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Sinopec Oilfield Service Corporation

(a joint stock limited company established in the People's Republic of China)
(Stock code: 1033)

Announcement on Annual Results in 2025

The board of directors (the “**Board**”) of Sinopec Oilfield Service Corporation (the “**Company**”) and its directors (the “**Director(s)**”) and senior management warrant that there are no false representations, misleading statements or material omissions in this announcement and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this announcement. The content of the annual results is extracted from the 2025 annual report (the “**Annual Report**”). In order to understand the full content, the investors should read the Annual Report for more details.

The Board of the Company hereby presents the audited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025.

1. COMPANY PROFILE

- | | |
|----------------------------|---|
| (1). Legal name: | 中石化石油工程技術服務股份有限公司 |
| English name: | Sinopec Oilfield Service Corporation |
| Chinese abbreviation: | 石化油服 |
| Abbreviation: | SSC |
| (2). Legal representative: | Mr. Wu Baizhi |
| (3). Registered address: | 22#, Chaoyangmen North Street, Chaoyang District, Beijing,
The People's Republic of China (“ China ” or the “ PRC ”) |
| Office address: | 9#, Jishikou Road, Chaoyang District, Beijing, P.R. China |
| Postal code: | 100728 |
| Telephone: | 86-10-59965998 |
| Fax: | 86-10-59965997 |
| Internet website: | http://ssc.sinopec.com |
| E-mail: | ir.ssc@sinopec.com |

- (4). Secretary to the Board: Mr. Ke Yuehua
Company Secretary /
Securities affairs representative: Mr. Shen Zehong
Address: 9#, Jishikou Road, Chaoyang District, Beijing, P.R.
China Office of the Board
Telephone: 86-10-59965998
Fax: 86-10-59965997
E-mail: ir.ssc@sinopec.com
- (5). Domestic newspapers to disclose information: China Securities Journal, Shanghai Securities
News, and Securities Times
Website designated by HKSE to disclose information: <http://www.hkexnews.hk>
Website designated by the China Securities Regulatory
Commission ("CSRC") to publish the Annual Report: <http://www.sse.com.cn>
Place where the Annual Report available for inspection: Office of the Board of the Company
- (6). Places of listing, names and codes of the stock:
- H share: The Stock Exchange of Hong Kong Limited ("HKSE"
or "**Hong Kong Stock Exchange**")
Stock name: SINOPEC SSC
Stock code: 1033
- A Share: Shanghai Stock Exchange ("SSE")
Stock name: SSC
Stock code: 600871

2. PRINCIPAL FINANCIAL INFORMATION AND FINANCIAL INDICATORS

(1) Extracted from the financial statements prepared in accordance with International Financial Reporting Standards ("IFRS")

Unit: RMB'000

	As at 31 December				
	2025	2024	2023	2022	2021
Total assets	77,254,593	77,340,105	75,162,974	71,208,061	64,052,447
Total liabilities	67,988,891	68,691,303	67,139,772	63,778,327	57,190,930
Equity attributable to owners of the Company	9,265,702	8,648,802	8,023,202	7,429,734	6,861,517
Net assets per share attributable to owners of the Company (RMB)	0.49	0.46	0.42	0.39	0.36
Equity ratio of owners	11.99%	11.18%	10.67%	10.43%	10.71%
Return on net assets	7.52%	7.18%	7.18%	7.86%	2.05%
	For the year ended 31 December				
	2025	2024	2023	2022	2021
Revenue	80,712,178	81,096,178	79,980,939	73,772,688	69,533,053
Profit before income tax	1,235,993	1,121,548	915,207	837,162	451,181
Income tax expense	539,242	500,917	339,124	253,463	310,731
Profit attributable to owners of the Company	695,544	620,631	576,083	583,699	140,450
Basic and diluted earnings per share (RMB)	0.037	0.033	0.030	0.031	0.007

(2) Extracted from the financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises ("PRC ASBE")

2.1 Principal financial information

Unit: RMB'000

	For the year ended 31 December 2025	For the year ended 31 December 2024	Increase/ (Decrease) (%)	For the year ended 31 December 2023
Operating income	80,712,178	81,096,178	-0.5	79,980,939
Operating profit	1,228,560	1,036,512	18.5	899,969
Profit before income tax	1,199,290	1,132,523	5.9	928,340
Net profit attributable to equity shareholders of the Company	658,841	631,606	4.3	589,216
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	451,053	133,487	237.9	359,452
Net cash inflow from operating activities	6,645,946	3,100,854	114.3	5,576,913

	As at 31 December 2025	As at 31 December 2024	Year-on-year change (%)	As at 31 December 2023
Net assets attributable to shareholders of the Company	9,254,404	8,648,802	7.0	8,023,202
Total assets	77,254,593	77,340,105	-0.1	75,162,974

2.2 Principal financial indicators

	For the year ended 31 December 2025	For the year ended 31 December 2024	Year-on-year change (%)	For the year ended 31 December 2023
Basic earnings per share (RMB)	0.035	0.033	6.1	0.031
Diluted earnings per share (RMB)	0.035	0.033	6.1	0.031
Basic earnings per share deducted extraordinary gain and loss (RMB)	0.024	0.007	242.9	0.019
Weighted average return on net assets (%)	7.35	7.58	decreased by 0.23 percentage points	7.63
Weighted average return on net assets deducted extraordinary gain and loss (%)	5.03	1.60	increased by 3.43 percentage points	4.65

2.3 Extraordinary gain and loss items and amounts

Unit: RMB'000

Extraordinary gain and loss item	2025	2024	2023
Gain and loss on disposal of non-current assets	91,474	126,242	156,514
Government grants recognised in profit or loss during the year	98,286	43,987	83,467
Gain and loss from debt restructuring	70,217	28,110	34,011
In addition to the company's normal business-related effective hedging business, holding transactional financial assets, derivative financial assets, transactional financial liabilities, gains and losses on fair value changes arising from derivative financial liabilities, and investment income from the disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other creditor's rights investment	-	-	-1,020
Reversal of provision for impairment of receivables and contractual assets subject to separate impairment test	68,142	374,842	49,867
Other non-operating income and expenses excluding the aforesaid items	-71,653	45,169	-40,300
Tax effect	-48,678	-120,231	-52,775
Total	207,788	498,119	229,764

(3) Differences between the financial statements prepared in accordance with PRC ASBE and IFRS

Unit: RMB'000

	Net profit attributable to owners of the Company		Total equity attributable to owners of the Company	
	For the year ended 31 December 2025	For the year ended 31 December 2024	As at 31 December 2025	As at 31 December 2024

PRC ASBE	658,841	631,606	9,254,404	8,648,802
Adjustments under IFRS:				
Specific reserve (a)	36,703	-10,975	-	-
IFRS	695,544	620,631	9,254,404	8,648,802

Explanation of differences between domestic and foreign accounting standards:

(a) Special reserve

In accordance with the PRC ASBE, the safety production expenses withdrawn in accordance with national regulations are recorded in the current profit and loss and separately reflected in the special reserve in the owner's equity. When expenses related to production safety are incurred, the special reserve is directly offset. When using fixed assets related to production safety, the special reserve shall be written off according to the cost of forming the fixed assets, and the accumulated depreciation of the same amount shall be confirmed, and the relevant assets will no longer be depreciated in future periods. In accordance with the IFRS, expense expenditures are included in profit or loss when incurred, capital expenditures are recognized as fixed assets when incurred, and depreciation is accrued according to the corresponding depreciation method.

3. INFORMATION ON CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(1) Changes in the Company's share capital

Unit: shares

	Before the change		The increase or decrease on the change (+, -)					After the change	
	Amount	Percentage (%)	New shares issued	Bonus shares	Reserve transfer into shares	Others	Total	Amount	Percentage (%)
Shares with selling restrictions	-	-	-	-	-	-	-	-	-
Shares without selling restrictions	18,979,412,033	100.00	-	-	-	-22,366,200	-22,366,200	18,957,045,833	100.00
1. Ordinary shares in RMB	13,569,378,551	71.50	-	-	-	-22,366,200	-22,366,200	13,547,012,351	71.46
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	5,410,033,482	28.50	-	-	-	-	-	5,410,033,482	28.54
4. Others	-	-	-	-	-	-	-	-	-
Total of shares	18,979,412,033	100.00	-	-	-	-22,366,200	-22,366,200	18,957,045,833	100.00

(2) Information on shareholders

2.1 Number of shareholders

As at 31 December 2025, the number of shareholders of the Company was 144,626, including 144,321 holders of A shares and 305 registered holders of H shares. As at 16 March 2026, the latest practicable date prior to the publication of this announcement, the public float of the Company satisfied the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

As at 27 February 2026, the number of shareholders of the Company was 197,762, including 197,457 holders of A shares and 305 registered holders of H shares.

2.2 The shareholdings of the top ten shareholders of the Company

Shareholdings of the top ten shareholders						
Names of shareholders	Nature of shareholders	Changes of shareholdings ¹ (shares)	Number of shares held at the end of the reporting period (shares)	Percentage to total share capital (%)	Number of shares with selling restrictions (shares)	Number of shares pledged or frozen
China Petrochemical Corporation (“ China Petrochemical Corporation ”, “ CPC ” or “ Sinopec Group ”) ²	State-owned legal person	0	9,968,726,364	52.59	0	0
Hong Kong Securities Clearing Company (Nominees) Limited (“ HKSCC (Nominees) Limited ”) ³	Overseas legal person	160,000	5,397,595,694	28.47	0	0
China National Petroleum Corporation (“ CNPC ”)	State-owned legal person	0	759,170,000	4.00	0	0

Hong Kong Securities Clearing Company Limited ⁴	Others	692,864	69,376,375	0.37		
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	Others	1,524,696	59,975,569	0.32	0	0
Shanghai Tongneng Investment Holdings Co., Ltd.	Domestic non-state-owned legal person	-7,000,000	43,000,000	0.23	0	0
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.	Domestic non-state-owned legal person	-11,970,000	42,000,000	0.22	0	0
Li Feng	Domestic natural person	0	31,300,000	0.17	0	0
He Long	Domestic natural person	4,660,400	30,668,400	0.16	0	0
Anhui Zhongyi Zhengyuan Electronic Technology Co., Ltd.	Domestic non-state-owned legal person	-2,260,000	13,000,000	0.07	0	0
Shareholdings of top ten tradable shareholders of shares without selling restrictions						
Name of shareholders					Number of shares without selling restrictions held at the end of the reporting period (shares)	Types of shares
China Petrochemical Corporation					9,968,726,364	A Share
HKSCC (Nominees) Limited					5,397,595,694	H Share
CNPC					759,170,000	A Share
Hong Kong Securities Clearing Company Limited					69,376,375	A Share
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund					59,975,569	A Share
Shanghai Tongneng Investment Holdings Co., Ltd.					43,000,000	A Share
Anhui Yangguang InfoComm Electronic Technology Co., Ltd.					42,000,000	A Share
Li Feng					31,300,000	A Share
He Long					30,668,400	A Share
Anhui Zhongyi Zhengyuan Electronic Technology Co., Ltd.					13,000,000	A Share
Statement on the related relationship or activities in concert among the above-mentioned shareholders				The Company is not aware of any related relationship or acting in concert among the above-mentioned shareholders.		
Statement on repurchasing of special accounts among top ten shareholders				No		
Statement on the entrustment and waiver of voting rights by the above mentioned shareholders				Not applicable		

Note:

- As compared with the number of shares held as of 31 December 2024.
- Apart from directly holding 9,968,726,364 A shares of the Company, China Petrochemical Corporation also held 2,595,786,987 H shares of the Company through its wholly-owned subsidiary, Sinopec Century Bright Capital Investment Limited (“**Century Bright Company**”). Therefore, China Petrochemical Corporation directly and indirectly holds 12,564,513,351 shares of the Company, which represents 66.28% of the total shares of the Company.
- HKSCC (Nominees) Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, acting as an agent to hold H shares of the Company on behalf of other companies or individual shareholders.

4. Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited, acting as a nominee holder to hold A shares of the Company in the Shanghai Stock Exchange on behalf of the investors of the Hong Kong Stock Exchange.

(3) The interest or short position held by the substantial shareholders and other persons in the Company's shares or underlying shares

As at 31 December 2025, so far as the Directors and senior management of the Company are aware of, each of the following persons, not being a director or senior management of the Company, had an interest or short position in the Company's shares or underlying shares which is required to be disclosed to the Company and the HKSE under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO").

Name of shareholder	Number of shares held (shares)	Percent of shareholding in the Company's total issued share capital (%)	Percent of shareholding in the Company's total issued domestic shares (%)	Percent of shareholding in the Company's total issued H shares (%)	Short position
China Petrochemical Corporation	9,968,726,364 (A Share)	52.59	73.59	Not Applicable	-
	2,595,786,987 (H Share) ¹	13.69	Not Applicable	47.98	-
CNPC	759,170,000 (A share)	4.00	5.60	Not applicable	-
China State-owned Enterprise Structural Adjustment Fund Co., Ltd.	533,008,495 (H Share)	2.81	Not Applicable	9.85	-

Note: 1. China Petrochemical Corporation held 2,595,786,987 H shares of the Company through its wholly owned subsidiary Century Bright Company. China Petrochemical Corporation is deemed to be interested in the H shares held by Century Bright Company. The information is based on the notice from the substantial shareholder of the corporation filed by China Petrochemical Corporation with the Hong Kong Stock Exchange on 24 January 2018.

Save as disclosed above and so far as the Directors and senior management of the Company are aware of, as at 31 December 2025, no other person had an interest or short position in the Company's shares or underlying shares (as the case may be) which are required to be disclosed to the Company and the HKSE under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Hong Kong Listing Rules) of the Company.

