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SPT Energy Group Inc.

華油能源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1251)

**ANNUAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED 31 DECEMBER 2025
AND
RESIGNATION OF AN EXECUTIVE DIRECTOR**

ANNUAL RESULTS HIGHLIGHTS

The Group's revenue for the year ended 31 December 2025 was RMB1,713.4 million, representing an increase of RMB19.3 million, or 1.1%, from RMB1,694.1 million for the previous year. The loss attributable to equity owners of the Company was RMB125.9 million, while the loss attributable to equity owners of the Company for the previous year was RMB256.2 million.

No final dividend for the year ended 31 December 2025 was proposed by the Board to the shareholders of the Company (for the year ended 31 December 2024: nil).

RESULTS

The board of directors (the "**Board**") of SPT Energy Group Inc. (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2025 (the "**Reporting Year**"), together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		352,407	359,855
Right-of-use assets		42,000	46,197
Intangible assets		12,381	13,281
Investment in an associate		1,560	1,796
Investment in a joint venture		1,564	2,609
Deferred income tax assets		117,513	106,327
Financial assets at fair value through other comprehensive income		10,988	10,368
Other non-current assets		16,145	16,145
Prepayments and other receivables	5	12,661	22,681
		<u>567,219</u>	<u>579,259</u>
Current assets			
Inventories		529,594	529,122
Contract assets	3	22,002	34,312
Trade and note receivables	4	592,848	652,270
Prepayments and other receivables	5	266,148	288,307
Restricted bank deposits		47,264	36,165
Cash and cash equivalents		366,508	389,230
		<u>1,824,364</u>	<u>1,929,406</u>
Total assets		<u><u>2,391,583</u></u>	<u><u>2,508,665</u></u>
Equity			
Equity attributable to the Company's equity holders			
Share capital	6	1,247	1,247
Share premium		869,969	869,853
Other reserves		366,394	362,063
Currency translation differences		(542,554)	(533,160)
Retained earnings		195,750	322,295
		<u>890,806</u>	<u>1,022,298</u>
Non-controlling interests		<u>(90)</u>	<u>(19,842)</u>
Total equity		<u><u>890,716</u></u>	<u><u>1,002,456</u></u>

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Borrowings		95,823	55,074
Non-current lease liabilities		5,453	7,903
Deferred income tax liabilities		24,896	24,655
		<u>126,172</u>	<u>87,632</u>
Current liabilities			
Borrowings		455,291	456,000
Current portion of long-term borrowings		97,450	115,301
Contract liabilities	<i>3</i>	50,821	58,188
Trade and note payables	<i>7</i>	572,293	557,385
Accruals and other payables	<i>8</i>	175,832	189,212
Current income tax liabilities		17,100	36,768
Current portion of lease liabilities		5,908	5,723
		<u>1,374,695</u>	<u>1,418,577</u>
Total liabilities		<u>1,500,867</u>	<u>1,506,209</u>
Total equity and liabilities		<u>2,391,583</u>	<u>2,508,665</u>

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	3	<u>1,713,393</u>	<u>1,694,119</u>
Other (losses)/gains, net		<u>(11,053)</u>	<u>1,669</u>
Operating costs			
Material costs		(488,546)	(501,992)
Employee benefit expenses		(565,829)	(641,501)
Short-term and low-value lease expenses		(124,211)	(133,723)
Transportation costs		(27,253)	(29,374)
Depreciation and amortisation		(56,017)	(55,239)
Technical service expenses		(309,391)	(253,178)
Impairment loss of right-of-use assets		-	(1,516)
Impairment loss of property, plant and equipment		-	(13,503)
Net impairment losses of financial assets and contract assets		(17,819)	(53,725)
Write-down of inventories and provision for prepayments		(4,814)	(12,961)
Others		(197,451)	(217,073)
		<u>(1,791,331)</u>	<u>(1,913,785)</u>
Operating loss		<u>(88,991)</u>	<u>(217,997)</u>
Finance income	9	4,035	1,797
Finance costs	9	(35,609)	(33,002)
Finance costs, net		<u>(31,574)</u>	<u>(31,205)</u>
Share of net (loss)/profit of an associate and a joint venture accounted for using the equity method		<u>(1,170)</u>	<u>2,625</u>
Loss before income tax		<u>(121,735)</u>	<u>(246,577)</u>
Income tax expense	10	(6,905)	(17,008)
Loss for the year		<u>(128,640)</u>	<u>(263,585)</u>
Attributable to:			
Owners of the Company		(125,881)	(256,231)
Non-controlling interests		(2,759)	(7,354)
		<u>(128,640)</u>	<u>(263,585)</u>
Loss per share for the loss attributable to the owners of the Company			
Basic loss per share	12	<u>RMB(0.064)</u>	<u>RMB(0.131)</u>
Diluted loss per share	12	<u>RMB(0.064)</u>	<u>RMB(0.131)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(128,640)	(263,585)
Other comprehensive income/(loss):		
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	<u>8,975</u>	<u>(42,911)</u>
Items that will not be subsequently reclassified to profit or loss:		
Currency translation differences	(18,137)	12,060
Changes in fair value of equity investments at fair value through other comprehensive income	<u>620</u>	<u>3,081</u>
Total comprehensive loss for the year	<u>(137,182)</u>	<u>(291,355)</u>
Total comprehensive loss for the year attributable to:		
Owners of the Company	(134,655)	(284,681)
Non-controlling interests	<u>(2,527)</u>	<u>(6,674)</u>
	<u>(137,182)</u>	<u>(291,355)</u>

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	21,281	40,692
Income tax paid	<u>(16,195)</u>	<u>(14,313)</u>
Net cash generated from operating activities	<u>5,086</u>	<u>26,379</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(31,220)	(22,225)
Proceeds from disposal of property, plant and equipment	6,504	55
Proceeds from disposal of an associate in prior years	884	–
Net cash outflow on acquisition of a subsidiary	(63)	–
Net cash inflow on disposal of a subsidiary	1,738	–
Increase in restricted bank deposits	(11,099)	(13,755)
Interest received	3,953	1,927
Dividends received from an associate	124	400
Dividends received from investment in financial assets at fair value through other comprehensive income	<u>767</u>	<u>889</u>
Net cash used in investing activities	<u>(28,412)</u>	<u>(32,709)</u>
Cash flows from financing activities		
Proceeds from borrowings	701,137	677,432
Repayments of borrowings	(678,992)	(539,555)
Capital injection from non-controlling interest	24,721	–
Interest paid	(28,222)	(26,492)
Principal elements of lease payments	(6,124)	(7,125)
Payments of financing fee and deposits	(7,515)	(6,196)
Proceeds from exercise of share options	<u>82</u>	<u>–</u>
Net cash generated from financing activities	<u>5,087</u>	<u>98,064</u>
Net (decrease)/increase in cash and cash equivalents	(18,239)	91,734
Cash and cash equivalents at beginning of the year	389,230	303,180
Effects of exchange rate changes on cash and cash equivalents	<u>(4,483)</u>	<u>(5,684)</u>
Cash and cash equivalents at end of the year	<u>366,508</u>	<u>389,230</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company and its subsidiaries (collectively the “**Group**”) are an international comprehensive energy company principally engaged in oilfield exploration and development, oil-field services and new energy business in the People’s Republic of China (the “**PRC**”) and overseas. The Group are committed to providing comprehensive solutions for the exploration and development of conventional and unconventional energy sources such as oil and natural gas, and providing technical research and engineering services in the entire industry chain of carbon sequestration, utilization, and storage (“**CCUS**”). The ultimate controlling party of the Group is Mr. Wang Guoqiang (王國強) and Mr. Ethan Wu (吳東方) (collectively referred to as the “**Controlling Shareholders**”).

