–	–	–	(4,699)	–
Disposals	(276)	(4,601)	(597)	–	(322)	–	(5,796)
At 31 December 2023	129,472	79,183	9,116	5,461	19,260	557	243,049
Additions	4,318	13,616	629	398	3,589	3,132	25,682
Transfers	66	2,164	–	–	–	(2,230)	–
Disposals	–	–	(47)	–	–	–	(47)
At 31 December 2024	133,856	94,963	9,698	5,859	22,849	1,459	268,684
Additions	1,768	2,424	2,245	529	4,427	1,819	13,212
Transfers	58	1,428	–	–	–	(1,486)	–
Disposals	–	(6,780)	(272)	(4)	(2,472)	–	(9,528)
At 31 December 2025	135,682	92,035	11,671	6,384	24,804	1,792	272,368
Depreciation							
At 1 January 2023	(56,717)	(47,955)	(2,967)	(3,639)	(8,510)	–	(119,788)
Provided for the year	(6,283)	(3,691)	(1,268)	(271)	(1,748)	–	(13,261)
Disposals	249	4,323	481	–	306	–	5,359
At 31 December 2023	(62,751)	(47,323)	(3,754)	(3,910)	(9,952)	–	(127,690)
Provided for the year	(6,955)	(4,507)	(1,631)	(368)	(2,319)	–	(15,780)
Disposals	–	–	46	–	–	–	46
At 31 December 2024	(69,706)	(51,830)	(5,339)	(4,278)	(12,271)	–	(143,424)
Provided for the year	(9,528)	(4,516)	(1,553)	(477)	(3,318)	–	(19,392)
Disposals	–	6,129	259	4	2,172	–	8,564
At 31 December 2025	(79,234)	(50,217)	(6,633)	(4,751)	(13,417)	–	(154,252)
Carrying values							
At 31 December 2023	66,721	31,860	5,362	1,551	9,308	557	115,359
At 31 December 2024	64,150	43,133	4,359	1,581	10,578	1,459	125,260
At 31 December 2025	56,448	41,818	5,038	1,633	11,387	1,792	118,116

The above items of property, plant and equipment of the Group and the Company, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis on the following bases:

Buildings	1.90%-4.75%
Machinery equipment	7.92%-19.00%
Transportation equipment	19.00%
Office and electronic equipment	19.00%-31.67%
Instruments and meters	19.00%-31.67%

Certificates of ownership in respect of certain buildings of the Group and the Company with a total net carrying amount of approximately RMB1,640,000, RMB1,941,000 and RMB1,844,000, respectively, at 31 December 2023 and 2024 and 2025 have not yet been issued by the relevant authorities. The applications for the title certificates are in progress with the local PRC authorities. The Directors are of the opinion that the Company is permitted to use and operate these premises normally without any usage restrictions. No impairment indicators have been identified for such buildings, and accordingly, no impairment provision has been recognised.

19. RIGHT-OF-USE ASSETS

The Group

	Buildings	Equipment	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	5,570	24	8,304	13,898
Additions	3,691	1,429	–	5,120
Termination	(654)	–	–	(654)
Depreciation provided during the year	(1,852)	(444)	(203)	(2,499)
As at 31 December 2023	6,755	1,009	8,101	15,865
Additions	1,577	–	–	1,577
Depreciation provided during the year	(1,914)	(810)	(203)	(2,927)
As at 31 December 2024	6,418	199	7,898	14,515
Additions	1,391	–	–	1,391
Depreciation provided during the year	(2,226)	(199)	(203)	(2,628)
As at 31 December 2025	5,583	–	7,695	13,278

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases	3,555	5,290	13,990
Total cash outflow for leases	6,093	8,344	16,684

The Company

	Buildings	Equipment	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	1,598	24	8,304	9,926
Additions	2,517	1,305	–	3,822
Termination	(654)	–	–	(654)
Depreciation provided during the year	(1,354)	(419)	(203)	(1,976)
As at 31 December 2023	2,107	910	8,101	11,118
Additions	1,577	–	–	1,577
Depreciation provided during the year	(1,421)	(711)	(203)	(2,335)
As at 31 December 2024	2,263	199	7,898	10,360
Depreciation provided during the year	(1,293)	(199)	(203)	(1,695)
As at 31 December 2025	970	–	7,695	8,665

The Group leases various office space, warehouse and leasehold land for its operations. During the year ended 31 December 2023, 2024 and 2025, lease contracts were newly entered into for a fixed term of 1 to 3 years, 1 to 2 years, and 2 to 3 years, respectively, but may have extension and termination options. Lease terms were negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings and office buildings, where its manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group regularly entered into short-term leases for vehicles and office space. As at 31 December 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