(4) The controlling shareholder of the Company

Name of the controlling shareholder: China Petrochemical Corporation, holding 66.28% of the Company's shares directly and indirectly

Legal representative: Hou Qijun

Date of establishment: 14 September 1983

Registered capital: RMB 326.547 billion

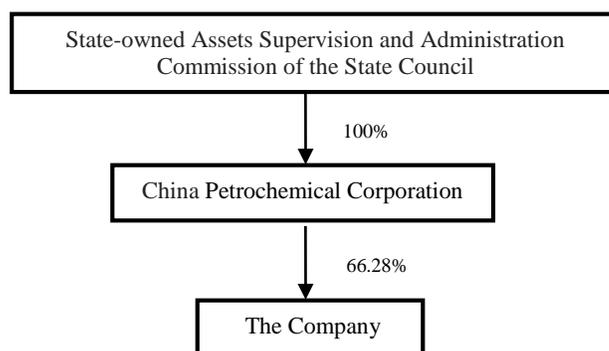
Principal activities: Upon the reorganisation in 2000, China Petrochemical Corporation injected its principal petroleum and petrochemical operations into China Petroleum & Chemical Corporation ("Sinopec"), and retained operations in certain smaller scale petrochemical facilities and refineries, provision of well drilling services, oil-testing services, in-well operation services, manufacture and maintenance of production equipment, engineering construction, water, electricity and other utility services and social services, etc.

During the reporting period, the controlling shareholder of the Company did not change.

(5) The de facto controller of the Company

The de facto controller of the Company remains to be China Petrochemical Corporation.

(6) The diagram of the property and control relationship between the Company and the de facto controller



Note: Apart from directly holding 9,968,726,364 A shares of the Company, China Petrochemical Corporation also holds 2,595,786,987 H shares of the Company through Century Bright Company. Therefore, China Petrochemical Corporation directly and indirectly held 12,564,513,351 shares of the Company, which represents 66.28% of the total issued shares of the Company.

4. DIRECTORS AND SENIOR MANAGEMENT

(1) Information on interests in share and remuneration of Directors and senior management

Name	Position	Gender	Age	The beginning of the term	The end of the term	Number of shares at the beginning of the year	Number of shares at the end of the year	Reason for change	Salaries from the Company during reporting period (RMB) (before taxation)	Whether get payment from related party of the Company
Wu Baizhi	Chairman Executive Director	male	55	12 June 2024	11 June 2027	0	0	No Change	932,860	No
Zhang Jiankuo	General Manager	male	51	8 December 2023	11 June 2027	0	0	No Change	894,935	No
	Executive Director			12 June 2024						
Wang Minsheng	Non- Executive Director	male	52	18 December 2025	11 June 2027	0	0	No Change	-	Yes
Zhang Lili	Non- Executive Director	female	51	12 June 2024	11 June 2027	0	0	No Change	-	Yes

Du Kun	Non-Executive Director	male	47	12 June 2024	11 June 2027	0	0	No Change	-	Yes
Zheng Weijun	Independent Non-Executive Director	male	59	2 February 2021	1 February 2027	0	0	No Change	200,000	No
Wang Pengcheng	Independent Non-Executive Director	male	55	12 June 2024	11 June 2027	0	0	No Change	200,000	No
Liu Jiangning	Independent Non-Executive Director	female	46	12 June 2024	11 June 2027	0	0	No Change	200,000	No
Zhang Congbang	Deputy General Manager	male	55	8 December 2023	11 June 2027	0	0	No Change	1,019,159	No
Cheng Zhongyi	Chief Financial Officer General Counsel	male	49	27 April 2021	11 June 2027	0	0	No Change	806,492	No
Sun Bingxiang	Deputy General Manager	male	54	3 August 2021	11 June 2027	50,300	50,300	No Change	782,947	No
Ke Yuehua	Secretary to the Board	male	55	20 August 2024	11 June 2027	0	0	No Change	794,212	No
Xu Keyu	Former Non-Executive Director	male	37	12 June 2024	8 July 2025	0	0	No Change	-	No

Note:

1. Mr. Wu Baizhi, Mr. Zhang Jiankuo, Mr. Zhang Congbang, Mr. Cheng Zhongyi, Mr. Sun Bingxiang and Mr. Ke Yuehua all received 12 months of salary in 2025, Mr. Zheng Weijun, Mr. Wang Pengcheng and Ms. Liu Jiangning received 12 months of director's fee in 2025.

(2) Qi Xin Gong Ying Scheme participated by Directors, former supervisors and senior management

On 25 January 2018, the Company non-publicly issued 1,503,568,702 and 23,148,854 shares of restricted-sale A shares to the China Petrochemical Corporation and the Qi Xin Gong Ying Scheme respectively. Qi Xin Gong Ying Scheme is managed by Changjiang Pension Insurance Co., Ltd., and its shares shall be subscribed by certain Directors, former supervisors, senior management and other core management personnel of the Company. The number of subscribers is 198, and the subscription amount is RMB60.65 million in total. The subscription price for each scheme unit under Qi Xin Gong Ying Scheme is RMB1.00. The duration of Qi Xin Gong Ying Scheme is 48 months commencing from 25 January 2018, and the first 36 months shall be the lock-up period and the last 12 months shall be the unlocking period. On 25 January 2021, the lock-up period of 23,148,854 A shares held by Qi Xin Gong Ying Scheme with limited selling conditions ended and was listed for trading. In 2021, a total of 11,574,427 A shares were sold through centralized bidding by Qi Xin Gong Ying

Scheme, and in 2025, Qi Xin Gong Ying Scheme reduced its holding of 11,574,427 A shares through centralized bidding. As at the end of the reporting period, Qi Xin Gong Ying Scheme did not hold any A shares of the Company and had completed the liquidation.

3. Changes in Directors, supervisors and Senior Management

Name	Position	Change	Reasons for change
Wang Minsheng	Non-executive director	Election	Elected at the general meeting
Xu Keyu	Former non-executive director	Resigned	Adjustment of his work
Wang Jun	Former chairman of the supervisory committee (the “ Supervisory Committee ”)	Resigned	Abolition of the Supervisory Committee
Zhang Kun	Former supervisor	Resigned	Abolition of the Supervisory Committee
Zhang Xiaofeng	Former supervisor	Resigned	Abolition of the Supervisory Committee
Li Wei	Former supervisor	Resigned	Abolition of the Supervisory Committee
Zhang Zonglin	Former employee representative supervisor	Resigned	Abolition of the Supervisory Committee
Zhang Bailing	Former employee representative supervisor	Resigned	Abolition of the Supervisory Committee
Wang Zhonghong	Former employee representative supervisor	Resigned	Abolition of the Supervisory Committee

On 8 July 2025, Mr. Xu Keyu resigned as the non-executive director of the Company due to change in his work. As the Resolution relating to the amendments to the Articles of Association and its appendices and the abolition of the Supervisory Committee was considered and approved at the first extraordinary general meeting of the Company in 2025, Mr. Wang Jun, the chairman of the eleventh session of the Supervisory Committee, Mr. Zhang Kun, Mr. Zhang Xiaofeng and Mr. Li Wei, the supervisors, and Mr. Zhang Zonglin, Mr. Zhang Bailing and Mr. Wang Zhonghong, the employee representative supervisors, resigned their positions respectively with immediate effect from 18 December 2025.

The Company expresses its sincere gratitude to Mr. Xu Keyu, Mr. Wang Jun, Mr. Zhang Kun, Mr. Zhang Xiaofeng, Mr. Li Wei, Mr. Zhang Zonglin, Mr. Zhang Bailing and Mr. Wang Zhonghong for their hard work and important contributions during their tenure.

After the election by the shareholders at the first extraordinary general meeting of the Company in 2025 held on 18 December 2025, Mr. Wang Minsheng was elected as director of the eleventh session of the board, with a term of office commencing from 18 December 2025 to the date when the term of the eleventh session of the Board expires (11 June 2027). Mr. Wang Minsheng confirmed that he understood his obligations as a director of a listed company and has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 18 December 2025.

(4) Directors’, former supervisors’ and Chief Executive’s interests in the shares of the Company

As at 31 December 2025, the Company’s deputy general manager Mr. Sun Bingxiang as a beneficial owner held 50,300 A shares of the Company, representing 0.00037% of the A shares in issue of the Company and 0.00027% of shares in issue of the Company. Save as the above and Qi Xin Gong Ying Scheme disclosed above,

none of the directors, former supervisors or other senior management of the Company had any interest or short position in any share, underlying share or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors, supervisors and senior management of the Company are taken or deemed to have under such provisions of the SFO), or as recorded in the registry by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Hong Kong Listing Rules.

5. REPORT OF THE BOARD

Financial information, except where specifically noted, contained herein has been extracted from the financial statements prepared in accordance with the PRC ASBE.

(1) Discussion and analysis of operation during the reporting period

1.1 Annual results

In 2025, in the face of the severe situation of increasing difficulties and pressures and increasing risks and challenges, the Company firmly set its goals, worked hard, made every effort to strengthen technology, reduce costs, expand markets and prevent risks, achieved steady growth in business performance, achieved positive results in high-quality development, and successfully completed the “14th Five-Year Plan”.

In 2025, the Company’s consolidated revenue was RMB80.71 billion, representing a year-on-year decrease of 0.5%. Despite the year-on-year decrease in revenue, the Company continued to improve its profitability through measures such as strengthening technological innovation and deepening the optimization of internal resources, the gross profit margin of the Company was 8.1%, representing a year-on-year increase of 0.3 percentage point. Net profit attributable to shareholders of the Company amounted to RMB 660 million, representing a year-on-year increase of 4.3%. Basic earnings per share was RMB0.035, representing a year-on-year increase of RMB0.002. Net cash generated from operating activities amounted to RMB6.65 billion, representing a year-on-year increase in net inflow of RMB3.55 billion. The financial position of the Company was stable and positive.

1.2 Market review

In 2025, the international oil price has shown a volatile downward trend under the guidance of loose supply and demand, the average spot price of Brent crude oil in the North Sea was \$69.14 per barrel, down by 14.1% from the previous year. China's economy maintained a momentum of steady and progressive development, and the annual gross domestic product (GDP) exceeded RMB 140 trillion for the first time, an increase of 5.0% over the previous year, which led to the rigid growth of domestic energy demand. The domestic strategy of ensuring energy security has been pushed forward in depth, the “seven-year action plan” for increasing oil and gas reserves and production has been successfully concluded, and the production of crude oil and natural gas has steadily increased. In the past year, domestic oil service enterprises seized market opportunities and continued to strengthen key core technology innovation and operation capacity building. While ensuring domestic energy supply, the international layout has made positive progress, and the industry as a whole has maintained a good development trend. Affected by the above factors, the amount of newly signed contracts, the team utilization rate and the workload of major businesses of the Company achieved the increase in varying degrees.

1.3 Operations review

In 2025, the total cumulative amount of newly signed contracts of the Company reached RMB95.6 billion, representing a year-on-year increase of 4.8%, the best level since the beginning of history, of which the newly signed contracts in the China Petrochemical Corporation’s market amounted to RMB50.3 billion, representing a year-on-year increase of 7.0%; the newly signed contracts in domestic external markets amounted to RMB18.6 billion, representing a year-on-year decrease of 6.5%; the newly signed contracts in overseas markets amounted to RMB26.7 billion, representing a year-on-year increase of 9.9%. The Company made every effort

to expand the market scale and optimize the business structure, and the proportion of overseas market and high value-added business continued to increase. The Company continued to strengthen technological innovation, and accelerated breakthroughs in key core technologies, further optimized its core resources such as manpower and equipment, resulting in a decrease in costs and expenses year by year. The Company continued to enhance its engineering and technical service capabilities, resulting in a steady increase in the footage of a single drilling crew and a steady increase in construction efficiency. The annual production and operation remained safe and stable, and the level of operation efficiency was improved, which strongly supported the increase of oil and gas reserves and production efficiency.

1.3.1 Geophysical services

In 2025, the Company's operation revenue from the principal business of geophysical service was RMB5.72 billion, representing a decrease of 3.1% from RMB5.90 billion in the same period of the previous year. The completed 2D seismic exploration accumulated for 8,411 kilometers in the year, representing a year-on-year increase of 44.1%; while the completed 3D seismic exploration accumulated for 13,223 square kilometers, representing a year-on-year decrease of 15.2%. The pass rate of 2D and 3D records was 100%, and the proportion of the seismic data acquired with first-grade quality was 4.5 percent points higher than required by the contracts. Panhe 3D, West of Ruoqiang 3D and West of Maichen 3D received the Outstanding Engineering Award for Major Discoveries in Oil and Gas Exploration of CPC. A number of new geophysical exploration technologies, such as plateau seismic technology and high-density seismic exploration across all nodes on complex surfaces, were promoted and applied, effectively improving service quality and production efficiency. The total market value of new geophysical exploration businesses (wellbore seismic, pipeline, surveying and mapping, gravity, magnetism and electricity, as well as environmental energy conservation) has maintained a growth trend over the past five years, with newly signed contracts amounting to RMB770 million, a year-on-year increase of 47.7%. The BeiDou application business is on a fast track, with newly signed contracts amounting to RMB220 mbillion, a year-on-year increase of 65.2%.

1.3.2 Drilling service

In 2025, the Company's operation revenue from the principal business of drilling service was RMB36.85 billion, representing a decrease of 8.3% from RMB40.18 billion in the same period of the previous year. Our completed drilling footage reached 11.15 million meters, representing a year-on-year increase of 1.6%. The Company optimized drilling equipment configuration, increased the electrification and automation upgrades of drilling rigs, coordinated the promotion of new production organization models, and vigorously promoted modular relocation and remote construction, further improving drilling efficiency. The average drilling cycle of completed wells was shortened by 10.0% year-on-year, and the time on complex failures was reduced by 11.3% year-on-year. The SHZ4-7X well reached a drilling depth of 8,476 meters with a drilling cycle of 59.63 days, setting a new record for the shortest drilling cycle for a well completed at 8,000m-8,500m by Sinopec. The horizontal section of the Jiaoye 44-Z5HF well reached 5,442 meters, setting a new record for the longest horizontal section of a Sinopec's horizontal well. Despite the increase in average well depth year-on-year, the drilling footage per team reached 21,900 meters, an increase of 1.9% year-on-year, with a steady increase in operational capacity. The annual drilling team utilization rate reached 90.6%, representing a year-on-year increase of 0.1 percentage point.