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

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and are approved for issue by the Board of Directors on 26 March 2026.

2. BASIS OF PREPARATION

2.1 Compliance with IFRS Accounting Standards and HKCO

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) (“**HKCO**”).

2.2 Historical cost convention

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

2.3 Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹

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 No mandatory effective date yet determined but available for adoption

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

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

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

The CODM assesses performance of four reportable segments: drilling, well completion, reservoir and others. These reporting segments comprise respective services performed in these areas and related ancillary manufacturing activities.

(a) Revenue

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Drilling	440,541	462,521
Well completion	280,572	280,837
Reservoir	817,376	816,843
Others*	174,904	133,918
	<u>1,713,393</u>	<u>1,694,119</u>

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

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

Revenue amounting to RMB1,090,973,000 (2024: RMB1,281,676,000) are derived from China National Petroleum Corporation (“CNPC”) and its related entities and the revenue is attributable to drilling, well completion and reservoir segments.

(b) Segment information

The segment information for the years ended 31 December 2025 and 2024 are as follows:

	Well				Total
	Drilling	completion	Reservoir	Others	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025					
Revenue from external customers	440,541	280,572	817,376	174,904	1,713,393
Time of revenue recognition					
– At a point in time	16,986	148,257	69,018	174,904	409,165
– Over time	423,555	132,315	748,358	–	1,304,228
EBITDA	<u>33,392</u>	<u>39,237</u>	<u>49,085</u>	<u>6,536</u>	<u>128,250</u>
Year ended 31 December 2024					
Revenue from external customers	462,521	280,837	816,843	133,918	1,694,119
Time of revenue recognition					
– At a point in time	11,542	152,568	71,379	133,918	369,407
– Over time	450,979	128,269	745,464	–	1,324,712
EBITDA	<u>(34,705)</u>	<u>5,800</u>	<u>15,122</u>	<u>2,946</u>	<u>(10,837)</u>

Note: During the year ended 31 December 2025, no impairment loss (2024: impairment loss of properties, plant and equipment and right-of-use assets were RMB13,503,000 and RMB1,516,000 arising from drilling business respectively) were recognised in the consolidated income statement.

The segment information on total assets as at 31 December 2025 are as follows:

	Drilling <i>RMB'000</i>	Well completion <i>RMB'000</i>	Reservoir <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2025					
Segment assets	475,541	595,128	459,074	49,137	1,578,880
Unallocated assets					812,703
Total assets					2,391,583
Additions to non-current assets (other than financial assets and deferred income tax assets)	<u>17,759</u>	<u>18,867</u>	<u>7,505</u>	<u>4,845</u>	<u>48,976</u>

The segment information on total assets as at 31 December 2024 are as follows:

	Drilling <i>RMB'000</i>	Well completion <i>RMB'000</i>	Reservoir <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2024					
Segment assets	476,042	693,473	463,922	50,080	1,683,517
Unallocated assets					825,148
Total assets					2,508,665
Additions to non-current assets (other than financial assets and deferred income tax assets)	<u>6,060</u>	<u>9,893</u>	<u>2,561</u>	<u>4,845</u>	<u>23,359</u>

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

A reconciliation of EBITDA to loss before income tax is provided as follows:

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
EBITDA for reportable segments	<u>128,250</u>	<u>(10,837)</u>
Unallocated expenses		
– Share-based payments	(3,081)	(6,871)
– Other (losses)/gains, net	(11,053)	1,669
– Unallocated overhead expenses	<u>(148,260)</u>	<u>(144,094)</u>
	<u>(162,394)</u>	<u>(149,296)</u>
	<u>(34,144)</u>	<u>(160,133)</u>
Depreciation and amortisation	(56,017)	(55,239)
Finance costs (Note 9)	(35,609)	(33,002)
Finance income (Note 9)	<u>4,035</u>	<u>1,797</u>
Loss before income tax	<u>(121,735)</u>	<u>(246,577)</u>

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Segment assets for reportable segments	<u>1,578,880</u>	<u>1,683,517</u>
Unallocated assets		
– Deferred income tax assets	117,513	106,327
– Unallocated inventories	57,871	70,400
– Unallocated prepayment and other receivables	209,435	208,253
– Restricted bank deposits	47,264	36,165
– Cash and cash equivalents	366,508	389,230
– Financial assets at fair value through other comprehensive income	10,988	10,368
– Investments in an associate and a joint venture	<u>3,124</u>	<u>4,405</u>
	<u>812,703</u>	<u>825,148</u>
Total assets	<u>2,391,583</u>	<u>2,508,665</u>

(c) Geographical segment

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
PRC	966,615	1,044,354
Kazakhstan	311,613	330,735
Turkmenistan	112,918	93,721
Indonesia	116,521	57,361
Middle East	161,888	117,583
Canada	41,612	48,501
Others	<u>2,226</u>	<u>1,864</u>
	<u>1,713,393</u>	<u>1,694,119</u>

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
PRC	200,565	211,247
Indonesia	74,897	82,767
Singapore	32,196	30,538
Kazakhstan	36,709	24,446
Middle East	27,237	27,905
Turkmenistan	44,260	60,635
Canada	2,705	3,291
Others	<u>17,025</u>	<u>17,330</u>
	<u>435,594</u>	<u>458,159</u>

(d) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract assets	25,702	40,380
Less: impairment loss	(3,700)	(6,068)
Total contract assets	<u>22,002</u>	<u>34,312</u>
Contract liabilities	<u>50,821</u>	<u>58,188</u>

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
– Drilling	26	–
– Reservoir	1,386	411
– Other	43,177	27,217
Total	<u>44,589</u>	<u>27,628</u>

(ii) Unsatisfied long-term service contracts

The following table shows unsatisfied performance obligations resulting from fixed price long-term service contracts:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	861,640	755,548
More than one year but not more than two years	294,718	372,068
More than two years	55,389	325,126
Total	<u>1,211,747</u>	<u>1,452,742</u>

4. TRADE AND NOTE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	<i>RMB'000</i>
Trade receivables (a)	781,686	821,059
Less: impairment loss	(189,508)	(169,489)
	<hr/>	<hr/>
Trade receivables, net	592,178	651,570
	<hr/>	<hr/>
Notes receivable (a)	676	706
Less: impairment loss	(6)	(6)
	<hr/>	<hr/>
Notes receivable, net	670	700
	<hr/>	<hr/>
	592,848	652,270
	<hr/> <hr/>	<hr/> <hr/>

Notes:

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

	As at 31 December	
	2025	2024
	RMB'000	<i>RMB'000</i>
Up to 6 months	509,421	584,939
6 months – 1 year	34,870	20,619
1 – 2 years	50,802	29,335
2 – 3 years	20,404	14,232
Over 3 years	166,865	172,640
	<hr/>	<hr/>
Trade and note receivables, gross	782,362	821,765
Less: impairment loss	(189,514)	(169,495)
	<hr/>	<hr/>
Trade and note receivables, net	592,848	652,270
	<hr/> <hr/>	<hr/> <hr/>

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

5. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Advances to suppliers	81,195	81,957
Prepayment for taxes	107,211	107,927
Less: provision	(3,992)	(3,526)
	<u>184,414</u>	<u>186,358</u>
Total non-financial assets		
Deposits and other receivables	49,972	57,103
Receivable from sales of property, plant and equipment	36,924	37,752
Loan to a joint venture (a)	–	12,273
Less: impairment loss	(5,162)	(5,179)
	<u>81,734</u>	<u>101,949</u>
Total financial assets		
Total current financial assets	<u>266,148</u>	<u>288,307</u>
Non-current		
Deposits and other receivables	1	11,898
Loan to a joint venture (a)	12,660	–
Loan to a third party (b)	–	10,783
Less: impairment loss	–	–
	<u>12,661</u>	<u>22,681</u>
Total financial assets		
Total non-current financial assets	<u>12,661</u>	<u>22,681</u>
Total	<u><u>278,809</u></u>	<u><u>310,988</u></u>

Notes:

- (a) The loan to a joint venture bears interest at a rate of 8% per annum. During the year ended 31 December 2025, the maturity date of the loan was extended to 30 June 2027 while other terms remained unchanged.
- (b) The loan to a potential business partner which matured in February 2026 was fully repaid in 2025.