20. INTANGIBLE ASSETS

The Group

	Softwares
	RMB'000
Cost	
At 1 January 2023	1,989
Additions	1,152
At 31 December 2023 and 2024	3,141
Additions	448
At 31 December 2025	3,589
Amortisation	
At 1 January 2023	(1,162)
Provided for the year	(226)
At 31 December 2023	(1,388)
Provided for the year	(437)
At 31 December 2024	(1,825)
Provided for the year	(508)
At 31 December 2025	(2,333)
Carrying values	
At 31 December 2023	1,753
At 31 December 2024	1,316
At 31 December 2025	1,256

The Company

	Softwares
	RMB'000
Cost	
At 1 January 2023	1,034
Additions	1,152
At 31 December 2023 and 2024	2,186
Additions	427
At 31 December 2025	2,613
Amortisation	
At 1 January 2023	(207)
Provided for the year	(226)
At 31 December 2023	(433)
Provided for the year	(437)
At 31 December 2024	(870)
Provided for the year	(505)
At 31 December 2025	(1,375)
Carrying values	
At 31 December 2023	1,753
At 31 December 2024	1,316
At 31 December 2025	1,238

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over 5 years.

21. GOODWILL

Impairment assessment on goodwill

For the purpose of impairment testing, the Group allocated goodwill to the CGU of ANTON Instrument Inspection Co., Ltd. (安東儀器儀表檢測有限公司) which is the subsidiary engaged in the production of instruments and meters.

The recoverable amount of the CGU is determined based on value-in-use calculations. The future cash flows are based on the management-approved financial budgets for the next five years, using a discount rate of 14.39%, 13.00% and 14.48% for the year end of 2023, 2024 and 2025. Cash flows beyond five years are calculated based on a steady 2% growth rate, which is determined according to the relevant industry growth forecasts and does not exceed the long-term average growth rate of the relevant industry. Other key assumptions used in estimating future cash flows include projected sales and gross margin, based on the historical performance of the CGU and management's expectations regarding market developments.

As at 31 December 2023, 2024 and 2025, management determines that there is no impairment on the CGU, and believes that any possible change in any of above assumptions would not cause the aggregate carrying amount of the CGU to exceed its recoverable amount.

22. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	The Group			**The Company**		
	As at 31 December			**As at 31 December**		
	2023	**2024**	**2025**	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	1,931	2,803	2,474	397	954	–
Deferred tax liabilities	(2,488)	(4,287)	(3,102)	(2,488)	(4,656)	(3,102)
	(557)	(1,484)	(628)	(2,091)	(3,702)	(3,102)

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the Track Record Period:

The Group

	Provision for impairment under ECL model	Tax losses	Lease liabilities	Right-of-use assets	Accelerated depreciation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	373	718	–	–	–	1,091
Credit/(charge) to profit or loss	172	574	1,234	(1,140)	(2,488)	(1,648)
At 31 December 2023	545	1,292	1,234	(1,140)	(2,488)	(557)
At 1 January 2024	545	1,292	1,234	(1,140)	(2,488)	(557)
Credit/(charge) to profit or loss	143	692	(132)	169	(1,799)	(927)
At 31 December 2024	688	1,984	1,102	(971)	(4,287)	(1,484)
At 1 January 2025	688	1,984	1,102	(971)	(4,287)	(1,484)
Credit/(charge) to profit or loss	377	328	(266)	290	127	856
At 31 December 2025	1,065	2,312	836	(681)	(4,160)	(628)

As the Group is in a position to control the timing of the reversal of the temporary differences arising from undistributed earnings of overseas subsidiaries, and it is probable that such differences will not reverse in the foreseeable future, no deferred tax liability has been recognised in respect of the aggregate temporary differences of approximately RMB14,558,000, RMB18,947,000 and RMB23,999,000 at the end of each reporting period.

The Company

	Provision for impairment under ECL model	Tax losses	Lease liabilities	Right-of-use assets	Accelerated depreciation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	152	203	–	–	–	355
Credit/(charge) to profit or loss	30	–	465	(453)	(2,488)	(2,446)
At 31 December 2023	182	203	465	(453)	(2,488)	(2,091)
At 1 January 2024	182	203	465	(453)	(2,488)	(2,091)
Credit/(charge) to profit or loss	59	112	(67)	84	(1,799)	(1,611)
At 31 December 2024	241	315	398	(369)	(4,287)	(3,702)
At 1 January 2025	241	315	398	(369)	(4,287)	(3,702)
Credit/(charge) to profit or loss	433	58	(242)	224	127	600
At 31 December 2025	674	373	156	(145)	(4,160)	(3,102)

23. TRADE RECEIVABLES

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	243,940	279,418	346,147	224,402	240,614	317,266
Less: Allowance for credit losses	(3,748)	(4,853)	(7,627)	(1,107)	(1,576)	(4,449)
	240,192	274,565	338,520	223,295	239,038	312,817

As at 1 January 2023, trade receivables from contracts with customers of the Group and the Company amounted to RMB212,188,000 and RMB155,576,000 respectively.