1.3.3 Logging/Mud logging service

In 2025, the Company's operation revenue from the principal business of logging and mud logging service was RMB3.80 billion, representing an increase of 5.8% from RMB3.59 billion in the same period of the previous year. Our completed logging projects had a total of 268.28 million standard meters, representing an increase of 0.7% year-on-year. Our completed mud logging projects had a total footage of 8.98 million meters, representing an increase of 5.8% year-on-year. The pass rate of logging and mud logging data was 100% and the one-time success rate of logging was above 97%. The Company continued to increase its investment in scientific research, achieving breakthroughs in several key technologies and steadily improving its service capabilities in logging, mud logging and directional drilling. The self-sufficiency rate of high-end instruments such as rotary steerable systems increased to 80%. Leveraging the advantages of resource concentration, the Company deeply participated in geo-engineering integration business, and was committed to obtaining complete and accurate data, precisely discovering and evaluating oil and gas reservoirs, in order to make every effort to ensure safe,

high-quality and fast drilling and completion, and improve the drilling encounter rate of reservoirs, thereby helping to optimize well site deployment and accelerate drilling projects, and providing strong support for high-quality exploration and efficient development.

1.3.4 Downhole operation service

In 2025, the Company's operation revenue from the principal business of downhole operation service was RMB10.97 billion, which was the same as RMB10.97 billion in the same period of the previous year. It completed downhole operation for 5,981 wells, representing an increase of 4.5% year-on-year. The one-time pass rate of downhole operation was 99.7%, the efficiency of fracturing construction increased by 8.4% year-on-year. The Company continued to improve its technical support and service assurance capabilities for downhole operations, helping Sinopec achieve breakthroughs in exploration and development in multiple exploration areas. The cumulative oil production of Shengli Jiyang shale oil project exceeded 1.7 million tons, Tiebei 1 side HF well obtained a high-yield gas flow of 424,100 cubic meters per day at a vertical depth of 5,311 meters, and simultaneous fracturing was applied for the first time on the Jiaoye 45 platform in the Fuling work area, while the daily output of 4 shale gas wells in the Qiongzhusi Formation of Ziyang exceeded one million cubic meters. The cooperative development of difficult-to-use reserves improved in quality and expanded in scope. The scope of cooperation expanded from the east and southwest to the entire territory of CPC, and the types of cooperation expanded from conventional oil and gas to unconventional shale oil and gas. The total new production capacity of oil and gas equivalent of 2.554 million tons was built through cooperation throughout the year, with 105 drilling teams being revitalized, and drilling footage of 2.35 million meters being driven.

1.3.5 Engineering and construction service

In 2025, the Company's operation revenue from the principal business of engineering and construction service was RMB20.64 billion, representing an increase of 15.9% from RMB17.81 billion in the same period last year. In 2025, the cumulative value of newly signed contracts was RMB25.64 billion, representing an increase of 2.1% year-on-year. In 2025, key projects undertaken by the Company, such as Hongxing Purification Station, Xinglong Purification Station and Dongying Crude Oil Commercial Reserve put into operation successfully, providing strong support for the development of key oil and gas fields of CPC. The Daniudi ethane recovery project, the first self-developed high-efficiency ethane recovery and LNG co-production project, has commenced operation and achieved an ethane recovery rate of over 95%. The long-distance pipeline market of PipeChina is the main market of the Company. Among which, the Fourth West-East Gas Pipeline and the middle section of the Third West-East Gas Pipeline have been successfully put into operation, while key projects such as the Second Sichuan-to-East Gas Transmission Pipeline, Changshi Pipeline and Zhundong Pipeline were progressing comprehensively. These projects continued to operate at a high quality, laying a solid foundation for future market development. The Company won the bids for multiple sections, such as the Changshi Pipeline and the Jiangsu-Anhui-Henan Pipeline, with a total pipeline length of over 2,500 kilometers. The total value of the bids won exceeded RMB10 billion for two consecutive years, and the Company successfully entered the domestic 1.4-meter large-diameter pipeline construction team for the first time. The Company actively cultivated new business growth points, winning bids for key road and bridge projects in Jiangsu Province, and undertaking two large water-sealed rock cavern projects with a contract value of over RMB640 million.

1.3.6 International business

In 2025, the Company's operation revenue from the principal business of international business service was RMB20.01 billion, representing an increase of 10.5% from RMB18.10 billion in the same period of the previous year, accounting for 25.2% of the revenue from our principal business, with a year-on-year increase of 2.6 percentage points. In 2025, the Company continued to deepen its presence in overseas markets, striving to expand market scale and increase the proportion of high-value-added businesses, thereby driving steady growth of overseas operating results. The Company continued to consolidate its traditional high-quality and large-scale markets such as Saudi Arabia, Kuwait and Ecuador, while vigorously expanding into emerging markets such as Iraq and Papua New Guinea. It secured new 10-year drilling rig extension contracts of RMB18.2 billion with

high-quality owners such as Saudi Aramco and Kuwait Petroleum Corporation, and won the bid of Total's general contracting project for phase II of RATAWI oilfield in Iraq with a value of RMB2.1 billion, extending its presence from pipeline construction to CPF. In Kuwait, the Company's first drilling general contracting project has delivered 20 wells, with the average drilling cycle 20% shorter than designed. The I-L-Y oilfield integrated service project in Ecuador continued to advance, with an annual oil production of 1.86 million barrels. The MGS project in Saudi Arabia won the "Best EPC Contractor Award" and the "Project Management Innovation Award". Several drilling and workover teams ranked among the top in the KPI assessment of Kuwait Petroleum Corporation, and the SINOPEC1503 team was awarded the title of Total's Best Onshore Drilling Team in the World.

1.3.7 Technology research and development

In 2025, the Company accelerated breakthroughs in key core technologies and industrialization, winning 14 provincial and ministerial-level science and technology awards, and applying for 1,078 domestic patents and 10 foreign patents. Sinopec developed and launched the first self-developed "Drilling (Yinglong) Scientific Drilling System," which has been applied in a total of 526 wells, achieving a comprehensive upgrade from experience-based drilling to scientific drilling. The system was recognized as Outstanding Case of Artificial Intelligence Technology in China's Oil and Gas Industry in 2025. The 260°C/206MPa ultra-high temperature and high pressure logging tool was included in the fifth batch of first-of-its-kind major technological equipment in the energy sector of the National Energy Administration, and the 200°C high-temperature direct-push storage micro-resistivity scanning imaging logging tool was included in the "Recommended Catalogue of Scientific and Technological Innovation Achievements of State-Owned Enterprises (2024 Edition)" released by the SASAC of the State Council. The "Jingwei Linghang" rotary steerable drilling system has reached the international advanced level as a whole and was the first in China to be applied in all scenarios. The temperature index has been raised from 150°C to 175°C, and the maximum build-up rate has reached 15.5° /30m. The rapid drilling technology for shale oil has been iteratively upgraded, and the shortest drilling cycle for shale oil in the Minfeng sag was reduced to 17.05 days. The scale development of four industrial bases for machinery and equipment, tools and instruments, chemical additives and petroleum engineering construction was accelerated, with an output value of RMB2.06 billion in 2025.

1.3.8 Internal reform and management

In 2025, the Company continued to coordinate and optimize its internal resources, vigorously promoted the reform of "optimizing one specialty, strengthening one business, building one region and optimizing two resources", made every effort to forge low-cost advantages and consolidate the foundation for high-quality development. We optimized and reshaped the downhole operation system, comprehensively promoted the "three-tier and two-level" structure, cancelled 35 institutions, merged 28 teams, which significantly improved the efficiency and efficiency. We comprehensively optimized the outsourcing business, established a whole-process outsourcing management and control platform, formulated three management and control lists of "prohibited, restricted and transferred", coordinated the centralized bidding of seven businesses such as transportation and power grid. We promoted the construction of the integrated demonstration area in Northwest China in an orderly manner, upgraded and transformed 37 automatic drilling rigs, and increased the efficiency of tripping operation by 25%, promoted the modular relocation of 85 teams, reduced the number of hoisting by 30%, and shortened the relocation cycle by 15.8%. In the past year, the Company deeply optimized the human resources and equipment resources, established a business contracting coordination center, and vigorously constructed 11 business contracting benchmark projects, of which the number of people in the Yangtze River Delta region rapidly exceeded 1,000, with an annual contracting output of 7,605 people and a revenue of RMB 660 million. Overall adjustment of drilling rig, top drive, high temperature orientation and other instruments and equipment, the comprehensive utilization rate of equipment was 92.9%, and the equipment rental cost was saved by 350 million yuan.

1.3.9 Capital expenditures

In 2025, the Company's actual completed capital expenditure was RMB3.45 billion, including the completion of fixed asset investment of RMB2.56 billion. In 2025, the Company strengthened the control over the boundary of investment scale, ensured the urgent needs of exploration and development were met through multiple channels, increased investment in areas such as equipment automation and digital and intelligent transformation, high-end instrument research and development, and new industry cultivation to support industrial transformation and upgrading. The main projects planned for the year included the upgrading and renovation of 18 drilling rigs, 7 fully automated workover rigs, 9 sets of rotary steerable instruments, 23 desert engineering vehicles, the construction of 1 dual-fuel support vessel and 1 geological survey vessel, as well as investment projects related to safety hazard control and environmental protection.

1.4 Financial analysis (Prepared in accordance with IFRS)

The Group's primary sources of funds are from operating activities, short-term and long-term borrowings, which are primarily used in operating expenses, capital expenditures and repayment of short-term and long-term borrowings.

1.4.1 Assets, liabilities and equity analysis

Total assets were RMB77,254,593,000, representing a decrease of RMB85,512,000 from that at the end of 2024, of which: current assets were RMB44,436,777,000, representing an increase of RMB1,016,809,000 as compared to the end of 2024, mainly due to the combined effect of an increase in cash and cash equivalents of RMB1,222,648,000, an increase in contract assets and performance costs of RMB312,828,000, a decrease in accounts receivable of RMB2,120,259,000 and an increase in financing receivables of RMB1,472,045,000. Non-current assets amounted to RMB32,817,816,000, representing a decrease of RMB1,102,321,000 as compared with the end of 2024, which was mainly due to a decrease of RMB106,742,000 in equity interest in a joint venture, a decrease in provision for depreciation of property, plant and equipment of RMB459,402,000, and provision for amortization decreased in other non-current assets of RMB432,925,000.

Total liabilities were RMB 67,988,891,000, representing a decrease of RMB702,412,000 from that at the end of 2024, of which: current liabilities amounted to RMB66,299,176,000, representing a decrease of RMB1,894,606,000 as compared to the end of 2024, which was mainly due to an increase of RMB5,575,031,000 in short-term borrowings, a decrease of RMB6,863,811,000 in bills and trade payables, and a decrease in contractual liabilities of RMB292,216,000. Non-current liabilities amounted to RMB1,689,715,000, representing an increase of RMB1,192,194,000 as compared to the end of 2024, which was mainly due to the combined effect of an increase in long-term borrowings of RMB1,144,107,000 and an increase in deferred income of RMB59,282,000.

Total equity attributable to owners of the Company was RMB9,254,404,000, an increase of RMB605,602,000 as compared with the end of 2024, mainly because the gains attributable to equity holders of the Company in 2025 achieved RMB695,544,000.

As at 31 December 2025, the ratio of total liabilities to total assets was 88.0% compared to 88.8% as at 31 December 2024.

1.4.2 Cash flow analysis

During the year ended 31 December 2025, the Group's net cash inflow from operating activities was RMB6,645,946,000, representing a decrease of cash outflow by RMB3,545,092,000 as compared with last year. The main reason is that increased efforts to collect receivables and improved settlement of owners' funds have led to an increase in cash received from the sale of goods and provision of services, while carrying out reverse factoring for suppliers and reclassifying operating cash payments to financing cash outflows have led to a decrease in cash outflows for the purchase of goods and receipt of services.

During the year ended 31 December 2025, the Group's net cash outflow for investing activities was RMB2,534,882,000, representing a decrease of cash outflow by RMB923,582,000 as compared with last year. The main reason is that the launch of supplier reverse factoring and the reclassification of investment cash payments to financing cash payments led to a year-on-year decrease in cash outflows for the acquisition and construction of fixed assets and other long-term assets.

During the year ended 31 December 2025, the Group's net cash outflow to financing activities was RMB2,835,109,000, representing an increase of cash outflow by RMB3,879,754,000 as compared with last year. The main reason is that the implementation of reverse factoring with suppliers and the reclassification of operating cash payments to financing cash payments have led to a year-on-year increase in cash outflows for debt repayment.

1.4.3 Bank and related company borrowings

As at 31 December 2025, the Company's bank and related company borrowings were RMB22,709,141,000 (31 December 2024: RMB22,713,925,000). The above borrowings were all fixed rate RMB short-term borrowings.

1.4.4 Assets pledge

As at year ended 31 December 2025, there was no pledge on the Group's assets.

1.4.5 Gearing ratio

As at 31 December 2025, the gearing ratio of the Group was 73.4% (31 December 2024: 69.8%). The gearing ratio is computed as the following formula: (liability with interest – cash & cash equivalents)/ (liability with interest – cash & cash equivalents + shareholders' equity)

1.5 Statement of operation by industries (in accordance with PRC ASBE)

Industry	Operating income for 2025 RMB'000	Operating cost for 2025 RMB'000	Gross profit margin (%)	Increase or decrease in operating income as compared with last year (%)	Increase or decrease in operating cost as compared with last year (%)	Gross profit margin compared with last year
Geophysical	5,715,378	5,204,126	8.9	-3.1	-3.2	The same
Drilling	36,849,733	34,364,355	6.7	-8.3	-8.4	Increased by 0.1 percentage points
Logging/Mud logging	3,799,081	3,125,883	17.7	5.8	5.7	The same
Downhole operation	10,966,129	10,118,449	7.7	0.0	-0.5	Increased by 0.4 percentage points
Engineering and construction	20,636,722	19,053,885	7.7	15.9	15.8	Increased by 0.1 percentage points
Other	1,426,207	1,421,043	0.4	-8.2	-7.7	Decreased by 0.5 percentage points

Total	79,393,250	73,287,741	7.7	-0.8	-1.0	Increased by 0.2 percentage points
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1.6 Statement of operation by regions (in accordance with PRC ASBE)

Region	Operating income for 2025 RMB'000	Operating cost for 2025 RMB'000	Gross profit margin (%)	Change in operating income as compared with last year (%)	Change in operating cost as compared with last year (%)	Gross profit margin compared with last year (%)
Mainland China	59,379,623	55,751,103	6.1	-4.1	-4.3	Increased by 0.2 percentage points
Hong Kong, Macau, Taiwan, and overseas	20,013,627	17,536,638	12.4	10.5	11.1	Decreased by 0.4 percentage points

1.7 Major suppliers and customers

Aggregate purchase amounts from the top five largest suppliers	RMB16,878,541,000	Percent of total purchase amounts	26.7%
Aggregate operating income of the top five largest customers	RMB63,904,090,000	Percent of total operating income	79.2%

(2) Discussion and analysis on the Company's business in the future

2.1 Competitive industry structure and development trend

Looking forward to 2026, the global demand for crude oil will remain stable, energy security will remain the core issue, and oil companies will continue to strengthen their oil and gas business. China's economy has the foundation and conditions to maintain stable and sound operation, domestic crude oil processing volume will remain high level, and the strategic position and role of oil and gas in China's current energy consumption structure will remain. In this case, it is expected that the investment in upstream exploration and development will remain stable, which is expected to ensure the prosperity of the oilfield service industry in a certain period of time. However, we also see that global oil demand is approaching its peak, market supply continues to be loose, downward pressure on oil prices is increasing, exploration and development targets are becoming increasingly complex, and engineering technology and equipment are facing challenges. Digital intelligence revolution and AI technology are profoundly reshaping the oil and gas industry, prompting oil service enterprises to strengthen information reinforcement, digital empowerment, intelligent upgrading, and accelerate high-end, intelligent and green transformation.