6. SHARE CAPITAL

	Number of shares (Thousands)	Share capital <i>RMB'000</i>
Authorised:		
Ordinary shares of USD0.0001 each as at 31 December 2024 and 2025	<u>5,000,000</u>	<u>3,219</u>
Issued and fully paid:		
As at 1 January 2024, 31 December 2024 and 1 January 2025	1,953,776	1,247
Add: Exercise of share options	360	–*
As at 31 December 2025	<u><u>1,954,136</u></u>	<u><u>1,247</u></u>

* Less than RMB1,000.

7. TRADE AND NOTE PAYABLES

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

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 6 months	415,435	373,975
6 months to 1 year	30,067	48,836
1 – 2 years	38,002	44,567
2 – 3 years	15,028	19,832
Over 3 years	73,761	70,175
	<u>572,293</u>	<u>557,385</u>

8. ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Payroll and welfare payable	71,344	91,270
Other tax payables	24,071	31,685
Other payables – related parties	14,872	14,872
Other payables for purchase of property, plant and equipment	4,236	2,995
Other payables	61,309	48,390
	<u>175,832</u>	<u>189,212</u>

9. FINANCE COSTS, NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income:		
– Interest income	3,953	1,927
Net foreign exchange gains/(losses) on financing activities	82	(130)
Finance income	<u>4,035</u>	<u>1,797</u>
Interest expense:		
– Bank borrowings	(20,581)	(20,272)
– Lease liabilities	(869)	(864)
– Other borrowings	(8,687)	(6,600)
Bank charges and others	(5,472)	(5,266)
Finance costs	<u>(35,609)</u>	<u>(33,002)</u>
Finance costs, net	<u>(31,574)</u>	<u>(31,205)</u>

10. INCOME TAX EXPENSE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax (a)	18,995	9,245
Deferred income tax	(12,090)	7,763
Income tax expense	<u>6,905</u>	<u>17,008</u>

Notes:

(a) Current income tax

- (i) The Company was incorporated in Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.
- (ii) PRC enterprise income tax ("EIT") is provided on the basis of the profits of the subsidiaries established in PRC for statutory financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes. The statutory income tax is assessed on an individual entity basis, based on their results of operations.
- (iii) The Group's subsidiaries established in Singapore are subject to Singapore profits tax at a rate of 17% (2024: 17%).
- (iv) The corporate income tax rate for subsidiaries established in Kazakhstan is 20% (2024: 20%).
- (v) The corporate income tax rate for subsidiaries established in Canada is 25% (2024: 25%).
- (vi) Taxation on profits generated in other locations has been provided at the rate of taxation prevailing in the countries in which those profits arose.

11. DIVIDENDS

The Board did not propose a final dividend for the year ended 31 December 2025 (2024: Nil).

12. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Loss attributable to owners of the Company (RMB'000)	(125,881)	(256,231)
Weighted average number of ordinary shares in issue (thousands)	1,953,900	1,953,776
Basic loss per share (RMB per share)	<u>(0.064)</u>	<u>(0.131)</u>

(b) Diluted

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

The share options in issue have not been included in the calculation of the diluted loss per share, as the adjusted exercise prices of those share options are higher than the average annual market price of the Company's shares. Accordingly, these share options had no dilutive effect during the year ended 31 December 2025 and 2024 and the diluted loss per share is the same as the basic loss per share during the year ended 31 December 2025 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, the global economy forged ahead steadily amid policy adjustments and structural optimization. According to the *World Economic Outlook Report* released by the International Monetary Fund (“IMF”), the global economic growth rate stood at 3.3% in 2025, and inflationary pressure continued to fall back to 4.2%. Against this macro backdrop, the international crude oil market exhibited a pattern of “high prices early on followed by a decline, with intensified volatility” due to multiple factors including economic recovery trend, geopolitical conflicts, and market supply and demand pattern. The annual average price of Brent crude oil fell to US\$68 per barrel. Affected by fluctuations in international oil prices, global investment into oil and gas exploration and production became more prudent. According to the *World Energy Investment Report 2025* issued by the International Energy Agency (“IEA”), the total amount of global upstream investment was approximately USD570 billion in 2025, with investment in the petroleum upstream sector down by 6% year-on-year. In line with the situation in global market, China’s oil and gas industry pursued progress while maintaining stability, achieving remarkable results in ensuring energy security. With the successful conclusion of the “Seven-Year Action Plan” for increasing oil and gas reserves and production, petroleum enterprises in China continued to intensify exploration and development efforts. The annual oil and gas output equivalent reached 420 million tons, hitting a new record high and providing stable market demand for the domestic oilfield services sector. At the same time, with the deepening implementation of the dual carbon goals, the interplay of market structural adjustment, technological upgrading pressure and increasingly fierce industry competition has placed higher requirements on oilfield service enterprises in terms of innovation capability, technological reserves and strategic layout.

During the Reporting Year, the Group actively promoted the optimization and adjustment of its business structure and rigorously implemented cost control measures, resulting in a steady and stable improvement in operational quality and efficiency. Meanwhile, revenue from certain overseas projects achieved growth, which effectively drove the improvement of overall operating performance. Benefit from above efforts, the Group recorded revenue of RMB1,713.4 million, representing an increase of RMB19.3 million, or 1.1% as compared to the previous year; and the Group recorded losses of RMB128.6 million during the Reporting Year, representing a decrease of loss of RMB135.0 million, or approximately 51.2% as compared to the previous year. In 2025, the Group continued to optimize its strategic layout, adhering to the core service philosophy of “customer-centricity”, and steadily strengthening its market competitiveness. In 2025, the Group has achieved major breakthroughs in two key areas, market layout and technological innovation. In terms of market layout, while consolidating its domestic oil and gas foundation, the Group continued to refine its global layout by focusing on potential markets such as Central Asia, Southeast Asia, Middle East, and South America. Step by step, the Group has expanded its new landscape of overseas business development. Under the guidance of such strategy, all business segments have advanced in synergy and supported each other. First, in terms of oil and gas field exploration and development business, the Group persistently integrated technology and resources, further improving exploration accuracy and development efficiency of oil and gas field exploration, thereby creating market space for subsequent exploration. Secondly, in terms of oil and gas field technical services business, while consolidating its shares in traditional market, the Group actively

expanded into emerging market sectors. Relying on its full-chain technical support capabilities covering drilling, well completion to enhanced recovery rate, the Group continuously optimized oil field operation plans and achieved steady and stable business expansion. In addition, in terms of new energy development and utilization business, the Group, aligning with the global energy transition trend, actively seized market opportunities, promoted the coordinated development of traditional businesses and new energy through clean energy solutions, and fostered new growth momentum. In terms of technological innovation, the Group achieved major breakthroughs, as it not only successfully developed a 3-1/2, 20,000 PSI high-pressure safety valve, laying a solid foundation for subsequent market expansion, but also made phased technological progress in the research and development of high-temperature and high-pressure sensor products, continuously consolidating the Group's core technological barriers. Throughout 2025, the Group consistently adhered to a prudent financial policy and practiced an operational philosophy of lean management. By continuously optimizing its market layout, and strengthening key technological innovations, the Group achieved breakthroughs in the synergistic development of multiple segments. This fully demonstrates that the Group is of resilience, operational agility and sustainable development capabilities in a complex environment.