The following is an ageing analysis of the trade receivables presented based on dates of revenue recognition as at the end of each reporting period:

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	224,185	237,554	269,014	194,953	188,838	251,655
1-2 years	16,398	30,432	59,136	22,080	29,795	40,409
2-3 years	1,568	10,288	12,217	3,725	16,401	15,615
Over 3 years	1,789	1,144	5,780	3,644	5,580	9,587
	243,940	279,418	346,147	224,402	240,614	317,266

Most of the trade receivables are with credit terms of one year or less.

As at 31 December 2023, 2024 and 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB19,755,000, RMB41,864,000 and RMB77,133,000 respectively, which are aged over one year but not considered as default as most of the payments delay are due to administrative oversight by customers and management considered these receivables could be collected subsequently based on prior experiences and good financial performance and reputation of these customers.

Details of impairment assessment of trade receivables at amortised cost are set out in Note 34.

24. INVENTORIES

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	25,288	33,749	47,148	22,582	23,432	34,213
Work in progress	12,195	14,678	15,757	11,238	14,204	15,735
Total	37,483	48,427	62,905	33,820	37,636	49,948

25. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for property, plant and equipment	2,460	13,922	9,923
Current			
Prepayments for suppliers	7,643	7,928	14,124
Value-added tax recoverable	15	1,801	1,402
Advances to employees	1,633	1,909	1,263
Others	6,627	10,525	15,139
	15,918	22,163	31,928
Impairment allowance	–	(23)	(186)
Subtotal	15,918	22,140	31,742
Total	18,378	36,062	41,665

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for equipment	2,159	13,917	9,738
Current			
Prepayments for suppliers			
— to subsidiaries	20,449	28,799	25,523
— to third-parties	5,862	6,582	11,784
Advances to employees	962	1,658	919
Others			
— from subsidiaries	18,845	53,002	94,324
— from third-parties	5,051	8,292	9,192
	51,169	98,333	141,742
Impairment allowance	–	(14)	(23)
Subtotal	51,169	98,319	141,719
Total	53,328	112,236	151,457

Details of impairment assessment of other receivables are set out in Note 34.

26. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

Cash and cash equivalents include short-term deposits for the purpose of meeting the Group's short-term cash commitments.

The interest rates of cash and cash equivalents were 0.20%-0.25%, 0.10%-0.20% and 0.05%-0.10% per annum as at 31 December 2023, 2024 and 2025.

(b) Restricted deposits

Restricted cash balances were mainly deposits held in bank accounts pledged for the issuance of bank acceptance bills and bank guarantee.

The interest rates of restricted deposits were 0.25%-2.40%, 0.10%-1.50% and 0.10%-1.30% per annum as at 31 December 2023, 2024 and 2025.

27. TRADE AND BILLS PAYABLES

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	96,100	109,352	150,008	108,199	108,811	149,330
Bills payables *(Note)*	–	29,656	18,700	–	29,656	18,700
	96,100	139,008	168,708	108,199	138,467	168,030

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statements of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

An ageing analysis of the trade and bills payables presented based on the date services or goods are received as at the end of each reporting period is as follows:

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	89,721	129,053	146,365	105,466	131,114	154,951
Over 1 year	6,379	9,955	22,343	2,733	7,353	13,079
Total	96,100	139,008	168,708	108,199	138,467	168,030

The credit period for the purchase of goods or services ranges from 90 days to 180 days.

28. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	7,584	9,548	7,168
Taxes other than income taxes payable	4,658	3,941	3,566
Payables for purchases of equipment	19,143	13,773	20,880
Others			
— to related-parties	243	321	614
— to third-parties	15,543	17,289	16,906
Total	47,171	44,872	49,134

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	4,292	5,614	5,507
Taxes other than income taxes payable	3,851	3,153	2,404
Payables for purchases of equipment	17,446	12,688	20,428
Others			
— to related-parties	80,077	146,002	170,288
— to third-parties	12,540	13,255	10,012
Total	118,206	180,712	208,639

29. LEASE LIABILITIES

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable			
Within one year	1,921	1,943	1,901
Within a period of more than one year but not exceeding two years	1,276	1,379	856
Within a period of more than two years but not exceeding five years	1,889	1,249	1,440
Within a period of more than five years	3,259	2,802	2,298
Subtotal	8,345	7,373	6,495
Less: Amount due for settlement within 12 months shown under current liabilities	(1,921)	(1,943)	(1,901)
Amount due for settlement after 12 months shown under non-current liabilities	6,424	5,430	4,594

No lease liabilities were secured by rental deposits as at December 31, 2023, 2024 and 2025.

The incremental borrowing rates applied to lease liabilities range from 5.63%-6.90% and 5.63%-6.90% and 5.48%-6.49% per annum for the year ended 31 December 2023, 2024 and 2025 respectively.