2.2 Operation plans in 2026

In 2026, the Company will take ensuring exploration and development as its main responsibility, focus on the three major tasks of ensuring safety, strengthening technology, improve quality and efficiency, and make every effort to carry out six key tasks of safety and environmental protection, support and guarantee, quality and benefit improvement, science industry and financing, reform and empowerment, and market development, so as to fully complete the annual target tasks, consolidate the foundation of high-quality development, and ensure a good start of the "15th Five-Year Plan". The Company plans to sign new contract to reach a yearly value of over RMB92.5 billion, in which RMB48.5 billion will be from China Petrochemical Corporation's internal

market, RMB18 billion from domestic external market, and RMB26 billion from overseas market. The Company puts emphasis on the following aspects:

2.2.1 Geophysical service

In 2026, the Company will continue to improve the I-BBS autonomous excitation system, node shelters, efficient offshore OBN acquisition and enhance the efficient acquisition capability in the field. Focus is placed on developing 5G node technology, intelligent seismic teams, video monitoring and other quality control methods to continuously improve data quality, and promoting the application of high-density seismic acquisition technology for complex surfaces, and upgrading and improving full-node seismic acquisition technology in order to help achieve breakthroughs in oil and gas exploration. The Company will accelerate the expansion of its wellbore seismic, gravity, magnetic and electrical business service chain, targeting the needs of unconventional and new energy exploration and development. It will also closely follow and analyze relevant national policies and the development plans of CPC, and plan ahead for businesses such as Beidou, environmental energy conservation and pipeline technical services. The Company will accelerate the development of emerging business closely related to geophysical exploration, such as “digital twins” and “artificial intelligence applications”, and actively plan to explore more markets. The annual plan for the full year is to complete 5,600 kilometers of 2D seismic acquisition and 12,300 square kilometers of 3D seismic acquisition.

2.2.2 Drilling Service

In 2026, the Company will closely follow the pace of exploration and development of CPC, dynamically optimize resources, iteratively upgrade technical equipment, innovate production organization models, and continuously improve team utilization rate and investment conversion rate, with drilling team utilization rate reaching over 85%. We will increase the application of low-cost technologies such as casing drilling to create workload through revolutionary speed increase and cost reduction, thereby shortening the drilling cycle for the year by 5% and increasing the annual drilling footage per drilling team by 2%. In domestic and external markets, we will continue to consolidate our market concentration in high-quality and large-scale markets such as CNPC, CNOOC and PipeChina, expand light-asset businesses such as high-temperature logging, rotary drilling and downhole tools, so as to increase the revenue share of the high-end markets. It is planned to complete a drilling footage of 10.85 million meters for the entire year.

2.2.3 Logging/Mud logging service

In 2026, the Company will continue to give full play to the advantages of integration of logging and geological engineering, accurately meet customer needs, innovate service modes, focus on building large-scale positions such as reservoir integration and block integration general contracting, and further promote the application of drilling optimization, rotary guide, tractor and other characteristic technologies, gradually promote remote monitoring and control construction mode in geothermal, coalbed methane and other markets, and strive to build low-cost competitiveness. The Company will focus on the national deep-sea and far-sea oil and gas exploration and development strategy, strengthen the marine geological monitoring and control center, and steadily expand the offshore oil service market. Aiming at overseas markets such as Kuwait and Saudi Arabia, the Company will accelerate the access and qualification review of directional and rotary guidance business, and realize the integrated development of logging and mud logging business. It is planned to complete logging for 254.55 million standard meters and logging footage of 8.47 million meters.

2.2.4 Downhole operation service

In 2026, the Company will adhere to the concept of professional development, continue to increase investment in low-cost technology research and application, promote the transformation of the production and organization model of downhole operation, so as to effectively improve operation and management efficiency. The Company will promote the application of 175MPa ultra-high pressure fracturing and testing equipment, fracturing infinite sliding sleeves, wellbore reconstruction refracturing technology and coiled tubing sidetracking technology, and continue to tackle the problems in oil and gas testing technology for “deep-earth engineering” well completion.

We will focus on supporting the large-scale production of Shengli, Fuxing and northern Jiangsu shale oil fields, ensuring the continued growth of natural gas production in key areas such as the Sichuan Basin, Tarim Basin and Ordos Basin, and improving the annual fracturing construction efficiency by 5% year-on-year. The Company will promote the quality improvement and expansion of cooperative development of difficult-to-use resources, focusing on promoting cooperative production of conventional oil and shale oil in the eastern region, tight gas and shale oil and gas in the Sichuan Basin, and tight oil and gas in the Ordos Basin, accelerating the utilization of reserves, with a view to effectively revitalizing the teams and increasing workload, and striving to increase the newly built capacity through cooperative development by 10% year-on-year. It is planned to complete downhole operations in 5,615 wells.

2.2.5 Engineering and construction service

In 2026, the Company will continue to leverage its advantages in specialization and integration to consolidate its leading position in the pipeline industry, actively cultivate the growth of emerging businesses, increase market share and maintain a stable share in high-quality markets. In the market of CPC, we will improve service quality and complete the construction of projects such as the pressure boosting project in the Dawan Block of Puguang Gas Field and the relocation and reconstruction project of Dashaba Oil Depot. In the domestic and external markets, we will focus on the construction of key long-distance pipeline projects, including the Second Sichuan-to-East Gas Transmission Pipeline, Changshi Pipeline, Zhudong Pipeline, the western section of the Ningbo-Shaoxing Trunk Line and section II of the Jiangsu-Anhui-Henan Trunk Line Project. We will also closely monitor projects such as the eight branch lines of the Hulin-Changchun Pipeline of PipeChina and Shandong Pipeline Network North Trunk Line (Phase II). In areas such as cavern energy storage, new wind and photovoltaic energy, hydrogen transportation and production, CCUS, jet fuel pipelines and marine engineering, we will accelerate the layout of emerging businesses and implement diversified and differentiated development strategies. It is planned to sign new contracts with the value of RMB20.6 billion for the full year.

2.2.6 International business

In 2026, the Company will focus on optimizing market layout and business transformation and upgrading, with a view to optimizing and strengthening mature markets, exploring and tackling potential markets, and comprehensively enhancing the competitiveness and sustainable development capabilities of international business. In the Saudi Arabian market, we will closely monitor new geophysical exploration projects tendered by Saudi Aramco, develop oil and gas pipeline and station upgrade projects on a rolling basis, and expand into municipal projects. In the Kuwait market, the Company will spare no effort in operating the drilling general contracting project in southern Kuwait and will use such project as a driving force to bring more technical service products into the Middle East market. In the Ecuadorian market, the Company will refine the management of drilling and completion turnkey projects, focusing on the integrated oilfield services projects of State Petroleum Company of Ecuador, actively expanding our scale and consolidating our market share. In the Mexican market, the Company will spare no effort in completing the bidding for the new 3D geophysical exploration projects and strive to win the bids for the well shutdown, production resumption and production maintenance projects. In the Uganda market, the Company will focus on Total's key TILENGA LPG projects, continuously deepen cooperation and strive to secure the implementation of subsequent EPC projects. In the Algerian market, the Company will target core owners, focus on drilling, unconventional oil and gas development and integrated services, and put more efforts in market expansion. In the Iraqi market, the Company will closely follow the investment direction of Chinese enterprises, deepen cooperative relationships, focus on the project information of key owners and actively participate in bidding.

2.2.7 Technology development

In 2026, the Company will adhere to its innovation-driven development strategy, focus on the exploration needs of "deepwater, deep earth, unconventional and mature fields", accelerate the tackling of national projects, including the major national science and technology projects for new oil and gas exploration and development, and the CPC's ten key projects, seek breakthroughs in key technologies and equipment, including coiled tubing drilling rig, casing-backed sonic logging and broadband node acquisition instruments, and make full efforts to

solve the bottleneck problems in exploration and development engineering. We will vigorously promote the application of new technologies, including rotary geological steering, fully automated welding of long-distance pipelines, full-node seismic acquisition and the Idrilling scientific drilling system, and scale up the transformation of 17 core products, including automatic equipment for drilling rigs and pipe strings, drilling fluid treatment agents and measurement-while-drilling instruments. We will strengthen digital and intelligent empowerment, accelerate the construction of the data resource center for petroleum engineering and the establishment of professional AI-based scenarios covering geophysical exploration, drilling, downhole operation, testing, logging and locating, and surface engineering, and create a number of digitalized and intelligent operation teams. We will carry out new businesses actively in the field of new energy, including the designing of Shengli Power Plant's million-ton carbon dioxide capture project, the preliminary designing of the Ulanqab-Beijing-Tianjin-Hebei hydrogen pipeline, designing and digital twin technology for photovoltaic power generation systems, deep-sea large-capacity floating wind power platforms and the production, storage, transportation and utilization of hydrogen energy, in order to cultivate new economic growth points.

2.2.8 Internal reform and management

In 2026, the Company will further optimize its core resources such as manpower and equipment, vigorously control costs and reduce expenses, and make every effort to enhance its low-cost development capability. Firstly, continue to promote slimming and fitness. We will accelerate the building of an “agile” organization, flatten the management level, continuously optimize the size of the team, and reduce more than 50 organizations and 30 teams throughout the year. Secondly, optimizing human resources in depth. The Company will revise the five major professional staffing standards, strengthen the regional sharing of technical personnel, increase cross-unit, cross-professional and cross-regional labor surplus and shortage adjustment efforts, adjust more than 12,000 people throughout the year, and contract about 10,000 people for business output. Thirdly, making overall plans to revitalize equipment assets. We will strengthen the overall planning of equipment and the repair of old and waste, make good use of the means of cooperation between industry and finance, revitalize 1,100 sets of equipment throughout the year, and reduce depreciation and amortization by RMB130 million. Fourthly, strengthening the management of outsourcing business. We will expand the scope of prohibited business, carry out centralized bidding for homogeneous business, improve bargaining power and reduce outsourcing costs. The annual plan is to tap the potential and reduce the cost by RMB800 million.

2.2.9 Capital expenditures

In 2026, the Company plans to arrange capital expenditure of RMB3.24 billion, including RMB2.41 billion in fixed assets and equity investments. The Company will closely follow the needs of exploration and development, continue to increase investment in major core equipment and core technology, mainly arrange 16 drilling rigs for renovation and transformation, purchase 100,000 geophysical node instruments, 30 fracturing equipment, self-developed 9 3D boundary detectors and rotary steering systems while drilling, and build an offshore drilling platform. The Company will actively optimize the investment structure, accelerate the pace of low-carbon green development, continue to promote the upgrading and transformation of core equipment electrification and automation, and increase investment in high-end and digital transformation. Meanwhile, the Company will improve the internal market-oriented operation mechanism, diversify and promote the adjustment and revitalization of high-value equipment to maximize the benefits.

(3) Profit distribution plan

In 2025, after the audit by BDO China Shu Lun Pan CPAs (LLP) and prepared in accordance with the PRC ASBE, the net profit attributable to shareholders of the Company is RMB 658,841,000 (in accordance with the IFRS, the net profit attributable to shareholders of the Company is RMB 695,544,000), and the parent company’s undistributed profit at the end of 2025 is RMB-1,811,287,000. Since the undistributed profit of the parent company at the end of the year is negative, the Board recommends that no cash dividend distribution will be made for the financial year 2025, nor will there be any capital reserve conversion share capital. The proposal is subject to consideration at the general meeting.

At the end of 2025, the parent company had an accumulated uncovered loss of RMB 1,811,287,000. In accordance with the Company Law of the People's Republic of China, Regulatory Guidelines for Listed Companies No. 3—Cash Dividends of Listed Companies and the relevant laws and regulations, the Company currently doesn't meet the prerequisites for implementing cash dividends. Please pay attention to the relevant investment risks. The Company will continue to strengthen its management and improve operational performance in the future.

6. SIGNIFICANT EVENTS

- (1) During this reporting period, the Company had no material litigation, arbitration and common doubts in the media.
- (2) During this reporting period, there was no occupancy of funds for non-operating purpose by the controlling shareholders and other related parties of the Company.
- (3) During this reporting period, there were no material acquisition or disposals of assets and merger and acquisitions activities of the Company.

(4) Information on connected transactions

The Company's significant connected transactions entered into during the year ended 31 December 2025 are as follows:

- (a) The significant connected transactions relating to ordinary operation during the reporting period are as follows:

The nature of the transaction	Related parties	Amount of transaction RMB'000	Proportion of the same type of transaction (%)
Purchase of raw materials and equipments	China Petrochemical Corporation and its associates	9,257,019	27.3
Providing engineering services	China Petrochemical Corporation and its associates	45,767,676	57.8
Providing engineering services	PipeChina	5,699,090	7.2
Comprehensive service expenditure	China Petrochemical Corporation and its subsidiaries	1,023,332	52.3
Technology and development income	China Petrochemical Corporation and its subsidiaries	303,740	96.5
Land and property lease expenses	China Petrochemical Corporation and its subsidiaries	477,262	98.5
Equipment rental expenses	China Petrochemical Corporation and its subsidiaries	204,467	41.2
Interest expenses	China Petrochemical Corporation and its associates	561,999	76.9
Loan obtained	China Petrochemical Corporation and its subsidiaries	31,990,000	96.6
Loan repaid	China Petrochemical Corporation and its subsidiaries	32,945,371	94.8
Safety production insurance fund expenses	China Petrochemical Corporation	85,600	100
Safety production insurance fund return	China Petrochemical Corporation	162,338	100

For details of the above continuing connected transactions conducted by the Company during the reporting period, please refer to the “Continuing connected transactions announcement” (P.2024-045) and “Estimation of Daily Related Transactions” (P.2025-011) disclosed in “China Securities Journal”, “Shanghai Securities News”, “Securities Times”, and on www.sse.com.cn on 27 September 2024 and 19 March 2025 and the “Continuing connected transactions and discloseable transactions with Sinopec Group”, “Continuing Related Transactions with PipeChina” disclosed on www.hkexnews.hk on 26 September 2024 and 18 March 2025.