REVENUE ANALYSIS

During the Reporting Year, the Group recorded revenue of RMB1,713.4 million, representing an increase of RMB19.3 million or 1.1% as compared to the previous year. The analysis on the revenue of the Group by business segment is as follows:

	For the year ended 31 December		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change (%)
Revenue			
Reservoir	817,376	816,843	0.1%
Drilling	440,541	462,521	(4.8%)
Well completion	280,572	280,837	(0.1%)
Other	174,904	133,918	30.6%
Total	1,713,393	1,694,119	1.1%

During the Reporting Year, revenue from reservoir segment accounted for 47.7% of the total revenue, representing an increase of RMB0.5 million or 0.1% as compared to the previous year. Revenue from drilling segment accounted for 25.7% of the total revenue, representing a decrease of RMB22.0 million or 4.8% as compared to the previous year. Revenue from well completion segment accounted for 16.4% of the total revenue, representing a decrease of RMB0.2 million or 0.1% as compared to the previous year. Revenue from other segments accounted for 10.2% of the total revenue, representing an increase of RMB41.0 million or 30.6% as compared to the previous year. The significant increase of other segments was mainly driven by the increase in sales business of natural gas in Xinjiang.

RESERVOIR SERVICE SEGMENT

	For the year ended 31 December		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change (%)
Revenue from reservoir services			
Overseas	313,011	272,986	14.7%
PRC	504,365	543,857	(7.3%)
Total	817,376	816,843	0.1%

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

During the Reporting Year, the Group's reservoir segment recorded revenue of RMB817.4 million, representing an increase of RMB0.5 million or 0.1% as compared to the previous year. The Group's overseas reservoir segment recorded revenue of RMB313.0 million, representing an increase of RMB40.0 million or 14.7% as compared to the previous year, and accounted for 38.3% of the total revenue from reservoir segment. The increase in revenue from overseas reservoirs was mainly attributable to the sustained full workload of oil testing service and mud logging service in Middle East as well as the steady increase in the oil testing business in Kazakhstan Region. The Group's reservoir segment in the PRC recorded revenue of RMB504.4 million, representing a decrease of RMB39.5 million or 7.3% as compared to the previous year, and accounted for 61.7% of the total revenue from reservoir segment, which was mainly due to the decrease in the workload caused by station operation and maintenance and construction in Xinjiang region.

DRILLING SERVICE SEGMENT

	For the year ended 31 December		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change (%)
Revenue from drilling services			
Overseas	259,675	271,221	(4.3%)
PRC	180,866	191,300	(5.5%)
Total	440,541	462,521	(4.8%)

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

During the Reporting Year, the Group's drilling service segment recorded revenue of RMB440.5 million, representing a decrease of RMB22.0 million or 4.8% as compared to the previous year. The Group's overseas drilling segment recorded revenue of RMB259.7 million, representing a decrease of RMB11.6 million or 4.3% as compared to the previous year, and accounted for 58.9% of the total revenue from drilling segment. The Group's drilling service segment in the PRC recorded revenue of RMB180.8 million, representing a decrease of RMB10.4 million or 5.5% as compared to the previous year, and accounted for 41.1% of the total revenue from drilling segment. The year-on-year change in the revenue from drilling business was mainly attributable to the Group's optimization of its drilling business structure during the year, whereby the Group discontinued a number of unprofitable projects or projects with uncertain growth prospects.

WELL COMPLETION SERVICE SEGMENT

	For the year ended 31 December		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change (%)
Revenue from well completion services			
Overseas	174,092	105,557	64.9%
PRC	106,480	175,280	(39.3%)
Total	280,572	280,837	(0.1%)

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

During the Reporting Year, the Group's well completion service segment recorded revenue of RMB280.6 million, representing a decrease of RMB0.2 million or 0.1% as compared to the previous year. In particular, the Group's overseas well completion segment recorded revenue of RMB174.1 million, representing an increase of RMB68.6 million or 64.9% as compared to the previous year, and accounted for 62.0% of the total revenue from well completion segment. The increase was mainly due to the increase in the volume of well completion operation from Indonesia as well as the increase in the volume of fracturing stimulation operation in Kazakhstan region. The Group's well completion segment in the PRC recorded revenue of RMB106.5 million, representing a decrease of RMB68.8 million or 39.3% as compared to the previous year, and accounted for 38.0% of the total revenue from well completion segment, which was mainly due to the decrease in the volume of well completion operations in Xinjiang, Sichuan and Chongqing markets.

OTHER SEGMENT

	For the year ended 31 December		
	2025 RMB'000	2024 RMB'000	Change (%)
Revenue from other services			
Overseas	–	–	–
PRC	<u>174,904</u>	<u>133,918</u>	<u>30.6%</u>
Total	<u><u>174,904</u></u>	<u><u>133,918</u></u>	<u><u>30.6%</u></u>

Currently, revenue from other segment of the Group mainly includes revenue generated from sales of natural gas and the related service provided.

During the Reporting Year, the Group's other segment recorded revenue of RMB174.9 million, representing an increase of RMB41.0 million or 30.6% as compared to the previous year. Revenue from the PRC market was RMB174.9 million, representing an increase of RMB41.0 million or 30.6% as compared to the previous year, and accounted for 100.0% of total revenue from other segment, mainly attributable to the increase in natural gas sales business in Xinjiang.

MARKET ENVIRONMENT

In 2025, the global petroleum industry entered into a critical stage where deep adjustment and transformation ran in parallel. Multiple factors, including macroeconomic fluctuations, geopolitical maneuvering, high trade barriers, and the energy transition, intertwined to cause a significant rise in uncertainties in the global oil market. At the macroeconomic level, the global economic recovery continued to slow down. *World Economic Outlook* Report published by the IMF pointed out that the global economic growth rate in 2025 was 3.3%, lower than the pre-pandemic average; influenced by changes in the trade environment such as adjustments to U.S. tariff policies, economic volatility risks intensified, which in turn suppressed the growth of oil demand. Demand in developed economies remained weak, and while emerging markets possessed growth momentum, their increments were insufficient to offset the decline of the former, leading to a slowing trend in overall oil demand growth. From the perspective of market supply and demand dynamics, the market exhibited characteristics of “supply under pressure and demand divergence”. On the demand side, influenced by the advancement of the energy transition, data from *Oil Market Report in December 2025* published by the IEA showed that global oil demand in 2025 grew by only 830,000 barrels per day year-on-year. On the supply side, production capacity in non-“OPEC+” countries continued to grow. Although “OPEC+” bore the primary share of production cuts, the magnitude of the cuts failed to fully offset the production increments from non-“OPEC+” countries. Global oil supply growth for the year was approximately 3.10 million barrels per day, and the pressure of supply-demand imbalance remained unresolved. International oil prices continued to be under pressure, with the average annual price of Brent crude oil falling below USD70/barrel. Guided by policies of “security as the baseline and low-carbon transformation”, the Chinese market continued to optimize its demand structure and promoted the extension of exploration and development into deep layers, deep water, unconventional resources, and matured oilfields, placing higher

requirements on the greening and intelligence of oil and gas service technologies. Overall, the global petroleum industry entered a period of high-quality transformation in 2025. Oil companies focused on improving the quality and efficiency of exploration and development and refined cost control, which intensified competitive pressure in the oilfield service market and further squeezed the survival space of small and medium-sized oilfield service enterprises. In this context, oilfield service enterprises need to build differentiated advantages through technological iteration, refined operations, and deployment in emerging fields to actively respond to the challenges brought by industry transformation.