30. SHARE CAPITAL

The Group and the Company

Details of movements of registered and issued share capital of the Company are as follows:

	Number of shares in issue	Share capital
	in thousand shares	*RMB'000*
Ordinary shares of RMB1.00 each		
Issued and fully paid:		
At 1 January 2023	222,527	222,527
Capital injection *(Note)*	17,289	17,289
At 31 December 2023	239,816	239,816
Repurchase and cancellation of shares *(Note)*	(37,294)	(37,294)
At 31 December 2024	202,522	202,522
Repurchase and cancellation of shares *(Note)*	(7,522)	(7,522)
At 31 December 2025	195,000	195,000

Note:

In December 2022, the Company, Anton Group, Oilfield Services and Anton (Beijing) New Energy Technology Co., Ltd. ("**Anton New Energy**") (a subsidiary of Oilfield Services) entered into an agreement with 寶武綠碳私募投資基金(上海)合夥企業(有限合夥), 共青城山證通奧啟航股權投資合夥企業(有限合夥), 共青城億芯智行創業投資合夥企業(有限合夥) and 共青城德擎匯垠創業投資合夥企業(有限合夥), four third parties (the "**First Round Investors**"), pursuant to which the Company issued 35,049,000 shares to the First Round Investors at a consideration of RMB197,710,000.

As at 31 December 2022, the Company received RMB155,280,000 from the First Round Investors and recognised an increase in share capital by RMB27,527,000 and an increase in share premium by RMB127,753,000.

In January 2023, the Company received RMB42,430,000 from the First Round Investors and recognised an increase in share capital by RMB7,522,000 and an increase in share premium by RMB34,908,000.

In March 2023, the Company, Anton Group, Oilfield Services and Anton New Energy entered into an agreement with 北京望京創新私募股權投資基金中心(有限合夥), 共青城山證通奧啟程股權投資合夥企業(有限合夥) and 新疆金投資產管理股份有限公司 (the "**Second Round Investors**"), three third parties, pursuant to which the Company issued 9,767,000 shares to the Second Round Investors at a consideration of RMB55,100,000.

The Company received RMB55,100,000 from the Second Round Investors and recognised an increase in share capital by RMB9,767,000 and an increase in share premium by RMB45,333,000.

In September 2024, the Company repurchase 37,294,000 shares from certain First Round Investors and Second Round Investors. The Company paid the consideration of RMB210,380,000 and recognised a decrease in share capital by RMB37,294,000 and a decrease in share premium by RMB173,086,000.

In December 2025, the Company repurchase 7,522,000 shares from remaining First Round Investors and Second Round Investors. The Company paid the consideration of RMB42,430,000 and recognised a decrease in share capital by RMB7,522,000 and a decrease in share premium by RMB34,908,000.

As at 31 December 2025, the Company was 95% owned by Oilfield Services and 5% owned by Anton New Energy.

31. SHARE-BASED PAYMENTS

Restricted share award scheme ("Scheme")

According to the Scheme approved on 30 December 2019 by the directors of Anton Group, share of Anton Group would be awarded to certain directors and key employees as an incentive. The Group participated in the share-based payment scheme of Anton Group.

The fair value of the restricted shares was the closing price of the shares of Anton Group in the daily quotation sheet issued by the Stock Exchange on the date of grant.

On 22 November 2023, 4,150,000 shares with the fair value of HK$0.435 per share have been conditionally granted to certain directors and key employees of the Group. The shares granted have a vesting period from 12 to 36 months.

On 16 December 2024, 4,250,000 shares with the fair value of HK$0.590 per share have been conditionally granted to certain directors and key employees of the Group. The shares granted have a vesting period from 12 to 36 months.

On 19 May 2025, 2,410,000 shares with the fair value of HK$0.900 per share have been conditionally granted to certain directors and key employees of the Group. The shares granted have a vesting period from 12 to 36 months.

During the year ended 31 December 2023, 2024 and 2025, the estimated fair values of the share awards on granted dates are RMB1,650,000, RMB2,318,000 and RMB1,995,000 respectively.

Movements in the number of restricted shares outstanding are as follows:

	Number of restricted shares (thousands)
At 1 January 2023	–
Granted	4,150
At 31 December 2023	4,150
Granted	4,250
Vested	(1,383)
At 31 December 2024	7,017
Granted	2,410
Vested	(2,800)
At 31 December 2025	6,627

The total expense recognised in the consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2023, 2024 and 2025 for the Scheme amounted to RMB84,000, RMB1,022,000 and RMB2,565,000 respectively, with a corresponding amount credited in share-based payments reserve.

32. COMMITMENTS

The Group had no contractual commitments as at the end of each reporting period.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes lease liabilities net of cash and cash equivalents, and equity of the Group, comprising share capital, share premium, share-based payments reserve, FVTOCI reserve, translation reserve, statutory surplus reserve and retained profits.

The Directors review the capital structure on regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital, and takes appropriate actions to balance its overall capital structure.