The Company considers that the above connected transactions and selection of connected parties for transactions are necessary and the above transactions would continue to occur. The agreements of connected transaction are based on the needs of the Company’s operation and production and actual market situation. Provision of engineering services to PipeChina is a normal business transaction required for the Company’s day-to-day operating activities. Purchasing raw materials and equipment from China Petrochemical Corporation and its subsidiaries will ensure the stable and safe supply of the Company’s raw materials. Providing engineering service to China Petrochemical Corporation and its subsidiaries is decided by the history of the operating system of China’s petroleum development and by the history of China Petrochemical Corporation’s development, which also constitutes the Company’s main business income source. The loan borrowed from China Petrochemical Corporation can satisfy the financial needs of the Company under the situation of the fund shortage, which therefore is beneficial to the Company. The pricing of the above transactions was mainly based on the market price or contract price determined through open bidding or negotiation, reflecting the principle of fairness, justice and openness, which is beneficial to the development of Company’s main business, and ensure the maximization of the shareholder’s interests. The above connected transactions have no adverse effects on the profits of the Company or the independence of the Company.

The Company’s independent non-executive directors have reviewed all the Company’s continuing connected transactions, and concluded that the transactions were entered into (1) in the ordinary and usual course of business of the Company; (2) based on the normal commercial terms, if there were no comparable items, no less favourable than the terms provided to or received from an independent third party; (3) in accordance with the relevant agreements governing them in terms that are fair and reasonable, and in the interests of the Company’s shareholders as a whole; (4) the annual transaction amount of the above connected transactions did not exceed the approved relevant annual cap of each kind of connected transactions.

In accordance with Rule 14A.56 of the Hong Kong Listing Rules, the Company’s auditor issued its unqualified opinion letter regarding the Company’s disclosure of continuing connected transactions during the reporting period which contained its findings and conclusions.

Please refer to Note 10 of this year’s financial statements prepared in accordance with the PRC ASBE Standards of the related transactions conducted by the Company during the reporting period. Among them, the significant related party transactions with China Petrochemical Corporation and its associates also fall under the definition of connected transactions under Chapter 14A of the Hong Kong Listing Rules. During the reporting period, the connected transactions between the Company and China Petrochemical Corporation and its associates have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

(b) The following is non-operational connected claims and debts with related parties during the reporting period:

Unit: RMB '000

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

		amount			amount	
China Petrochemical Corporation and its subsidiaries	13,293,910	-520,062	12,773,848	8,705,683	-1,746,842	6,958,841
Sinopec Finance Company Limited	10,406	38,181	48,587	22,713,925	-9,112	22,704,813
Century Bright Company	561,265	601,273	1,162,538	0	0	0
Total	13,865,581	119,392	13,984,973	31,419,608	-1,755,954	29,663,654
Causes of connected claims and debts		Normal production and operation				
Influence of connected claims and debts on the Company		No material adverse effect				

(c) Material connected transactions of joint external investment

During the reporting period, the Company had no material connected transactions of joint external investment.

(d) The finance business between the Company and the financial company with connected relationship and between the Company's controlling financial company and the related parties.

a. Deposit business

Unit: RMB '000

Connected parties	Connected relation	Daily maximum deposit limit	Deposit rate	Beginning balance	For the twelve months ended 31 December 2025		Ending balance
					Total deposit in this period	Total withdrawal amount for this period	
Sinopec Finance Company Limited	Subsidiary of controlling shareholder	3,500,000	0.35%	10,406	382,066,080	382,027,899	48,587
Century Bright Company	Subsidiary of controlling shareholder		0.01%	561,265	31,829,308	31,228,035	1,162,538
Total	/	/	/	571,671	413,895,388	413,255,934	1,211,125

B. Loan business

Unit: RMB '000

Connected parties	Connected relation	Daily maximum deposit limit	Deposit rate scope	Beginning balance	For the twelve months ended 31 December 2025		Ending balance
					Total deposit in this period	Total withdrawal amount for the period	
Sinopec Finance Company Limited	Subsidiary of controlling shareholder	43,000,000	2.11%-2.70%	22,713,925	32,004,813	32,013,925	22,704,813

Century Bright Company	Subsidiary of controlling shareholder	250,000 thousand US dollars	TERM SOFR +1.21%	0	0	0	0
Total	/	/	/	22,713,925	32,004,813	32,013,925	22,704,813

C. Credit extension and other finance business

Unit: RMB '000

Connected parties	Connected relation	Business Type	Total Amount	Actual Amount
Sinopec Finance Company Limited	Subsidiary of controlling shareholder	Guarantees and bill credit	11,300,000	5,396,893

(5) During the reporting period, there were no trusteeship, contracting or leasing which would contribute profit to the Company of 10% or more of its total profits for the current period.

(6) Guarantee of the Company during the reporting period

Unit: RMB '000

External Guarantee provided by the Company (excluding Guarantees for Subsidiaries)													
Guarantor	Guaranteed person	Amount of guarantee	Date of guarantee (Agreement signing date)	The starting day	End date	Type of guarantee	Pledged thing	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount	Counter-guarantee	Whether to guarantee the related party	Related relationship
The Company	Mexico DS Company	1,932,569	17 June 2022	17 June 2022	The end time of annual meeting of shareholders for the year 2025	Joint and several liability guarantee	No	No	No	Not Applicable	Yes	Yes	Joint venture
Total Amount of Guarantees during the Reporting Period (excluding Guarantees for Subsidiaries)								-43,882					
Total Balance of Guarantees at the end of the Reporting Period (A) (excluding Guarantees for Subsidiaries)								1,932,569					
The Guarantee provided by the Company and its Subsidiaries to the Subsidiaries													
Total Amount of Guarantees paid to Subsidiaries during the Reporting Period								4,552,742					
Total Balance of Guarantees to Subsidiaries at the end of the Reporting Period (B)								28,750,096					
Total Company Guarantee (including Guarantee for Subsidiaries)													
Total Guarantees (A+B)								30,682,665					
Total Amount of Guarantees as a Percentage of the Company's Net Asset (%)								331.5					
Among them:													
Amount of Guarantees provided to Shareholders, De Facto Controllers and their related Parties (C)													
Debt Guarantees Amount directly or indirectly for the guaranteed Object whose asset-liability Ratio exceeds 70% (D)								9,216,812					

The Amount of the total Guarantee exceeds 50% of the Net Assets (E)	26,055,463
Sum of the three Guarantees above (C+D+E)	35,272,275
Statement of Unexpired Guarantees as potential subject to Joint Liability	No
Guarantee Statement	The guarantees provided by the Company are all for the performance of the performance guarantee letters issued by the subsidiaries in the domestic and foreign contracts. The guarantee amount is within the amount approved by the annual general meeting of the Company for 2024.

After approved by the 2021 annual general meeting of the Company, on 17 June 2022, the Company, as guarantor, entered into the guarantee agreement with Mexican National Hydrocarbons Commission, as beneficiary, pursuant to which the Company has agreed to provide guarantee under the Production Sharing Contract for Mexico DS Company, to ensure that when Mexico DS Company loses contract performance capabilities, the Company will perform the contracts on its behalf to Mexican National Hydrocarbons Commission. On June 17, 2022, DIAVAZ, the other shareholder of the joint venture Mexico DS Company, issued a unilateral letter of guarantee for 50% of the performance guarantee of the joint venture company provided by the company.

In order to satisfy the needs of international market expansion and day-to-day operation, the Company convened the nineteenth meeting of the tenth session of the Board and the 2023 annual general meeting on 26 March 2024 and 12 June 2024 respectively, approved the Company to provide guarantee for wholly-owned subsidiaries and Mexico DS Company, a joint venture of the Company, and the guarantee period commences from the date of approval by the shareholders at the 2023 annual general meeting until the conclusion of the 2024 annual general meeting of the Company. The Company expected that after the conclusion of the 2024 annual general meeting, the Company needs to continue to provide guarantee for wholly-owned subsidiaries of the Company. Therefore, the Board held the seventh meeting of the eleventh board of directors and the annual general meeting in 2024 on 18 March 2025 and 6 June 2025 respectively, considered and approved the resolution on the provision of guarantee for wholly-owned subsidiaries and joint venture of the Company, and the guarantee period commences from the date of approval by the shareholders at the 2024 annual general meeting until the conclusion of the 2025 annual general meeting of the Company.

For details, please refer to the “Announcement on the Progress of Provision of Guarantee for Joint Venture” (P.2022-021), “Announcement of Providing Guarantee for Wholly-owned Subsidiaries and Joint Ventures” (P.2024-011), “Announcement of Providing Guarantee for Wholly-owned Subsidiaries and Joint Ventures” (P.2025-012) and “Announcement on the Actual Occurrence of External Guarantees in the first half of 2025” (P.2025-025) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on www.sse.com.cn on 20 June 2022, 27 March 2024, 19 March 2025, 22 January 2026 and on www.hkexnews.hk on 19 June 2022, 26 March 2024, 18 March 2025, 21 January 2026.

After approved by the 2023 annual general meeting of the Company, the Company continued to provide corresponding counter-guarantee in relation to the joint guarantee liability undertaken by China Petrochemical Corporation for no more than RMB100 million credit line to the Company within the two years since 1 November 2024. For details, please refer to the "Related Party Guarantee Announcement on Provision of Counter-Guarantee to the Controlling Shareholder by the Company" (P. 2024-012) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on www.sse.com.cn on 27 March 2024, and on www.hkexnews.hk on 26 March 2024.

On 31 December 2025, the balance of the counter-guarantee provided by the Company to China Petrochemical Corporation was RMB0 yuan.

(7) The appointment and dismissal of the accounting firm during the reporting period.

	Currently hired
The name of the domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
The remuneration of the domestic accounting firm	RMB 6,050,000
The audit period for the domestic accounting firm	5 years
Name of certified public accountant of domestic accounting firm	Miao Song, Zhang Xiaomin
The accumulative number of years of audit services provided by the certified public accountants of the domestic accounting firm	Miao Song provided 5 years Zhang Xiaomin provided 1 year
The name of the overseas accounting firm	BDO Limited
The remuneration of the overseas accounting firm	RMB 1,150,000
The audit period for the overseas accounting firm	5 years

	Name	Remuneration
The internal control accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP	RMB 1,300,000

The description for the appointment and dismissal of the auditor:

In 2021, the Company changed its domestic auditor and the international auditor from Grant Thornton (Special General Partnership) and Grant Thornton Hong Kong Limited to BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited.

After recommended by the seventh meeting of the eleventh session of the Board and approved by the annual general meeting for the year 2024, the Company re-appointed BDO China Shu Lun Pan CPAs (LLP) and BDO Limited as the domestic auditor and the international auditor of the Company for 2025. BDO China Shu Lun Pan CPAs (LLP) was appointed as the internal control accounting firm of the Company for 2025 again at the same time.

(8) The special undertakings for the reporting period or continuing to the reporting period made by the Company, the de facto controller, shareholders, related parties, acquirer and other associated parties and the performance of such undertakings for the year ended 31 December 2025:

Undertaking Background	Undertaking party	Undertaking	Date and duration of the Undertaking	Whether there is a performance period	Whether the undertaking has been strictly fulfilled
Undertaking regarding the material assets reorganization	China Petrochemical Corporation	The Non-Competition Undertaking 1. China Petrochemical Corporation undertook that it would not engage with the Company's production and business activities in competition, and will ensure its subsidiaries not to engage with the Company's production and business activities in competition through exercise of its shareholder rights. 2. After the material assets reorganization, if SINOPEC Star Petroleum Co., Ltd.'s new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the undertaking.

		mentioned opportunity will be given to the Company. 3. After the material assets reorganization, if China Petrochemical Corporation and its subsidiaries' new business opportunity has any direct or indirect competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company. If China Petrochemical Corporation intends to transfer, sell, lease, license or otherwise transfer or permit to use any of the above business which would result in the competition with the Company's main business, priorities of the above-mentioned opportunity will be given to the Company for avoiding the competition. 4. China Petrochemical Corporation consents that it will bear and pay damages to the listed companies caused by its violation of the commitment.			
Undertaking regarding the Material Assets Reorganization	China Petrochemical Corporation	The Undertaking of Regulating the connected transaction: China Petrochemical Corporation and its other controlling companies will regulate its/their connected transactions with the Company. For the connected transactions with reasonable grounds, China Petrochemical Corporation and its controlling Company's will sign the standard agreement of connected transactions, and will fulfill the obligations of the program approval and information disclosure, in accordance with the provisions of relevant laws and regulations, and the Company's Articles of Association. The confirmation price related to the connected transaction will follow the principle of fair, reasonable and impartial.	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the promise.
Undertaking regarding the Material Assets Reorganization	China Petrochemical Corporation	Issued "The China Petrochemical Corporation commitment letter regarding to the regulating of connected transaction and maintaining the independence of the listed Company": 1. China Petrochemical Corporation and its controlling companies guarantee the maintaining of the separation from the Company's asset, personnel, finance, organization and business, strictly comply with the relevant provisions regarding to the listed Company's independency of	Date of undertaking: 12 September 2014 Duration: long term	No	During the reporting period, China Petrochemical Corporation did not act contrary to the promise.