OVERSEAS MARKETS

The Group's overseas operations are mainly located in Kazakhstan and Turkmenistan in Central Asia, Indonesia and Singapore in Southeast Asia, Canada in North America, Peru in South America, and core areas of the Middle East. Affected by a number of factors such as macroeconomic pressure, geopolitical conflicts, and U.S. tariff policies in 2025, the international crude oil market showed a trend of "high prices early on followed by a decline, with intensified volatility", with the average annual price of Brent crude oil at USD68/barrel. Against this backdrop, uncertainties in overseas markets rose significantly, with industry competition becoming increasingly fierce. In the face of numerous challenges in overseas markets, the Group upheld the principle of prudent operation for its overseas business, withstood external pressures and overcame internal difficulties. In addition to strengthening our strategic positioning and expansion of overseas markets, the Group accelerated technological enhancement and innovation, extensively cultivated existing markets, and sought new opportunities for breakthroughs. Simultaneously, the Group promoted business optimization and capability enhancement to achieve the steady development of its overseas business. In terms of business optimization, the Group focused on optimizing its overseas business structure, with a focus on core areas of oilfield exploration and development, while ploughing its resources into high-end oilfield service sub-sectors. Furthermore, the Group proactively avoided low-value-added homogenized competition to improve the business profitability. In terms of technological capability enhancement, the Group accelerated technological innovation. Besides actively tracking cutting-edge technologies in the global petroleum industry and exploring diversified innovation models, the Group continued to strengthen its core technical service capabilities and constantly improved corporate core competitiveness, thereby carving out room for new growth and fostering new growth momentum in the fierce market competition.

As a key market under the Group's overseas strategy, our Kazakhstan region broke through against the trend in the complex international energy market landscape of 2025. Faced with multiple challenges such as geopolitical fluctuations and upgraded resource exploration difficulty, the Kazakhstan region always adhered to the concepts of "strategic leadership, innovation-driven, and lean operation", not only consolidating its market position in traditional oil and gas fields but also achieving remarkable results in unconventional energy development, integrated service capabilities, and lean operation and quality improvement. In terms of strategic transformation, the Kazakhstan region proactively shifted its development strategy, while deeply integrating domestic and foreign technical resources. By relying on the Group's core technical accumulation in the field of oil and gas development, the Group successfully implemented the multi-stage sand-filling and fracturing modification operation in Kazakhstan's first horizontal well in shale oil and gas reservoirs. The successful implementation of this project not only filled the local technical gap in unconventional oil and gas development but also marked that the region has reached a leading level in key

technical fields such as shale oil and gas reservoir stimulation and horizontal well construction, creating favorable conditions for subsequent expansion into tight reservoir stimulation and potential markets. In terms of upgrading integrated service capabilities, the Kazakhstan region successfully won the bid for the integrated drilling services for a certain oilfield by virtue of its full-chain service capabilities in geological research of carbonate shale oil and gas reservoirs, personalized completion scheme design, and integrated construction of drilling, mining and increased production capacity for many years. The successful bid of this project fully validates the Group's technological advantages and service strength in the field of deep carbonate shale oil and gas reservoir development, and promotes the Kazakhstan region to achieve a strategic transformation from a single construction service provider to a comprehensive energy solution provider, further enhancing its core competitiveness and brand influence in the local market. In terms of diversified development planning, the Kazakhstan region accurately gauged the industry trends of refined local geological exploration, accelerated the development of the new energy industry, and deepened cooperation across the entire industry chain. Besides continuing to strengthen its technical advantages in unconventional oil and gas development, the Group actively expanded cooperation in potential blocks, and strove to build regional industry benchmarks. During the Reporting Year, our Turkmenistan project department has made full use of its own technical advantages and integrated resources, bravely took business action to successively sign business contracts for coiled tubing gas lift, bit services, and casing annulus pressure management. In addition, a certain well gas gathering pipeline replacement project constructed by our Turkmenistan project department applied the five-layer co-extrusion composite material, a flexible reinforced thermoplastic pipe ("RTP") technology for the first time and successfully passed the owner's acceptance inspection procedures. The successful application of this technology marks a key breakthrough for the Group in the field of natural gas surface construction under complex environments such as "three-high" gas fields and high-temperature deserts.

In terms of potential markets, regional project departments took proactive actions and made breakthroughs to achieve high-quality business development. The Middle East region always adhered to the development concepts of pioneering, enterprising, and excellence. Centering on customers and guided by the market, it made all-out efforts to achieve breakthroughs, realizing coordinated development across multiple business areas. Significant increase in market orders drove growth in both output value and profitability. During the Reporting Year, the Middle East region successfully won contracts for well workover services, oil testing services, and logging services for an oilfield in Iraq. We continued to optimize our business layout, with a multi-field service system covering well workover and fishing, well cementing, well logging, well calibration, oil testing, reservoir dynamic monitoring, and oilfield tool accessories trading formed, which continues to strengthen our market competitiveness. The Indonesia project department steadily promoted its market expansion. The 1000HP drilling rig service project in an oil and gas field in South Sumatra, Indonesia, officially started drilling. On this basis, the Indonesia project department also successfully commenced construction of its swabbing facilities, achieving the market goal of "multiple services for the same customer". This achievement is not only an important milestone for the Indonesia project department to open up the external oilfield service market but also lays a solid foundation for subsequent market expansion. In the South American market, the Group achieved a major breakthrough by successfully winning the bid for the development project of Block VI of the Talara Oilfield in Peru, which entitles the Group to the right to sign the hydrocarbon extraction license agreement for the project. The Group will be fully responsible for the development and operation of the project block. The successful bid marks a major breakthrough for the Group in the field of oil and gas resource development in South America, further improving the Group's business layout in key overseas regions. This helped increase the Group's share and

industry influence in the global oil and gas market, laying a solid foundation for subsequent expansion into other oil and gas projects in the South American region. In terms of technology research and development, the Group once again achieved a major breakthrough in technological innovation, as its Singapore Global R&D center successfully developed a 3-1/2, 20,000 PSI high-pressure safety valve. The successful launch of this product not only demonstrates the Group's leading position in this field but also marks that it possesses core technical support when dealing with complex and harsh oilfield environments such as high temperature, high pressure, and high sulfur content, building a technical barrier and market foundation for the Group's market expansion in the field of high-pressure downhole tools. Furthermore, Pioneer Petrotech Services Inc. ("PPS"), a subsidiary of the Group, had successfully developed and delivered the 230°C high-temperature manometer. This technological breakthrough represents a verifiable technical path for the PPS team's sensor product research and development efforts in extreme high-temperature environments, thereby providing a solid technical guarantee for subsequent expansion into similar high-end markets.

During the Reporting Year, the Group's new orders in overseas markets amounted to approximately RMB1,311.0 million, accounting for approximately 52.4% of the Group's total new orders. In 2025, the Group has recorded revenue of RMB746.8 million in overseas markets, representing an increase of RMB97.0 million or 14.9% as compared to the previous year, and accounted for 43.6% of the total revenue.