34. FINANCIAL INSTRUMENTS

(a) Categories of the financial instruments

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at FVTOCI	54,914	18,240	12,424
Financial assets at amortised cost	745,126	653,174	743,294
Total	800,040	671,414	755,718
Financial liabilities			
Financial liabilities at amortised cost	131,029	170,391	207,108

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at FVTOCI	52,929	18,082	12,281
Financial assets at amortised cost	636,646	552,794	660,261
Total	689,575	570,876	672,542
Financial liabilities			
Financial liabilities at amortised cost	218,262	310,412	368,758

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade receivables, bills receivables at FVTOCI, other receivables, restricted deposits, cash and cash equivalents, trade and bills payables, other payables and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group and the Company manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group and the Company have foreign currency sales and purchases and bank balances which expose the Group to foreign currency risk. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

The Group and the Company currently don't have a foreign exchange hedging policy. However, the management of the Group and the Company monitor foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The Directors consider that the exposure of currency risk arising from above foreign currency denominated monetary assets and monetary liabilities is insignificant.

Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to restricted deposits and lease liabilities.

The Group and the Company are also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group and the Company manage its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

The Directors consider that the exposure of interest rate risk arising from above financial instruments is insignificant.

(c) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, bills receivables at FVTOCI, other receivables, restricted deposits and bank balances.

In order to minimise the credit risk, the management of the Group has delegated the teams responsible for assessment of the credit quality of the customer, taking into account its financial position, past experience and other factors and determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover long aged debts. In addition, the Group reviews the recoverable amount of each credit-impaired debt at the end of each reporting period to ensure that adequate ECL are made for irrecoverable amounts.

Trade receivables arising from contracts with customers

The Group has policies in place to ensure that sales of products and services and other transactions are made to customers or counterparties with an appropriate credit history after internal approvals and follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade receivables individually or based on provision matrix. In this regards, the Directors consider that the Group's credit risk is significantly reduced and are of the opinion that adequate provision for uncollectible receivables has been made in the Historical Financial Information.

A considerable portion of sales were made to several major oilfield operators of the PRC and their affiliates, which are state-owned entities with good credit reputation. As at 31 December 2023, 2024 and 2025, the Group had concentration of credit risk as 50.03%, 46.54% and 42.64% of the total trade receivables, and 91.25%, 80.68% and 96.16% of the total bills receivables were due from the Group's largest customer, and 76.96%, 76.96% and 60.57% of the total trade receivables were due from the Group's five largest customers, respectively.

Other receivables and bills receivables at FVTOCI

The management makes periodic individual assessment on the recoverability of other receivables and bills receivables at FVTOCI based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group and the Company provided impairment based on 12m ECL except for certain other receivables and bills receivables at FVTOCI have been measured based on lifetime ECL with significant increase in credit risk. Details of the quantitative disclosures are set out below in this note.

Restricted deposits and bank balances

At the end of each reporting period, the management have performed impairment assessment for restricted deposits and bank balances, and concluded that there has been no significant increase in credit risk since initial recognition. Since the counterparties are banks with high credit ratings assigned by international credit-rating agencies, the probability of defaults of the counterparties are insignificant and accordingly, no allowance for credit losses is provided for these financial assets.

The tables below detail the credit risk exposures of the Group and the Company's financial instruments, which are subject to ECL assessment:

The Group

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount As at December 31, 2023	2024	2025
					RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortised cost							
Trade receivables	*23*	N/A	Note (i)	Lifetime ECL (provision matrix)	31,915	43,791	90,011
				Lifetime ECL (individually, not credit-impaired)	211,482	235,334	255,055
				Lifetime ECL (individually, credit-impaired)	543	293	1,081
Other receivables	*25*	N/A	Note (ii)	12m ECL	8,260	12,434	16,402
Restricted deposits	*26*	A1	N/A	12m ECL	2,001	26,531	22,262
Bank balances	*26*	A1	N/A	12m ECL	494,164	339,377	365,780
Financial assets at FVTOCI							
Bills receivables		A1	N/A	12m ECL	54,914	18,240	12,424

The Company

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount As at December 31, 2023	2024	2025
					RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortised cost							
Trade receivables	*23*	N/A	Note (i)	Lifetime ECL (provision matrix)	17,587	31,525	74,956
				Lifetime ECL (individually, not credit-impaired)	206,788	208,946	241,445
				Lifetime ECL (individually, credit-impaired)	27	143	865
Other receivables	*25*	N/A	Note (ii)	12m ECL	24,858	62,952	104,435
Restricted deposits	*26*	A1	N/A	12m ECL	514	24,598	20,715
Bank balances	*26*	A1	N/A	12m ECL	387,979	226,220	222,317
Financial assets at FVTOCI							
Bills receivables		A1	N/A	12m ECL	52,929	18,082	12,281

Notes:

(i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances from large multinational and state-owned oil companies or credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by ageing.

As part of the Group's credit risk management, the Group uses ageing analysis to assess the impairment for part of its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables from private and relatively small customers which are assessed based on provision matrix. Trade receivables with significant outstanding balances from large multinational and state-owned oil companies with gross carrying amounts as at 31 December 2023, 2024 and 2025 of RMB212,025,000, RMB235,627,000 and RMB256,136,000 of the Group and RMB206,815,000, RMB209,089,000 and RMB242,310,000 of the Company were assessed individually, respectively.