		<p>CSRC. China Petrochemical Corporation will not utilize, control or violate the Standardized operation program of the listed company, not intervene the Company's operating decisions, and not jeopardize the legitimate rights and interests of the Company and its shareholders. 2. China Petrochemical Corporation and its controlling companies guarantee not to illegally use the funds of the Company and its holding Company. 3. If China Petrochemical Corporation violates the above commitment, it would undertake the law and compensate the losses caused to the Company.</p>			
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7. FINANCIAL REPORT

7.1 Audit Opinion

The financial statements of the Group for the year ended 31 December 2025, prepared in accordance with the PRC ASBE have been audited by Miao Song and Zhang Xiaomin of BDO China (Special General Partnership), which has issued unqualified opinion on 16 March 2026. Also, the financial statements of the Group for the year ended 31 December 2025, prepared in accordance with IFRS have been audited by BDO Limited, which has issued unmodified opinion on 16 March 2026.

7.2 Financial Statements prepared in accordance with IFRS

The following financial information were extracted from the audited consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as the “Group”) for the year ended 31 December 2025, which were prepared in accordance with the IFRS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	80,712,178	81,096,178
Cost of sales and taxes and surcharges		(74,495,718)	(75,099,241)
Gross profit		6,216,460	5,996,937
Selling expenses		(82,209)	(84,485)
General and administrative expenses		(2,287,587)	(2,405,659)
Research and development expenses		(2,282,812)	(2,247,111)
Finance expenses, net	5	(882,578)	(729,521)
Reversal of expected credit loss and other impairments and write-down of inventories to net realisable value	6	169,143	606,986
Impairment loss in interest in a joint venture		-	(274,419)
Investment income	7	3,023	500
Share of loss from joint ventures		(50,578)	(36,722)
Share of profit from associates		10,632	8,129
Operating profit		813,494	834,635
Other income	8	574,185	323,099
Other expenses, net	9	(151,686)	(36,186)
Profit before income tax	10	1,235,993	1,121,548
Income tax expense	11	(539,242)	(500,917)
Profit for the year		696,751	620,631
Other comprehensive expense for the year, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Net movement in fair value of financial assets at fair value through other comprehensive income (“FVTOCI”)		(1,205)	1,302
Exchange differences on transaction of financial statements of overseas joint venture		(47,177)	5,915
Total comprehensive income for the year		648,369	627,848

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	2025 RMB'000	2024 RMB'000
Profit for the year attributable to:			
Owners of the Company		695,544	620,631
Non-controlling interests		1,207	-
		696,751	620,631
Total comprehensive income attributable to:			
Owners of the Company		647,162	627,848
Non-controlling interests		1,207	-
		648,369	627,848
Earnings per share for profit attributable to owners of the Company (presented in RMB per share)			
	12	RMB	RMB
Basic and diluted		0.037	0.033

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		25,230,737	25,690,139
Other non-current assets		6,775,975	7,208,900
Intangible assets		236,074	301,802
Interests in joint ventures		105,993	212,735
Interests in associates		39,433	38,815
Financial assets at FVTOCI		135,834	137,441
Deferred tax assets		293,770	330,305
Total non-current assets		33,817,816	33,920,137
Current assets			
Inventories		1,018,413	913,530
Financial assets at FVTOCI		4,029,356	2,557,311
Trade receivables	14	11,174,568	13,294,827
Prepayments and other receivables		6,033,673	6,146,060
Contract assets and cost to fulfil contracts		17,172,554	16,859,726
Restricted cash		344,166	207,116
Cash and cash equivalents		4,664,047	3,441,398
Total current assets		44,436,777	43,419,968
Total assets		77,254,593	77,340,105

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

	Note	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Equity			
Share capital		18,957,046	18,979,412
Reserves		(9,702,642)	(10,330,610)
Equity attributable to owners of the Company		9,254,404	8,648,802
Non-controlling interests		11,298	-
Total equity		9,265,702	8,648,802
Liabilities			
Non-current liabilities			
Long-term borrowings		1,448,440	304,333
Deferred income		84,040	24,758
Deferred tax liabilities		68,406	78,065
Provisions		88,829	90,365
Total non-current liabilities		1,689,715	497,521
Current liabilities			
Notes and trade payables	15	24,790,003	31,653,814
Other payables		5,096,830	5,351,550
Contract liabilities		7,617,701	7,909,917
Short-term borrowings		28,664,652	23,142,909
Current income tax payable		129,990	135,592
Total current liabilities		66,299,176	68,193,782
Total liabilities		67,988,891	68,691,303
Total equity and liabilities		77,254,593	77,340,105
Net current liabilities		(21,862,399)	(24,773,814)
Total assets less current liabilities		10,955,417	9,146,323

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 GENERAL INFORMATION

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

The immediate and ultimate holding company of the Company is China Petrochemical Corporation (hereinafter referred to as the “Sinopec Group”) which is a state wholly-owned enterprise established in the PRC. The principal activities of the Group are the provision of onshore and offshore oil, natural gas and other mineral prospecting, exploration, drilling and exploitation and provision of general contracting, design and construction services for the oil and gas and other types of construction projects.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board of Directors on 16 March 2026.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements set out in this announcement have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and interpretations (collectively IFRS Accounting Standards). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”).

2 BASIS OF PREPARATION (Continued)

2.2 Basis of preparation of the consolidated financial statements and going concern assumption

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group.

As at 31 December 2025, the Group had net current liabilities of approximately RMB21,862,399,000 and capital commitments of approximately RMB309,309,000. These conditions may cast significant doubt about the Group's ability to continue as a going concern. The directors of the Company have performed an assessment covering a period of 12 months from the year ended 31 December 2025, taking account of the following events and measures:

- (i) As at 31 December 2025, the Group has obtained credit facility from Sinopec group's subsidiaries that includes a line of credit of RMB43.0 billion and USD80 million (Total: approximately RMB43.6 billion), a line of credit promissory note of RMB5.5 billion and a line of letter of guarantee of RMB5.8 billion and USD550 million (Total: approximately RMB9.7 billion). The facility remains valid until 28 February 2026;
- (ii) On 10 March 2026, the Group has renewed the credit facility from Sinopec group's subsidiaries as detailed in note (i) above that includes a line of credit of RMB32.4 billion and USD150 million (total: approximately RMB33.5 billion), a line of credit promissory note of RMB5.0 billion and a line of letter of guarantee of RMB5.5 billion and USD0.6 billion (total: approximately RMB9.7 billion). The facility remains valid until 28 February 2027;
- (iii) The Group's borrowings amounted to approximately RMB22.7 billion are sourced from Sinopec Group and its subsidiaries, where the Group maintains ongoing good relationship with these companies, which enables the Group to secure sufficient financial support from these companies; and
- (iv) To obtain additional credits facilities, the Group will diversify its source of finance by exploring and developing good relationship with listed and state-owned financial institutions, if necessary.

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

3 NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

3.1 Application of new and amendments to IFRS Accounting Standards

The IASB has issued a number of new and amendments to IFRS Accounting Standards. The Group has adopted all these new and amendments to IFRS Accounting Standards, which are effective for the Group's consolidated financial statements for the accounting period beginning on or after 1 January 2025:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability
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None of these amended IFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period.

The amendments do not have a material impact on the consolidated financial statements.

3.2 New or amendments to IFRS Accounting Standards that have been issued but are not yet effective and not early adopted

The new and amendments to accounting standards issued but not yet effective for the accounting period ended 31 December 2025 which the Group has not early adopted are set out below:

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The Group is currently assessing the impact of these new or amended accounting standards and amendments.

4 REVENUE AND SEGMENT INFORMATION

The Group's revenue is as follows:

	2025 RMB'000	2024 RMB'000
Geophysics	5,715,378	5,899,180
Drilling engineering	36,849,733	40,178,343
Logging and mud logging	3,799,081	3,592,013
Special downhole operations	10,966,129	10,965,379
Engineering construction	20,636,722	17,809,820
Others	2,745,135	2,651,443
	<u>80,712,178</u>	<u>81,096,178</u>

Segment information

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

- Geophysics, which provides terrestrial and marine geophysical exploration, development and technical services;
- Drilling engineering, which provides customers with land and ocean drilling design, construction, technical services and drilling instrumentation;
- Logging and mud logging, which provides land and ocean project contracting and technical services for collection, monitoring, transmission, processing and interpretation and evaluation of wellbore oil and gas, geology and engineering information;
- Special downhole operations, which provides oil engineering technical and construction, including oil (gas) testing, well repair, lateral drilling, fracturing, acidising and oil assignments; and
- Engineering construction, which provides a package of services, including feasibility studies, design, procurement, construction for projects of onshore and offshore oil and gas fields, long-distance pipeline projects, oil and gas transporting process projects, storage and transportation projects, petrochemical supporting projects, building construction, water resources and hydropower, ports and waterways, electricity transmission and distribution projects, manufacturing of pressure vessels, LNG projects, coal chemical engineering, geothermal utilisation, energy saving and municipal roads and bridges.

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Five reportable operating segments are as follows:

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

All assets are allocated to reportable segments other than certain property, plant and equipment, certain prepaid land leases, certain intangible assets, certain other non-current assets, certain inventories, certain contract assets, certain notes and trade receivables, certain prepayment and other receivables, certain cash and cash equivalents, and certain deferred tax assets.

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

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

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

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

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

(a) Segment results, assets and liabilities

For the year ended 31 December 2025 and as at that date, the segment results, assets and liabilities were as follows:

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Eliminated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
During the year ended 31 December 2025								
Segment revenue and results								
Revenue from external customers	5,715,378	36,849,733	3,799,081	10,966,129	20,636,722	2,745,135	-	80,712,178
Inter-segment revenue	145,834	2,455,847	3,363,959	673,222	102,242	6,394,168	(13,135,272)	-
Segment revenue	5,861,212	39,305,580	7,163,040	11,639,351	20,738,964	9,139,303	(13,135,272)	80,712,178
Reportable segment profit/(loss)	181,387	633,574	358,847	439,044	540,443	(1,339,801)	-	813,494
Other income	70,494	270,804	9,742	71,344	63,070	88,731	-	574,185
Other expenses	(6,213)	(83,080)	(8,817)	(12,808)	(13,908)	(26,860)	-	(151,686)
Profit/(loss) before income tax	245,668	821,298	359,772	497,580	589,605	(1,277,930)	-	1,235,993
Income tax expense								(539,242)
Profit for the year								696,751
Supplementary information								
Depreciation and amortisation								
- Property, plant and equipment	354,030	1,958,786	208,520	477,148	296,489	255,262	-	3,550,235
- Other non-current assets	73,502	2,121,595	176,926	768,941	12,692	90,206	-	3,243,862
- Intangible assets	176	1,255	1,885	7,818	11,952	153,947	-	177,033

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

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

For the year ended 31 December 2025 and as at that date, the segment results, assets and liabilities were as follows: (Continued)

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Eliminated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
During the year ended 31 December 2025								
Capital expenditure								
- Property, plant and equipment	300,314	1,747,213	189,448	270,018	434,086	412,991	-	3,354,070
- Intangible assets	-	12,665	7,699	-	2,559	88,382	-	111,305
- Other non-current assets	56,459	1,869,781	175,138	674,521	6,284	62,166	-	2,844,349
Provision/(reversal of provision) for ECL on trade receivables, net	7,718	(4,234)	(7,941)	(91,565)	(40,780)	(416)	-	(137,218)
(Reversal of provision)/ provision for ECL on other receivables, net	(98)	2,571	(19)	64	(32,527)	(3,047)	-	(33,056)
Provision for ECL on contract assets	266	187	52	295	302	29	-	1,131
As at 31 December 2025								
Assets								
Segment assets	6,677,686	9,433,322	4,979,267	7,722,895	26,663,172	24,252,383	(2,474,132)	77,254,593
Liabilities								
Segment liabilities	5,791,903	5,005,180	2,892,051	3,888,633	25,256,262	27,628,994	(2,474,132)	67,988,891

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

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

(a) Segment results, assets and liabilities

For the year ended 31 December 2024 and as at that date, the segment results, assets and liabilities were as follows:

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Eliminated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
During the year ended 31 December 2024								
Segment revenue and results								
Revenue from external customers	5,899,180	40,178,343	3,592,013	10,965,379	17,809,820	2,651,443	-	81,096,178
Inter-segment revenue	120,111	2,072,896	3,043,301	571,372	99,594	6,024,207	(11,931,481)	-
Segment revenue	6,019,291	42,251,239	6,635,314	11,536,751	17,909,414	8,675,650	(11,931,481)	81,096,178
Reportable segment profit/(loss)	198,746	906,987	314,860	259,202	438,865	(1,284,025)	-	834,635
Other income	9,897	166,080	11,577	7,073	38,638	89,834	-	323,099
Other expenses	(5,585)	(68,348)	(7,947)	(8,017)	83,853	(30,142)	-	(36,186)
Profit/(loss) before income tax	203,058	1,004,719	318,490	258,258	561,356	(1,224,333)	-	1,121,548
Income tax expense								(500,917)
Profit for the year								620,631
Supplementary information								
Depreciation and amortisation								
- Property, plant and equipment	347,808	1,947,828	225,455	530,249	314,644	314,588	-	3,680,572
- Other non-current assets	182,510	2,267,266	166,621	511,344	8,767	112,164	-	3,248,672
- Intangible assets	178	1,029	878	8,077	12,222	181,553	-	203,937

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

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

For the year ended 31 December 2024 and as at that date, the segment results, assets and liabilities were as follows: (Continued)

	Geophysics	Drilling engineering	Logging and mud logging	Special downhole operations	Engineering construction	Unallocated	Eliminated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
During the year ended 31 December 2024								
Capital expenditure								
- Property, plant and equipment	360,743	1,530,249	232,272	292,601	394,191	545,409	-	3,355,465
- Intangible assets	25	4,504	2,863	-	9,963	157,803	-	175,158
- Other non-current assets	52,493	1,612,916	144,337	540,844	27,019	179,125	-	2,556,734
Provision/(reversal of provision) for ECL on trade receivables, net	3,659	(248,034)	(26,336)	14	(25,342)	(139,897)	-	(435,936)
Provision/(reversal of provision) for ECL on other receivables, net	819	7,075	(1,013)	(10)	(35,160)	(1,560)	-	(29,849)
Provision/(reversal of provision) for ECL on contract assets, net	806	(551)	(49)	(112)	1,884	(140,112)	-	(138,134)
As at 31 December 2024								
Assets								
Segment assets	6,391,939	11,289,518	4,477,704	8,463,778	27,642,305	20,762,789	(1,687,928)	77,340,105
Liabilities								
Segment liabilities	5,431,227	7,468,074	2,568,453	4,697,820	25,826,311	24,387,346	(1,687,928)	68,691,303

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(b) Geographical information

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

	Revenue from external customers	
	2025	2024
	RMB'000	RMB'000
The PRC	60,664,588	62,866,445
Middle East (Note)	11,315,515	12,385,368
Other countries	8,732,075	5,844,365
	80,712,178	81,096,178
	Specified non-current assets	
	2025	2024
	RMB'000	RMB'000
The PRC	24,665,053	26,393,096
Saudi Arabia	4,321,621	5,148,372
Other countries	3,401,538	1,910,923
	32,388,212	33,452,391

Note: Middle East and other countries are mainly represented Saudi Arabia and Kuwait.