PRC MARKET

In 2025, the "Seven-Year Action Plan" for increasing oil and gas reserves and production was successfully consummated. In recent years, oil and gas production enterprises in the PRC market have continued to strengthen their investments in exploration and development, anchoring the core goal of increasing reserves and production. The sustained positive momentum in stable and rising oil and gas production further strengthened the energy supply security. According to the National Bureau of Statistics, crude oil production by industrial enterprises above the designated size reached 216 million tons in 2025, representing a year-on-year increase of 1.5%; natural gas production reached 261.9 billion cubic meters, representing a year-on-year increase of 6.2%. With the trend of stable oil and gas production being clear, the reserve-to-production capability has continued to strengthen. Meanwhile, under the guidance of the "dual carbon" strategy, the PRC market has actively promoted the green and low-carbon transition of energy, and the industry has shown a new pattern of coordinated development between traditional oil and gas and new energy. The carbon capture, utilisation, and storage ("CCUS") technology has been widely applied to improve the quality of mature oilfields, with breakthroughs made in deep-water oil and gas exploration and development, and the pace of clean and efficient utilization of fossil energy accelerated. Notably, the oilfield service industry is accelerating its transformation toward the upgrading of traditional business and the expansion into new energy. As the upstream sector of oil and gas companies, with oil companies continuously promoting technological innovation, cost reduction and efficiency enhancement, and increasing reserves and production, oilfield service enterprises with technological reserves are expected to gain a first-mover advantage during the industry's prosperity cycle. In this context, the Group further deepened its presence in the oilfield technical services segment in the domestic market, consolidated the new energy business sector, continuously improved service quality, and strengthened its internal capabilities to effectively solve technical problems for customers. Through continuous technological innovation and overcoming difficulties, the Group stabilized its existing market while capturing new market opportunities with a keener perspective.

In 2025, the Group focused on the high-quality development of its business in the PRC market, optimized and adjusted its business structure, and concentrated its core resources in high-end and unconventional oil and gas markets such as Xinjiang and Sichuan-Chongqing. Leveraging its technical advantages to its well established presence in the oil and gas field services sector, the Group achieved steady progress and multi-point breakthroughs across all business segments. As the Group's core strategic market, the Xinjiang region continued to lead the regional industry in terms of business competitiveness. During the Reporting Year, the Group's well completion business in Xinjiang remained firmly in a leading market position, with operating depth, temperature, and difficulty all breaking various industry records, demonstrating the Group's strong technical capabilities. In the drilling business, the Group successfully won the bid for an integrated drilling acceleration project and commenced its service operations, which is expected to generate scalable production value in the next one to two years, injecting new momentum into the Group's performance growth. With the application and promotions of reservoir well testing and ultra-high temperature and ultra-high pressure suction Pressure-Volume-Temperature ("PVT") sampling businesses continuing in the Tarim Oilfield, we achieved substantial breakthroughs in production value, further consolidating our market position in the reservoir technical services sector. In addition, the Company proactively has been building its personnel and equipment pipeline in the Xinjiang region. Following our successful participation in the well testing and well completion tool operations of "scientific exploration wells", the Group has fully demonstrated its outstanding technical service capabilities in the reservoir and well completion sectors. While consolidating the stable development of its business in the Sichuan and Chongqing markets, the Group has fully expanded into emerging markets. It has achieved positive breakthroughs in fields such as multi-stage stimulation tools and optical fiber monitoring services, some of which have been signed and implemented, laying a solid foundation for the Group's business growth in the Sichuan and Chongqing markets. In the field of new energy, the Group focused on the low-carbon energy services sector and actively followed up and participated in several key projects. Among them, the Group's second CCUS project successfully completed 2D seismic geophysical survey acquisition, processing, and interpretation, and completed drilling and production testing work by the end of the year, passing the expert review and acceptance. Meanwhile, it also achieved success in gas-tight operations, providing solid technical and service guarantees for the safe sequestration of carbon dioxide in a certain well of the Yulin Chemical CCUS project, helping the Group further establish its foothold in the low-carbon energy services sector.

During the Reporting Year, the Group's new orders in the PRC markets amounted to approximately RMB1,193.0 million, accounting for approximately 47.6% of the Group's total new orders. In 2025, the Group has recorded revenue of RMB966.6 million in the PRC markets, representing a decrease of RMB77.7 million or 7.4% as compared to the previous year, and accounted for 56.4% of the total revenue.

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

The Group continued to focus on technological strategic direction of "technology leading the development and innovation driving future", adhered to various channels including research and development, introduction and integration, and continuously promoted the development and improvement of the Group's technical capabilities, forming a series of new technology solutions. In the context of fierce competition in the traditional oilfield service market, new technology became a key factor for the Group to stabilize the market and increase its revenue.

In terms of oil reservoirs service, PPS kept on making breakthroughs in key technology, with its proprietary manometer which was resilient to 230 °C high temperature and high pressure being applied in site, not only providing a verifiable technology path for the research and development of sensor products under extreme high temperature environment, but also accumulating a series of reusable processes and technologies, providing a strong technical support for subsequent technological breakthroughs and market expansion. Meanwhile, the Group successfully developed a PVT sampler with completely independent intellectual property rights, which can be used in high temperature and high pressure downhole pressure-maintaining. This instrument has a pressure resistance of 140MPa and a temperature resistance of 180 °C, breaking through the technical barriers of foreign countries, marking the independent research and development capabilities of the Group's self-developed core instrument for downhole fluid sampler and had reached the international leading level. The continuous breakthroughs and site applications of the above-mentioned key technologies had further consolidated the Group's technical advantages and market-leading position in the field of oil reservoirs.

In terms of drilling service, by focusing on an oilfield in Xinjiang, the Group had been deeply advancing integrated drilling speed-up technology. Through optimizing drilling combinations based on specific working conditions, dynamically adjusting drilling parameters, and fully unleashing potential, the Group achieved a daily depth of 1,520m in vertical well sections and 360m in horizontal well sections, both breaking the highest daily depth records for the block and gaining high recognition from the property owners. At the same time, in view of the problems such as degumming and failure of conventional screw drilling tools that are prone to occur in the condition of high temperature and high pressure oil base mud, the Group actively promoted the application of high performance screw with high temperature resistance and oil resistance to further accelerate the drilling speed. The implementation and optimization of those integrated technologies represented a growth opportunity for the Group's drilling business.

In terms of well completion service, the 25K and 20K downhole safety valves independently developed by the Group had achieved large-scale application in the well completion field in China under high temperature and high pressure. The successful launch of this series of products not only reflected the Group's leading technology advantages in this field, but also laid a solid foundation for subsequent market expansion in the field of high-pressure safety valves. Meanwhile, Tianjin Well Completion Tool R&D and Manufacturing Plant (天津完井工具研發製造工廠), a subsidiary of the Group, has successfully obtained the official certification from the American Petroleum Institute ("API"), obtaining the API Q1 quality system certificate and five monograph product certifications for related well completion products, demonstrating that the Group had the full capability of well completion tool R&D, manufacture and full-process production in China. The plant would further promote the comprehensive development of the Group's well completion business.

The Group always upheld the strategic direction of "technology leading the development and innovation driving future". Through various synergies such as independent research and development, technology introduction and resource integration, we have continuously promoted the upgrading and breakthrough of technological capabilities and formed a series of competitive new technology solutions. Under the background of the increasingly fierce market for traditional oilfield services, technological innovation had become the core support for the Group to consolidate its market position and improve operational efficiency. The Group strengthened the core competencies of all business lines with continuous technological breakthroughs, which not only consolidated its leading position in the key field of oil and gas services, but also achieved steady business development and value enhancement through technological empowerment, demonstrating a sustainable growth trend driven by innovation.

HUMAN RESOURCES

In 2025, the Group supported key business layout and enhanced workforce productivity through scientific allocation and structural optimization. The Group continued to refine its performance management system centered on performance by appropriately increasing performance leverage.

The Group regularly reviewed its compensation package based on employee's position and duty, performance and market rate to ensure its competitiveness. The Group also provided comprehensive and diverse training to its employees. There were 846 training sessions in total held in 2025, including online and offline trainings, with 13,901 attendees and 101,203 training hours in aggregate.