Trade receivables from private and relatively small customers:

The Group

	At 31 December								
	2023			2024			2025		
Ageing	Average loss rate	Gross carrying amount	Loss allowance	Average loss rate	Gross carrying amount	Loss allowance	Average loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Within 1 year	4.01%	25,911	1,039	4.85%	33,969	1,647	3.05%	76,610	2,339
1-2 years	12.11%	5,127	621	16.93%	7,271	1,231	12.53%	8,473	1,062
2-3 years	24.83%	584	145	29.84%	2,182	651	27.94%	3,687	1,030
Over 3 years	100.00%	293	293	100.00%	369	369	100.00%	1,241	1,241
		31,915	2,098		43,791	3,898		90,011	5,672

The Company

	At 31 December								
	2023			2024			2025		
Ageing	Average loss rate	Gross carrying amount	Loss allowance	Average loss rate	Gross carrying amount	Loss allowance	Average loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Within 1 year	4.03%	15,506	625	2.79%	26,992	754	2.94%	66,579	1,958
1-2 years	12.13%	1,888	229	10.78%	4,192	452	12.74%	6,509	829
2-3 years	24.64%	138	34	21.10%	327	69	28.04%	1,744	489
Over 3 years	100.00%	55	55	100.00%	14	14	100.00%	124	124
		17,587	943		31,525	1,289		74,956	3,400

The estimated loss rates are estimated based on historical observed loss rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The following table shows the movements in lifetime ECL that has been recognised for trade receivables under the simplified approach:

The Group

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	1,658	964	2,622
Impairment losses recognised, net of reversal	331	1,378	1,709
Transfer to credit-impaired	(29)	29	–
Written-off	–	(583)	(583)
As at 31 December 2023	1,960	1,788	3,748
Impairment losses recognised, net of reversal	1,790	197	1,987
Transfer to credit-impaired	(37)	37	–
Written-off	–	(882)	(882)
As at 31 December 2024	3,713	1,140	4,853
Impairment losses recognised, net of reversal	1,379	1,395	2,774
Transfer to credit-impaired	(432)	432	–
As at 31 December 2025	4,660	2,967	7,627

The Company

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	973	37	1,010
— Impairment losses recognised, net of reversal	66	31	97
— Transfer to credit-impaired	(14)	14	–
As at 31 December 2023	1,025	82	1,107
— Impairment losses recognised, net of reversal	399	70	469
— Transfer to credit-impaired	(4)	4	–
As at 31 December 2024	1,420	156	1,576
— Impairment losses recognised, net of reversal	2,093	780	2,873
— Transfer to credit-impaired	(53)	53	–
As at 31 December 2025	3,460	989	4,449

(ii) The following tables show reconciliation of loss allowances that has been recognised for other receivables:

The Group

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	–	–	–	–
— Impairment losses recognised, net of reversal	–	–	57	57
— write off	–	–	(57)	(57)
As at 31 December 2023	–	–	–	–
— Impairment losses recognised, net of reversal	–	73	–	73
— Transfer to credit-impaired	–	(50)	50	–
— write off	–	–	(50)	(50)
As at 31 December 2024	–	23	–	23
— Impairment losses recognised, net of reversal	–	163	–	163
As at 31 December 2025	–	186	–	186

The Company

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	–	–	–	–
— Impairment losses recognised, net of reversal	–	–	–	–
As at 31 December 2023	–	–	–	–
— Impairment losses recognised, net of reversal	–	14	–	14
As at 31 December 2024	–	14	–	14
— Impairment losses recognised, net of reversal	–	9	–	9
As at 31 December 2025	–	23	–	23

(d) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, which is generated primarily from operating activities.

The table below analyses the Group's and the Company's financial liabilities and lease liabilities that will be settled into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group

	Weighted average interest rate	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023							
Trade and bills payables		96,100	–	–	–	96,100	96,100
Other payables		34,929	–	–	–	34,929	34,929
Lease liabilities	6.27%	2,359	1,619	2,597	3,954	10,529	8,345
		133,388	1,619	2,597	3,954	141,558	139,374
As at 31 December 2024							
Trade and bills payables		139,008	–	–	–	139,008	139,008
Other payables		31,383	–	–	–	31,383	31,383
Lease liabilities	6.29%	2,313	1,660	1,862	3,317	9,152	7,373
		172,704	1,660	1,862	3,317	179,543	177,764
As at 31 December 2025							
Trade and bills payables		168,708	–	–	–	168,708	168,708
Other payables		38,400	–	–	–	38,400	38,400
Lease liabilities	6.21%	2,170	1,244	2,042	2,589	8,045	6,495
		209,278	1,244	2,042	2,589	215,153	213,603