(c) Major customer

For the years ended 31 December 2025 and 2024, revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	2025	2024
	RMB'000	RMB'000
Customer A	46,260,427	49,987,648

Revenue from this customer was derived from the operating segments of geophysics, drilling engineering, logging and mud logging, special downhole operations, engineering construction and accounted for approximately 57% (2024: 60%) of the Group's revenue.

4 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

(d) Analysis on revenue from contracts

For the years ended 31 December 2025 and 2024, the Group derives revenue from the transfer of goods and service at a point in time and over time in the following customers' segment for geophysics, drilling engineering, logging and mud logging, special downhole operations, engineering construction service:

	Geophysics RMB'000	Drilling engineering RMB'000	Logging and mud logging RMB'000	Special downhole operations RMB'000	Engineering construction RMB'000	Unallocated RMB'000	Total RMB'000
During the year ended 31 December 2025							
Timing of revenue recognition:							
- At a point in time	-	-	-	-	44,688	770,632	815,320
- Over time	5,715,378	36,849,733	3,799,081	10,966,129	20,592,034	1,974,503	79,896,858
Total	5,715,378	36,849,733	3,799,081	10,966,129	20,636,722	2,745,135	80,712,178
During the year ended 31 December 2024							
Timing of revenue recognition:							
- At a point in time	-	2,377	-	924	37,383	790,174	830,858
- Over time	5,899,180	40,175,966	3,592,013	10,964,455	17,772,437	1,861,269	80,265,320
Total	5,899,180	40,178,343	3,592,013	10,965,379	17,809,820	2,651,443	81,096,178

(e) Performance obligation of contracts with customers

The Group enters into petroleum engineering technical service contracts or construction contracts with customers to provide geophysical exploration, drilling, logging and mud logging, special downhole operations and surface engineering construction services of which rendering of services and construction contracts is completed according to the agreed schedule. When value of the completed work is confirmed and is certified, customers pay progress payments within 30-180 days after billing. Final billing and payment is made upon the completion and acceptance of the work.

In accordance with contracts and relevant legal requirement, the Group's engineering construction business provides quality assurance for the constructed assets. This type of quality assurance is an assurance-type warranty that ensures that the constructed assets fulfil the established quality standards, which does not constitute a single performance obligation.

5 FINANCE EXPENSES, NET

	2025 RMB'000	2024 RMB'000
Finance income		
Interest income		
- Sinopec Group's subsidiaries	43,948	37,194
- Third parties and other financial institutions	29,370	25,915
	<u>73,318</u>	<u>63,109</u>
Finance expenses		
Interest expenses on borrowings wholly repayable within 5 years		
- Sinopec Group and its subsidiaries	(561,999)	(662,794)
- Third parties and other financial institutions	(125,771)	(47,463)
Interest expenses on lease liabilities		
- Sinopec Group and its subsidiaries	(14,839)	(9,287)
- Sinopec Group's associates and joint ventures	-	(155)
- Third parties	(28,288)	(29,555)
Exchange (loss)/gain, net	(118,209)	61,836
Bank and other charges	(106,790)	(105,212)
	<u>(955,896)</u>	<u>(792,630)</u>
	<u>(882,578)</u>	<u>(729,521)</u>

6 REVERSAL OF EXPECTED CREDIT LOSS ("ECL") AND OTHER IMPAIRMENTS AND WRITE-DOWN OF INVENTORIES TO NET REALISABLE VALUE

	2025 RMB'000	2024 RMB'000
Reversal of ECL on trade and other receivables, net	(170,274)	(465,785)
ECL/(reversal of ECL) on contract assets, net	1,131	(138,134)
Write-down of inventories to net realisable value	-	797
Others	-	(3,864)
	<u>(169,143)</u>	<u>(606,986)</u>

7 INVESTMENT INCOME

	2025 RMB'000	2024 RMB'000
Investment income from financial assets at FVTOCI	<u>3,023</u>	<u>500</u>

8 OTHER INCOME

	2025 RMB'000	2024 RMB'000
Gain on disposal of property, plant and equipment, net	44,464	62,853
Gain on disposal of other non-current assets, net	4,618	12,547
Gain on debt restructuring	70,217	28,110
Government grants (Note)	332,460	87,392
Waived payables	9,265	31,200
Penalty income	3,857	3,223
Compensation received	18,590	7,685
Insurance claims	8,293	8,357
Asset surplus	78,764	77,535
Others	3,657	4,197
	<u>574,185</u>	<u>323,099</u>

Note:

For the years ended 31 December 2025 and 2024, government grants primarily represent financial appropriation income and non-income tax refunds received from respective government agencies without conditions or other contingencies attached to the receipts of the grants.

9 OTHER EXPENSES, NET

	2025 RMB'000	2024 RMB'000
Loss on scraps of assets	36,381	29,586
Penalty	2,862	3,236
Donation	1,289	3,214
Compensation	24,964	4,053
Impairment loss on property, plant and equipment	-	111
Reversal of provision for loss on judicial re-organisation	-	(95,214)
Others	86,190	91,200
	<u>151,686</u>	<u>36,186</u>

10 PROFIT BEFORE INCOME TAX

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

	2025	2024
	RMB'000	RMB'000
Staff costs, including directors and supervisors emoluments	18,631,937	19,007,330
Retirement benefit plan contribution (including in the above mentioned staff costs)		
—Municipal retirement scheme costs	1,506,608	1,498,206
—Supplementary retirement scheme costs	771,539	753,555
Changes in inventories of finished goods and work in progress	66,617	(1,140)
Raw materials and consumables used	33,028,448	30,974,027
Depreciation and amortisation		
—Property, plant and equipment	3,550,235	3,680,572
—Other non-current assets	3,243,862	3,248,672
—Intangible assets	177,033	203,937
Short-term leases and leases with lease term of 12 months or less	2,438,114	2,490,508
ECL, net		
—Trade and other receivables	(170,274)	(465,785)
—Contract assets	1,131	(138,134)
Write-down of inventories to net realisable value	-	797
Impairment loss on property, plant and equipment	-	111
Rental income from property, plant and equipment after relevant expenses	(163,117)	(28,248)
Gain on disposal of property, plant and equipment, net	(44,465)	(62,853)
Gain on disposal of other non-current assets, net	(4,627)	(12,547)
Auditors' remuneration	7,200	7,200
Exchange loss/(gain), net	118,211	(61,836)

11 INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax		
PRC enterprise income tax	197,599	160,730
Overseas enterprise income tax	314,365	279,202
	<u>511,964</u>	<u>439,932</u>
Deferred tax		
Origination and reversal of temporary difference	27,278	60,985
	<u>539,242</u>	<u>500,917</u>

According to the Corporate Income Tax Law of the PRC, the applicable income tax of the years ended 31 December 2025 and 2024 is 25%.

According to the normal statutory PRC corporate income tax and relevant rules, apart from a certain subsidiaries of the Company subjected to the relevant development zone policy or participation in technology development and the PRC's western development project can enjoy 15% preferential tax rate during the period, for the years ended 31 December 2025 and 2024, the majority of the companies of the Group are subject to 25% income tax rate.

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

During the year ended 31 December 2024, Pillar Two legislation was enacted in Kuwait in which the Group operates. During the year ended 31 December 2025, the legislation is effective and a Domestic Minimum Top-Up Tax of 15% is introduced for qualifying multinational enterprises.

The Group is in the progress of assessing the impacts. Due to the complexity of the tax laws, the Group has yet to complete their assessment.

11 INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and profit before income tax calculated at the statutory tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit before income tax	1,235,993	1,121,548
Taxation calculated at the statutory tax rate	308,998	280,387
Income tax effects of:		
Difference in overseas profits tax rates	(66,490)	(11,598)
Non-deductible expenses	112,741	99,573
Utilisation of unrecognised tax losses and deductible temporary differences	(27,654)	(30,853)
Unrecognised tax losses and deductible temporary differences	291,701	297,118
Adjustment of current tax in previous years	9,119	(13,283)
Equity method accounting for the joint ventures and associates' profit or loss	11,012	7,926
Research and development expenses	(100,185)	(128,353)
Income tax expense	539,242	500,917

12 EARNINGS PER SHARE

(a) Basic

For the years ended 31 December 2025 and 2024, the basic earnings per share is calculated by dividing the profit attributable to owners of the Company.

	2025	2024
Profit for the year attributable to owners of the Company (RMB'000)	695,544	620,631
Weighted average number of ordinary shares in issue (Shares)	18,966,666,363	18,982,939,727
Basic earnings per share (RMB)	0.037	0.033

(b) Diluted

For the years ended 31 December 2025 and 2024, the diluted earnings per share was the same as the basic earnings per share for the years as there were no dilutive potential ordinary shares in existence during both years.

13 DIVIDENDS

The Board of Directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2025 and 2024.

14 TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables		
- Sinopec Group and its subsidiaries	5,226,551	6,075,263
- Joint ventures	11,863	17,534
- Sinopec Group's joint ventures and associates	23,414	125,362
- Third parties	7,481,813	8,865,528
	<hr/> 12,743,641	<hr/> 15,083,687
Less: ECL allowance	(1,569,073)	(1,788,860)
	<hr/> 11,174,568	<hr/> 13,294,827
Trade receivables, net		

As at 31 December 2025 and 2024, the Group's trade receivables were approximately their fair value.

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

14 TRADE RECEIVABLES (CONTINUED)

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

	2025 RMB'000	2024 RMB'000
Within 1 year	10,546,327	12,606,210
1 to 2 years	466,971	456,985
2 to 3 years	98,897	152,307
Over 3 years	62,373	79,325
	<u>11,174,568</u>	<u>13,294,827</u>

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

	2025 RMB'000	2024 RMB'000
At 1 January	1,788,860	2,233,361
ECL	-	21,662
Reversal of ECL	(137,218)	(457,598)
Write-off of uncollectible receivables	(59,742)	(4,559)
Others	(22,827)	(4,006)
At 31 December	<u>1,569,073</u>	<u>1,788,860</u>

15 NOTES AND TRADE PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables		
- Sinopec Group and its subsidiaries	2,606,864	4,603,046
- Joint ventures	5,814	16,891
- Sinopec Group's joint ventures and associates	2,505	685
- Third parties	18,143,289	19,205,285
	<u>20,758,472</u>	<u>23,825,907</u>
Notes payables	1,773,050	3,387,768
Liabilities under supplier finance arrangement	2,258,481	4,440,139
	<u>24,790,003</u>	<u>31,653,814</u>

15 NOTES AND TRADE PAYABLES (CONTINUED)

As at 31 December 2025 and 2024, the carrying amounts of the Group's notes and trade payables were approximately their fair value.

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

	2025 RMB'000	2024 RMB'000
Within 1 year	24,751,015	31,136,345
1 to 2 years	2,018	327,915
2 to 3 years	3	70,429
Over 3 years	36,967	119,125
	24,790,003	31,653,814

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

The trade payables subject to the supplier finance arrangement described above are included in trade and other payables in the consolidated statement of financial position:

	As at 31 December 2025	As at 31 December 2024
<u>Range of payment due dates</u>		
Liabilities under supplier finance arrangement	12 to 18 months	6 to 36 months
Comparable trade payables that are not part of the supplier finance arrangement	12 to 18 months	3 to 18 months
	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Carrying amount of trade payables that are part of a supplier finance arrangement	2,258,481	4,440,139
Carrying amounts of trade payables for which the suppliers have already received payment and included in trade and other payable	2,258,481	4,193,879

7.3 Financial statements prepared in accordance with PRC ASBE

The following financial information has been extracted from the Company's audited financial statements, prepared in accordance with PRC ASBE for the year ended 31 December 2025.