As at 31 December 2025, the Group had a total of 3,325 employees, representing a decrease of 480 employees from 3,805 employees as at 31 December 2024.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, revenue of the Group was RMB1,713.4 million, representing a year-on-year increase of RMB19.3 million, or 1.1%, as compared with that of RMB1,694.1 million for the previous year. The increase was mainly due to the expansion of operating activities of the Group.

Other (losses)/gains, net

For the year ended 31 December 2025, other losses, net of the Group were RMB11.1 million, as compared with other gains, net of RMB1.7 million for the previous year. The change was mainly due to the fluctuations in foreign exchange rates.

Material costs

For the year ended 31 December 2025, material costs of the Group were RMB488.5 million, representing a year-on-year decrease of RMB13.5 million, or 2.7%, as compared with that of RMB502.0 million for the previous year. The decrease was mainly due to the changes in business structure.

Employee benefit expenses

For the year ended 31 December 2025, employee benefit expenses of the Group were RMB565.8 million, representing a year-on-year decrease of RMB75.7 million, or 11.8%, as compared with that of RMB641.5 million for the previous year. The decrease was mainly due to the decrease in the number of employees as a result of the optimization of the Group's business structure.

Short-term and low-value lease expenses

For the year ended 31 December 2025, short-term and low-value lease expenses of the Group were RMB124.2 million, representing a year-on-year decrease of RMB9.5 million, or 7.1%, as compared with that of RMB133.7 million for the previous year.

Transportation costs

For the year ended 31 December 2025, transportation costs of the Group were RMB27.3 million, representing a year-on-year decrease of RMB2.1 million, or 7.1%, as compared with that of RMB29.4 million for the previous year.

Depreciation and amortisation

For the year ended 31 December 2025, depreciation and amortisation of the Group was RMB56.0 million, representing a year-on-year increase of RMB0.8 million, or 1.4%, as compared with that of RMB55.2 million for the previous year.

Technical service expenses

For the year ended 31 December 2025, technical service expenses of the Group were RMB309.4 million, representing a year-on-year increase of RMB56.2 million, or 22.2%, as compared with that of RMB253.2 million for the previous year. The increase was mainly due to the changes in business structure.

Impairment losses of assets

For the year ended 31 December 2025, impairment losses of assets of the Group were RMB22.6 million, while the impairment losses of assets of the Group were RMB81.7 million for the previous year.

Others

For the year ended 31 December 2025, other operating costs of the Group were RMB197.5 million, representing a year-on-year decrease of RMB19.6 million, or 9.0%, as compared with that of RMB217.1 million for the previous year.

Operating loss

Based on the above reasons, operating loss of the Group during the Reporting Year was RMB89.0 million, compared with operating loss of RMB218.0 million for the previous year.

Finance costs, net

For the year ended 31 December 2025, finance costs, net of the Group were RMB31.6 million, representing a year-on-year increase of RMB0.4 million, or 1.3%, as compared with that of RMB31.2 million for the previous year.

Net loss attributable to an associate and a joint venture under the equity method

For the year ended 31 December 2025, net loss attributable to an associate and a joint venture under the equity method of the Group was RMB1.2 million.

Income tax expense

For the year ended 31 December 2025, income tax expense was RMB6.9 million, compared with the income tax expense of RMB17.0 million for the previous year.

Loss for the year

As a result of the explanations above, loss of the Group for the Reporting Year was RMB128.6 million, compared with loss of RMB263.6 million for the previous year.

Loss attributable to equity holders of the Company

For the year ended 31 December 2025, loss attributable to equity holders of the Company was RMB125.9 million, compared with the loss attributable to equity holders of the Company of RMB256.2 million for the previous year.

Property, plant and equipment

As at 31 December 2025, the property, plant and equipment was RMB352.4 million, representing a decrease of RMB7.5 million, or 2.1%, from RMB359.9 million as at 31 December 2024. The decrease was mainly due to the depreciation of property, plant and equipment.

Right-of-use assets

As at 31 December 2025, the carrying value of right-of-use assets amounted to RMB42.0 million, representing a decrease of RMB4.2 million, or 9.1%, from RMB46.2 million as at 31 December 2024. The decrease was mainly due to the depreciation of the right-of-use assets.

Intangible assets

As at 31 December 2025, intangible assets were RMB12.4 million, representing a decrease of RMB0.9 million, or 6.8%, as compared with that of RMB13.3 million as at 31 December 2024. The decrease was mainly due to the amortisation of intangible assets.

Deferred income tax assets

As at 31 December 2025, deferred income tax assets were RMB117.5 million, representing an increase of RMB11.2 million, or 10.5%, from RMB106.3 million as at 31 December 2024.

Prepayments and other receivables

As at 31 December 2025, non-current portion of prepayments and other receivables was RMB12.7 million, compared with that of RMB22.7 million as at 31 December 2024. As at 31 December 2025, current portion of prepayments and other receivables was RMB266.1 million, as compared with that of RMB288.3 million as at 31 December 2024.

Inventories

As at 31 December 2025, inventories were RMB529.6 million, representing an increase of RMB0.5 million, or 0.1%, from RMB529.1 million as at 31 December 2024.

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

As at 31 December 2025, contract assets, trade and note receivables were RMB614.9 million, representing a decrease of RMB71.7 million, or 10.4%, from RMB686.6 million as at 31 December 2024. The decrease was mainly due to more timely collection of receivables during the Reporting Year. As at 31 December 2025, contract liabilities, trade and note payables amounted to RMB623.1 million, representing an increase of RMB7.5 million, or 1.2%, from RMB615.6 million as at 31 December 2024. The increase was mainly due to the reasonable extension payment terms to supplier, resulting in a delay in partial payments.

Liquidity and capital resources

As at 31 December 2025, cash and bank deposits of the Group, comprising cash and cash equivalents and restricted bank deposits, were RMB413.8 million, representing a decrease of RMB11.6 million, or 2.7%, from RMB425.4 million as at 31 December 2024.

As at 31 December 2025, short-term borrowings and current portion of long-term borrowings of the Group were RMB552.7 million while long-term borrowings were RMB95.8 million. As at 31 December 2024, short-term borrowings and current portion of long-term borrowings of the Group were RMB571.3 million while long-term borrowings were RMB55.1 million. As at 31 December 2025, bank borrowings of the Group were mainly denominated in RMB and such borrowings were generally subject to a fixed interest rate.

As at 31 December 2025, current lease liabilities of the Group amounted to RMB5.9 million and non-current lease liabilities amounted to RMB5.5 million. As at 31 December 2024, current lease liabilities of the Group amounted to RMB5.7 million and non-current lease liabilities amounted to RMB7.9 million.

As at 31 December 2025, gearing ratio of the Group was 74.1%, representing an increase of 10.3% as compared with 63.8% as at 31 December 2024. Gearing ratio was calculated as interest-bearing liabilities and lease liabilities divided by total equity.

Capital structure

The capital of the Company comprises only ordinary shares. As at 31 December 2025, the total number of ordinary shares of the Company in issue was 1,954,135,999 shares (31 December 2024: 1,953,775,999 shares). As at 31 December 2025, equity attributable to the equity holders of the Company was RMB890.8 million, representing a decrease of RMB131.5 million, or 12.9%, as compared with RMB1,022.3 million as at 31 December 2024.

Significant investment held

As at 31 December 2025, the Group did not hold any significant investment.

Acquisitions and disposals of subsidiaries and associates

The Company had no material acquisitions and disposals of subsidiaries and associates during the Reporting Year.

Assets pledged to secure bank borrowings

As at 31 December 2025, the Group pledged parts of its right-of-use assets and trade and note receivables to secure the bank borrowings of the Group. The carrying values of assets pledged are as follows:

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Right-of-use assets	1,073	1,966
Trade and note receivables	154,000	167,500

Assets pledged to secure the loans from a third party institution

Loans from a third party financial institution of the Group are expiring from 2026 to 2028 and are secured by certain machinery with a carrying amount of RMB152,274,000 (2024: RMB144,304,000), and guaranteed by certain subsidiaries of the Group.