The Company

	Weighted average interest rate	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023							
Trade and bills payables		108,199	–	–	–	108,199	108,199
Other payables		110,063	–	–	–	110,063	110,063
Lease liabilities	6.18%	1,534	1,020	781	–	3,335	3,099
		219,796	1,020	781	–	221,597	221,361
As at 31 December 2024							
Trade and bills payables		138,467	–	–	–	138,467	138,467
Other payables		171,945	–	–	–	171,945	171,945
Lease liabilities	6.21%	1,714	1,070	–	–	2,784	2,656
		312,126	1,070	–	–	313,196	313,068
As at 31 December 2025							
Trade and bills payables		168,030	–	–	–	168,030	168,030
Other payables		200,728	–	–	–	200,728	200,728
Lease liabilities	6.39%	1,070	–	–	–	1,070	1,041
		369,828	–	–	–	369,828	369,799

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the finance team of the Company performs the valuation, including establish the appropriate valuation techniques and inputs to the model.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

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

- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

Fair value of financial instruments that are measured at fair value on a recurring basis

The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation techniques and inputs used).

	The Group			The Company					
	Fair value as at December 31,			Fair value as at December 31,					
	2023	2024	2025	2023	2024	2025	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*			
Bills receivables at FVTOCI	54,914	18,240	12,424	52,929	18,082	12,281	Level 3	Cash flow discounted using risk-adjusted discount rate	Expected future cash flows and risk-adjusted discount rate

Reconciliation of Level 3 fair value measurements

	The Group	The Company
	Bills receivables at FVTOCI	Bills receivables at FVTOCI
	RMB'000	*RMB'000*
As at 1 January 2023	26,155	25,780
Addition	54,933	52,948
Fair value change in other comprehensive income	(19)	(19)
Settlement	(26,155)	(25,780)
As at 31 December 2023	54,914	52,929
Addition	18,230	18,072
Fair value change in other comprehensive income	10	10
Settlement	(54,914)	(52,929)
As at 31 December 2024	18,240	18,082
Addition	12,437	12,294
Fair value change in other comprehensive income	(13)	(13)
Settlement	(18,240)	(18,082)
As at 31 December 2025	12,424	12,281

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of the Group's and Company's financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values at the end of each reporting period.

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Short-term borrowings	**Other payables**	**Lease liabilities**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	100,000	131	5,556	105,687
Financing cash flows	(100,000)	(471)	(2,538)	(103,009)
New leases	–	–	5,120	5,120
Termination of leases	–	–	(243)	(243)
Interest expenses accrued	–	340	450	790
At 31 December 2023	–	–	8,345	8,345
At 1 January 2024	–	–	8,345	8,345
Financing cash flows	–	–	(3,054)	(3,054)
New leases	–	–	1,577	1,577
Interest expenses accrued	–	–	505	505
At 31 December 2024	–	–	7,373	7,373
At 1 January 2025	–	–	7,373	7,373
Financing cash flows	–	–	(2,694)	(2,694)
New leases	–	–	1,391	1,391
Interest expenses accrued	–	–	425	425
At 31 December 2025	–	–	6,495	6,495

37. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the Historical Financial Information, the following significant transactions and balances were carried out between the Group and its related parties during the Track Record Period.

Name of related parties	Relationship with the Group
Oilfield Services	Parent company
Anton Kazakhstan Branch	Fellow subsidiary
Antonoil DMCC Chad	Fellow subsidiary
Antonoil International FZE	Fellow subsidiary
Antonoil Services DMCC	Fellow subsidiary
Anton Oilfield Services International Co., Ltd.	Fellow subsidiary
Anton Oilfield Services DMCC	Fellow subsidiary
Anton Oilfield Services (Group) Ltd. (安東石油技術(集團)有限公司)	Fellow subsidiary
Anton Tong'ao Technology Industry Co., Ltd. (安東通奧科技產業股份有限公司)	Fellow subsidiary
Shandong Precede Petroleum Technology Co., Ltd. (山東普瑞思德石油技術有限公司)	Fellow subsidiary
Shanshan County Anton Petroleum Technology Service Co., Ltd. (鄯善縣安東石油技術服務有限責任公司)	Fellow subsidiary
Sichuan Anhui Oil & Gas Engineering Technology Service Co., Ltd. (四川安匯油氣工程技術服務有限公司)	Fellow subsidiary
Sichuan Anton Oil & Gas Engineering Service Co., Ltd. (四川安東油氣工程技術服務有限公司)	Fellow subsidiary
Sichuan Michimori Drilling Engineering Co., Ltd. (四川通盛鑽探工程有限公司)	Fellow subsidiary
Suining Anheng Industrial Co., Ltd. (遂寧市安恒實業有限公司)	Fellow subsidiary
Suining Xingyuan Oil and Gas Engineering Technology Service Co., Ltd. (遂寧興源油氣工程技術服務有限公司)	Fellow subsidiary
Xinjiang Anton Petroleum Technology Service Co., Ltd. (新疆安東石油技術服務有限責任公司)	Fellow subsidiary
Xinjiang Peng'an Energy Technology Co., Ltd. (新疆鵬安能源科技有限責任公司)	Associate of fellow subsidiary