Consolidated Balance sheet

(Expressed in thousands of Renminbi Yuan)

Assets	<u>31 December 2025</u>	<u>31 December 2024</u>
Current assets:		
Cash at bank and on hand	5,008,213	3,648,514
Bills receivable	-	-
Accounts receivable	11,174,568	13,294,827
Accounts receivable financing	4,029,356	2,557,311
Advances to suppliers	514,153	595,747
Other receivables	2,416,186	2,848,479
Inventories	1,125,005	1,009,501
Contract assets	17,065,962	16,763,754
Non-current assets due within one year	-	-
Other current assets	3,010,942	2,616,835
Total current assets	44,344,385	43,334,968
Non-current assets:		
Long-term equity investments	145,426	251,551
Other equity instrument investments	135,834	137,441
Fixed assets	23,803,167	24,238,814
Construction in progress	628,698	793,487
Right-of-use assets	761,546	620,413
Intangible assets	365,792	424,226
Long-term prepaid expenses	6,775,975	7,208,900
Deferred tax assets	293,770	330,305
Total non-current assets	32,910,208	34,005,137
Total assets	77,254,593	77,340,105

Consolidated Balance sheets (continued)

(Expressed in thousands of renminbi yuan)

Liabilities and shareholders' equity	<u>31 December 2025</u>	<u>31 December 2024</u>
Current liabilities:		
Short-term loans	28,311,044	22,870,449
Bills payable	1,773,050	3,387,769
Accounts payable	23,016,953	28,266,046
Contract liabilities	7,617,701	7,909,917
Employee benefits payable	585,740	719,036
Taxes payable	1,015,033	965,079
Other payables	3,452,203	3,712,039
Non-current liabilities due within one year	406,896	272,460
Other current liabilities	-	-
Total current liabilities	66,178,620	68,102,795
Non-current liabilities:		
Long-term loans	1,095,839	
Lease liabilities	352,601	304,333
Long-term payables	120,556	90,987
Provisions	88,829	90,365
Deferred income	84,040	24,758
Deferred income tax liabilities	68,406	78,065
Total non-current liabilities	1,810,271	588,508
Total liabilities	67,988,891	68,691,303
Shareholders' equity:		
Share capital	18,957,046	18,979,412
Capital reserve	11,701,258	11,720,452
Other comprehensive income	-18,189	30,193
Specific reserve	339,577	302,874
Surplus reserve	200,383	200,383
Retained earnings	-21,925,671	-22,584,512
Equity attributable to the owners of the Company	9,254,404	8,648,802
Minority interests	11,298	-
Total shareholders' equity	9,265,702	8,648,802
Total liabilities and shareholders' equity	77,254,593	77,340,105

Consolidated Income statements
(Expressed in thousands of RenminbiYuan)

	<u>2025</u>	<u>2024</u>
1.Revenue	80,712,178	81,096,178
2.Less: Cost of sales	74,158,853	74,762,298
Business taxes and surcharges	373,567	325,968
Selling and distribution expenses	82,209	84,485
General and administrative expenses	2,287,587	2,405,659
Research and development expenses	2,282,812	2,247,111
Financial costs	882,578	729,521
Including: Interest expense	730,896	749,254
Interest income	73,317	63,109
Add: Other income	332,460	87,392
Investment income	33,303	17
Including: Investment income from investment in association and joint venture	-39,946	-28,593
Credit impairment losses (loss in “-”)	170,274	465,785
Impairment losses on assets (loss in “-”)	-1,131	-133,218
Gains from disposal of non-current assets (loss in “-”)	49,082	75,400
3.Operating profit (loss in “-”)	1,228,560	1,036,512
Add: Non-operating income	122,416	132,197
Less: Non-operating expenses	151,686	36,186
4. Profit before income tax (loss in “-”)	1,199,290	1,132,523
Less: Income tax expenses	539,242	500,917
5.Net profit for the year (loss in “-”)	660,048	631,606
Classified by business sustainability:		
-Profit from continuing operations	660,048	631,606
-Profit from discontinued operations	-	-
Classified by ownership :		
- The owners’ of the Company	658,841	631,606
- Minority interests	1,207	-
6.Earnings per share :		
(1) Basic earnings per share (in RMB)	0.035	0.033
(2) Diluted earnings per share (in RMB)	0.035	0.033
7.Other comprehensive income for the year	-48,382	7,218
Other comprehensive income (net of tax) attributable to shareholders of the company	-48,382	7,218
8.Total comprehensive income for the year	611,666	638,824
Total comprehensive income for the year/period attributable to:		
- The owners’ of the Company	610,459	638,824
- Minority shareholders	1,207	-

Consolidated Cash flow statement
(Expressed in thousands of renminbi yuan)

	<u>2025</u>	<u>2024</u>
1. Cash flows from operating activities:		
Cash received from sale of goods	80,113,836	78,943,570
Refund of taxes	289,739	66,335
Cash received from other operating activities	4,546,835	4,270,439
	<hr/>	<hr/>
Sub-total of cash inflows	84,950,410	83,280,344
Cash paid for goods and services	52,657,153	54,515,936
Cash paid to and for employees	18,776,967	19,150,318
Cash paid for all types of taxes	2,961,053	2,592,513
Cash paid relating to other operating activities	3,909,291	3,920,723
	<hr/>	<hr/>
Sub-total of cash outflows	78,304,464	80,179,490
Net cash inflow from operating activities	<hr/> <u>6,645,946</u>	<hr/> <u>3,100,854</u>
2. Cash flows from investing activities :		
Cash received from recovery of investments	8,995	
Cash received from the investment income	13,125	5,358
Net cash received from disposal of fixed assets	206,818	217,557
Cash received relating to other investing activities		
	<hr/>	<hr/>
Sub-total of cash inflows	228,938	222,915
Cash paid for acquisition of fixed assets and intangible assets	2,763,820	3,681,379
Cash paid for other investing activities		
	<hr/>	<hr/>
Sub-total of cash outflows	2,763,820	3,681,379
Net cash outflow from investing activities	<hr/> <u>-2,534,882</u>	<hr/> <u>-3,458,464</u>

Consolidated Cash flow statement (continued)
(Expressed in thousands of renminbi yuan)

	<u>2025</u>	<u>2024</u>
3. Cash flows from financing activities:		
Cash received from capital contributions	3,000	
-Cash received by subsidiaries from minority shareholders' capital contributions	3,000	
Cash received from borrowings	33,107,991	34,289,050
Cash received relating to other financing activities	40,000	
	<hr/>	<hr/>
Sub-total of cash inflows	33,150,991	34,289,050
	<hr/>	<hr/>
Cash paid for repayments of borrowings	34,756,369	31,827,424
Cash paid for distribution of dividend, profit or payments of interests	625,252	673,050
Cash paid for other financing activities	604,479	743,931
	<hr/>	<hr/>
Sub-total of cash outflows	35,986,100	33,244,405
	<hr/>	<hr/>
Net cash outflow from financing activities	-2,835,109	1,044,645
	<hr/>	<hr/>
4. Effect of foreign exchange rate changes on cash and cash equivalents	-53,307	-34,435
	<hr/>	<hr/>
5. Net decrease in cash and cash equivalents	1,222,648	652,600
Add: Cash and cash equivalents at the beginning of the year	3,441,398	2,788,798
	<hr/>	<hr/>
6. Cash and cash equivalents at the end of the year	5,008,213	3,648,514
	<hr/>	<hr/>

Notes to cash flow statements*(Expressed in thousands of renminbi yuan)***(1) Supplement to cash flow statement**

(a) Reconciliation of net profit to cash flows from operating activities:

<u>Item</u>	<u>2025</u>	<u>2024</u>
Net profit	660,048	631,606
Add: Impairment loss on assets	1,131	133,218
Impairment of credit losses	-170,274	-465,785
Depreciation of fixed assets and right-of use assets	3,546,147	3,677,450
Amortisation of intangible assets	181,123	204,029
Amortisation of long-term prepaid expenses	3,227,403	3,228,352
Losses/(gains) from disposal of fixed assets	-49,082	-75,400
Losses/(gains) on retirement of fixed assets	-42,383	-50,842
Financial expenses	826,618	653,975
Investment losses	-33,303	-17
Decrease/(Increase) in deferred tax assets	36,535	70,382
Increase/(Decrease) in deferred tax liabilities	-9,257	-9,396
Decrease in gross inventories	-115,504	193,997
Decrease in operating receivables	1,019,147	-2,314,847
Increase in operating payables	-2,469,107	-2,764,894
Safety costs	36,704	-10,974
Unexercised share-based payment		
Net cash inflow from operating activities	<u>6,645,946</u>	<u>3,100,854</u>

(b) Changes in cash and cash equivalents:

<u>Item</u>	<u>2025</u>	<u>2024</u>
Cash at the end of the year	4,664,046	3,441,398
Less: Cash at the beginning of the year	<u>3,441,398</u>	<u>2,788,798</u>
Net decrease in cash and cash equivalents	<u>1,222,648</u>	<u>652,600</u>

(2) Details of cash and cash equivalents

<u>Item</u>	<u>2025</u>	<u>2024</u>
Cash on hand	1,131	1,100
Bank deposits available on demand	4,662,460	3,440,298
Other monetary funds available on demand	455	
Closing balance of cash	<u>4,664,046</u>	<u>3,441,398</u>
Add: Restricted cash	<u>344,167</u>	<u>207,116</u>
Closing balance of cash and cash equivalents	<u>5,008,213</u>	<u>3,648,514</u>

Statement of changes in shareholders' equity
(Expressed in thousands of Renminbi Yuan)

	<u>2025</u>							
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Minority interests	Total shareholders' equity
1. Balance at 31 December 2024	18,979,412	11,720,452	30,193	302,874	200,383	-22,584,512		8,648,802
Adjustment for the acquisition of the acquired group	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-
2. Balance at 1 January 2025	18,979,412	11,720,452	30,193	302,874	200,383	-22,584,512	-	8,648,802
3 Changes in equity for the year (“-” for decreases)	-22,366	-19,194	-48,382	36,703	-	658,841	11,298	616,900
(1) Total comprehensive income	-	-	-48,382	-	-	658,841	1,207	611,666
(2) Increase or decrease of capital	-22,366	-19,603	-	-	-	-	10,091	-31,878
a. Original stock of surplus reserve	-22,366	-19,603	-	-	-	-	10,091	-31,878
b. Share payments recognised in equity	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
(3) Appropriation of profits	-	-	-	-	-	-	-	-
a. Appropriation for surplus reserve	-	-	-	-	-	-	-	-
b. Distributions to shareholders	-	-	-	-	-	-	-	-
(4) Transfer of equity	-	-	-	-	-	-	-	-
a. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-
(5) Specific reserve	-	-	-	36,703	-	-	-	36,703
(a) Accrued	-	-	-	1,183,966	-	-	-	1,183,966
(b) Utilised	-	-	-	1,147,263	-	-	-	1,147,263
(6) Others	-	409	-	-	-	-	-	409
4. Balance at 31 December 2025	18,957,046	11,701,258	-18,189	339,577	200,383	-21,925,671	11,298	9,265,702

Statement of changes in shareholders' equity
(Expressed in thousands of Renminbi Yuan)

	<u>2024</u>							
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Minority interests	Total shareholders' equity
1. Balance at 31 December 2023	18,984,340	11,717,773	22,618	313,849	200,383	-23,215,761		8,023,202
Adjustment for the acquisition of the acquired group	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-
2. Balance at 1 January 2024	18,984,340	11,717,773	22,618	313,849	200,383	-23,215,761		8,023,202
3 Changes in equity for the year (“-” for decreases)	-4,928	2,679	7,575	-10,975	-	631,249	-	625,600
(1) Total comprehensive income	-	-	7,218	-	-	631,606	-	638,824
(2) Increase or decrease of capital	-4,928	2,679	-	-	-	-	-	-2,249
a. Original stock of surplus reserve	-4,928	2,679	-	-	-	-	-	-2,249
b. Share payments recognised in equity	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
(3) Appropriation of profits	-	-	-	-	-	-	-	-
a. Appropriation for surplus reserve	-	-	-	-	-	-	-	-
b. Distributions to shareholders	-	-	-	-	-	-	-	-
(4) Transfer of equity	-	-	357	-	-	-357	-	-
a. Other comprehensive income transferred to retained earnings			357			-357		
(5) Specific reserve	-	-	-	-10,975	-	-	-	-10,975
(a) Accrued	-	-	-	1,208,060	-	-	-	1,208,060
(b) Utilised	-	-	-	1,219,035	-	-	-	1,219,035
(6) Others	-	-	-	-	-	-	-	-
4. Balance at 31 December 2024	18,979,412	11,720,452	30,193	302,874	200,383	-22,584,512	-	8,648,802

8. OTHER ITEMS

(1) Annual Report

The Company's 2025 Annual Report will be published on the HKEx News website of the Hong Kong Stock Exchange and the Company's website as soon as practicable.

(2) Compliance with the Corporate Governance Code and the Model Code

For the year ended on 31 December 2025, the Company has complied with all the code provisions under the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules.

The Company has approved to adopt the Model Code as contained in Appendix C3 to the Hong Kong Listing Rules. Having specifically inquired all the Directors, supervisors and senior management, the Company confirms that its Directors, supervisors and senior management have fully complied with the Model Code during the reporting period.

During the reporting period, the audit committee of the Board held five meetings and reviewed the Company's 2024 Financial Statements, Interim Report for 2025 and continuing connected transactions and formed its relevant opinion.

The audit committee of the eleventh session of the Board held the tenth meeting on 13 March 2026 and reviewed and passed the resolutions regarding the 2025 financial statements, proposed re-appointment of the auditors of the Company and performance report of the audit committee of the Company.

(3) Purchase, sale or redemption of the Company's listed securities

On 12 June 2024, the Company's 2023 annual general meeting, the first A shareholders' class meeting in 2024 and the first H shareholders' class meeting in 2024 considered and approved the resolution on the authorisation to the Board to repurchase domestic shares and/or overseas-listed foreign shares of the Company, authorizing the board of directors to repurchase domestic shares and/or overseas listed foreign shares according to market conditions and the needs of the Company not exceeding 10% of the respective number of A shares or H shares issued by the Company.

On 20 August 2024, the fourth meeting of the eleventh board of the Company considered and approved the resolution on the plan for the repurchase of shares of the Company, which approved the Company to use its own funds to repurchase part of A shares and H shares for cancellation and reduction of the registered capital. The plan for the repurchase of A shares was considered and approved at the first extraordinary general meeting of 2024 of the Company held on 6 December 2024. For details, please refer to the "Repurchase Report on Repurchase of A Shares through Centralized Competitive Trading" (P.2024-057) disclosed in China Securities Journal, Shanghai Securities News, Securities Times and on www.sse.com.cn on 20 December 2024 and disclosed on www.hkexnews.hk on 19 December 2024.

In order to increase earnings per share and strengthen market value management, during the period from 8 January 2025 to 22 May 2025, the Company repurchased a total of 22,366,200 A shares, accounting for 0.12% of the total share capital of the Company before the cancellation, with the highest repurchase price of RMB1.99 per share and the lowest repurchase price of RMB1.73 per share. The total amount paid was RMB41.9652 million (excluding transaction costs), and the shares were cancelled on 6 June 2025.

Repurchase of A shares

Repurchase month	Number of repurchase (Shares)	Purchase price per share		Total price (RMB)
		Max price (RMB/share)	Min price (RMB/share)	
January 2025	4,066,100	1.98	1.92	7,970,614
February 2025	1,021,300	1.96	1.95	2,000,000
March 2025	2,523,400	1.99	1.98	5,011,385

April 2025	10,976,100	1.84	1.73	19,884,742
May 2025	3,779,300	1.89	1.87	7,098,465

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the twelve months ended 31 December 2025.

(4) Annual results review

The annual results for the year ended 31 December 2025 have been reviewed by the audit committee of the Board of the Company, and the audit committee has no different opinions on the annual results.

(5) A detailed Annual Report of the Company containing all the information required by Paragraphs 6 to 36 (the first and last paragraphs included) of Appendix D2 to the Hong Kong Listing Rules will be published on the website of the HKSE in due course.

This announcement is published in both Chinese and English. Should there be any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

By Order of the Board
Shen Zehong
Company Secretary

16 March 2026, Beijing

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

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*