Foreign exchange risk

Fluctuations in exchange rates of Tenge (“**KZT**”) and USD have exposed the Group to foreign currency exchange risk. Currently, certain sales to and purchases of the Group overseas are mostly denominated in USD. Kazakhstan is the largest overseas market of the Group in terms of revenue contribution. In accordance with certain laws and regulations, local service contracts in Kazakhstan are required to be denominated in KZT. On average, in 2025, the exchange rate of KZT against RMB decreased by 0.3% generally, and the exchange rate of USD against RMB decreased by 2.2% generally as compared with last year, but such movement did not have a significant impact on the overall business of the Group.

Contingent liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Off-balance sheet arrangement

As at 31 December 2025, the Group had no off-balance sheet arrangements.

Contractual obligations

As at 31 December 2025, the Group had capital expenditure commitments of RMB65.5 million.

OUR PLANS

Marching into 2026, the Group will closely focus on the global energy transition trend and the national strategic plan for increasing reserves and production, adhering to stable operation and high-quality development as the main line. The Group will deepen the domestic competitive market, expand overseas high-value projects, advance the green and low-carbon transformation as its core development strategy. Meanwhile, the Group will closely monitor market fluctuation and uncertainties caused by geopolitical conflicts in the Middle East, assess the risks of overseas projects prudently, and formulate contingency plans in advance. The Group will continuously optimize its business structure, consolidate market advantages, strengthen technology-driven capabilities, and steadily improve the operating scale and profitability, thereby laying a solid foundation for long-term sustainable development. The Group will further put more efforts in the following aspects:

1. Optimizing business layout and building a synergetic development pattern. In order to achieve diversification and synergies, quality improvement and efficiency enhancement, the Group will further strengthen the oilfield exploration and development segment, deepen oil-field technological services segment and consolidate new energy business segment, to promote the coordinated and complementary development of the three segments. In the domestic market, the Group will focus on key areas such as deep-layer and unconventional oil and gas resources, giving priority to the expansion of high technology and high value-added integrated service projects, actively avoiding low-value-added and low-price competitive businesses, through which the Group will continue to consolidate its dominant position in domestic market. In the overseas markets, the Group will focus on high potential regions including Southeast Asia, the Middle East and other markets along the “Belt and Road Initiative”, increasing investment of resources to ensure the efficient fulfilment of contractual obligations for existing projects, while actively pursuing high-margin services orders. The Group will steadily advance the exploration and development of overseas oilfields in Indonesia, Peru and other jurisdictions, with the aim of achieving large-scale production capacity at the earliest opportunity. Against the backdrop of global energy transition, the Group will actively deploy the low-carbon technology services such as the CCUS, promote the synergetic development of traditional oil and gas business and new energy business and strive to build a diversified energy business portfolio.
2. Upholding leading technology and strengthening core competitive advantages. Based on industry development trend and the core demands from customers, the Group will adhere to technology-driven and innovative enabling strategy, make more breakthroughs in core technologies, and address complex challenges for customers. The Group will focus on breakthroughs in core technologies in the fields of deep and ultra-deep wells, shale oil and gas, accelerating the localization of core equipment. At the same time, the Group will promote the integration, optimization, and large-scale application of existing mature technologies, continue to enhance its capacity in directional drilling, pressed fracturing modification, and integrated services. The Group will leverage technological innovation to improve efficiency and market share, establish differentiated competitive advantages, and inject technology motivation strength into the high-quality development of its business.

3. Strengthening lean operation and management to enhance risk control and management. The Group fully implements a lean management model, integrates the concept of quality improvement and efficiency enhancement in every aspect of operation and management, strengthens cost control, cash flow management, and life-cycle project control, and continues to improve management efficiency, thereby comprehensively enhancing corporate operational efficiency and risk resistance. The Group will further improve the internal control compliance and risk management system, strictly comply with domestic and overseas regulatory requirements, and ensure the compliant and stable operation of various businesses. At the same time, the Group will optimize resource allocation and corporate structure, improve management coordination efficiency and market response level, laying a solid foundation for the high-quality development.
4. Enhancing talent and assessment mechanisms to stimulate the organic motivation. The Group will adhere to a performance-oriented evaluation and incentive system, uphold the core principle that performance defines team dignity. The Group will enforce rigorous assessments to enhance team execution and efficiency. At the same time, the Group will continue to optimize training and management systems, prioritize the recruitment and development of versatile professionals with both expertise and broad competencies, fostering the integration of human resources with business strategies to support project implementation and high-quality growth in a solid manner.

FINAL DIVIDEND

The Board did not propose a final dividend for the year ended 31 December 2025 (2024: nil).

EVENTS AFTER THE REPORTING YEAR

There was no subsequent event after the Reporting Year which has material impact on the Group.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of the shareholders of the Company who are entitled to attend the forthcoming annual general meeting of the Company to be held on 12 June 2026, the register of members of the Company will be closed from 9 June 2026 to 12 June 2026 (both dates inclusive). The record date for determining the entitlement of the shareholders of the Company to attend and vote at the forthcoming annual general meeting of the Company will be 12 June 2026. All transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 8 June 2026.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Having made a specific enquiry to all Directors, each of the Directors has confirmed that he/she has complied with such code of conduct during the year ended 31 December 2025.

CORPORATE GOVERNANCE

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

Save as disclosed below, the Company was in compliance with the code provisions set out in the CG Code during the year ended 31 December 2025.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code Provision C.2.1 of Part 2 of the CG Code, the roles of chairman of the Board and chief executive officer of the Company should be segregated and should not be performed by the same individual. With effect from 26 March 2024, Mr. Ethan Wu has performed both the positions of chairman of the Board and chief executive officer of the Company. The Board believes that as one of the founders of the Company, Mr. Ethan Wu has extensive experience in the industry and business operations. Vesting the roles of both chairman of the Board and chief executive officer in Mr. Ethan Wu has the benefit of ensuring consistent leadership and operation within the Group and enables more effective and efficient overall strategic planning for the Group. The Board and the nomination committee of the Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company if and when it is appropriate, taking into account the circumstances of the Group as a whole.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the Reporting Year, which will be made available on the respective websites of the Stock Exchange and the Company in due course. The Company will continue to review and monitor its corporate governance practices on a regular basis to ensure compliance with the CG Code and maintain high standards of corporate governance practices of the Company.

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

Save as otherwise disclosed in this announcement, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities including the sale of treasury shares (as defined under the Listing Rules).

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2025 of the Group with the auditor of the Company.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group’s auditors, CCTH, to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2025. The work performed by CCTH in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH on this announcement.

PUBLICATION

The annual results announcement for the year ended 31 December 2025 of the Company is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sptenergygroup.com) respectively. The 2025 annual report will be despatched to the shareholders of the Company (if necessary), and published on the respective websites of the Stock Exchange and the Company in due course.

RESIGNATION OF AN EXECUTIVE DIRECTOR

The Board hereby announces that Mr. Ding Kechen (“**Mr. Ding**”) has resigned as an executive Director of the Company due to changes in work arrangements but will continue to act as the general manager of PT CIPTA NIAGA GEMILANG (“**CNG**”), a subsidiary of the Company, where he is mainly responsible for the management and operation of the CNG oil field. The above mentioned resignation will take effect from 26 March 2026.

Mr. Ding has confirmed that there is no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company. The Board would like to take this opportunity to express its appreciation for the contribution of Mr. Ding to the Company during his term of service.

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

Hong Kong, 26 March 2026

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

* *For identification purpose only*