(a) Significant related party transactions

The following transactions and balances were carried out between the Group and its related parties during the Track Record Period. In the opinion of the Directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Provision of services to related parties

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fellow subsidiaries	42,193	33,427	38,542

Receipt of services from related parties

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fellow subsidiaries	652	4,719	3,996

(b) Outstanding balances with related parties:

Trade receivables

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fellow subsidiaries	27,718	36,508	33,900
Associate of fellow subsidiary	1,298	479	479
Parent company	3	3	3
Total	29,019	36,990	34,382

Trade and bills payables

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fellow subsidiaries	803	4,498	7,408

Other payables and accruals

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fellow subsidiaries	243	321	614

(c) Compensation of key management personnel of the Group:

The remuneration of directors and other key management personnel is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Short-term employee benefits	4,604	4,692	6,676
Share-based payments	58	714	1,912
Total	4,662	5,406	8,588

The remuneration of directors and other key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

During the Track Record Period and as at the date of this report, the Company has direct and indirect shareholding/equity interests in the following principal subsidiaries:

Name of subsidiaries	Place of establishment and operation	Date of establishment	Issued and fully paid registered capital	Equity interest attributable to the Company				Principal activities
				At 31 December			[Date of the report]	
				2023	2024	2025		
Directly held:								
Xinjiang Foyou Petroleum Engineering Construction Co., Ltd. (新疆佛友石油工程建設有限責任公司)	PRC	22 December 2006	RMB35,000,000	100%	100%	100%	[100%]	Oilfield services
Fuyou Inspection Technology (Sichuan) Co., Ltd. (賦友檢測技術(四川)有限公司)(previously known as 安東檢測有限公司)	PRC	13 March 2014	RMB50,000,000	100%	100%	100%	[100%]	Oilfield services
TALL GLOBAL DMCC	The United Arab Emirates	2 July 2012	USD5,000,000	100%	100%	100%	[100%]	Oilfield services
Indirectly held:								
ANTON Instrument Inspection Co., Ltd. (安東儀器儀表檢測有限公司)	PRC	23 January 2009	RMB50,000,000	100%	100%	100%	[100%]	Oilfield services

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Notes:

(i) The English translation of the names of the above companies established in the PRC is for reference only. The official names of these entities are in Chinese.

(ii) All companies now comprising the Group have adopted 31 December as their financial year end.

(iii) None of the subsidiaries had any debt securities outstanding as at December 31, 2023, 2024 and 2025 or at any time during the Track Record Period.

(iv) The statutory financial statements of the Group's principal subsidiaries were prepared in accordance with Chinese Accounting Standard for Business Enterprises or IFRS Accounting Standards, the statutory financial statements for below subsidiaries for each of the years ended 31 December 2023, 2024 and 2025 were audited by following certified public accountants registered in the PRC or The United Arab Emirates:

Name of Companies	Year ended 31 December 2023
Xinjiang Foyou Petroleum Engineering Construction Co., Ltd.	Bazhou Zhonghe United Certified Public Accountants (General Partnership) (巴州眾和聯合會計師事務所(普通合夥))
Fuyou Inspection Technology (Sichuan) Co., Ltd.	Chengdu Jiaxin Certified Public Accountants Co., Ltd (成都佳信會計師事務所有限責任公司)
ANTON Instrument Inspection Co., Ltd.	Chengdu Jiaxin Certified Public Accountants Co., Ltd.
TALL GLOBAL DMCC	Abdulla Al Marzooqi Chartered Accountants L.L.C

Name of Companies	Year ended 31 December 2024
Xinjiang Foyou Petroleum Engineering Construction Co., Ltd.	Bazhou Zhonghe United Certified Public Accountants (General Partnership)
Fuyou Inspection Technology (Sichuan) Co., Ltd.	Sichuan Wanhao Public Accountants Co., Ltd. (四川萬豪會計師事務所有限責任公司)
ANTON Instrument Inspection Co., Ltd.	Sichuan Wanhao Public Accountants Co., Ltd.
TALL GLOBAL DMCC	Mehrotra & Associates Auditing Chartered Accountants L.L.C

Name of Companies	Year ended 31 December 2025
Xinjiang Foyou Petroleum Engineering Construction Co., Ltd.	Bazhou Zhonghe United Certified Public Accountants (General Partnership)
Fuyou Inspection Technology (Sichuan) Co., Ltd.	Sichuan Huaheng Certified Public Accountants Co., Ltd. (四川華衡會計師事務所有限責任公司)
ANTON Instrument Inspection Co., Ltd.	Sichuan Huaheng Certified Public Accountants Co., Ltd.

(v) Other than mentioned in (iv), no audited financial statements of other principal subsidiaries have been prepared since there are no statutory audit requirements in those jurisdictions or the corresponding statutory audits have not been completed.

39. SUBSEQUENT EVENTS

There was no significant event subsequent to 31 December 2025 that need to be disclosed.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.