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**JUTAL**

**巨濤海洋石油服務有限公司**

**Jutal Offshore Oil Services Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03303)**

**ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR  
ENDED 31 DECEMBER 2025**

**Financial Highlights**

- Revenue decreased by 61.52% to RMB799,930,000;
- Gross profit decreased by 67.97% to RMB181,682,000;
- The profit attributable to owners of the Company was RMB45,838,000, a decrease of 75.23% to that of year 2024;
- Basic and diluted earnings per share were RMB2.22 cents and RMB2.21 cents, respectively;
- The Board does not recommend the payment of final dividend for the year ended 31 December 2025.

*The above are intended to be highlights to the salient aspects of the annual results of the Group for the year ended 31 December 2025 only. In order to acquire a comprehensive understanding of the Group's state of affairs and results of its operations, general investors are encouraged to refer to the body of this announcement for details.*

The board of directors (the “**Board**”) of Jutal Offshore Oil Services Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	4	<b>799,930</b>	2,079,022
Cost of sales and services		<b>(618,248)</b>	(1,511,864)
<b>Gross profit</b>		<b>181,682</b>	567,158
Other income	5	<b>31,080</b>	26,876
(Impairment losses)/Reversals of impairment losses on trade and bills receivables, net		<b>(2,850)</b>	22,372
Impairment losses on other receivables		<b>(5)</b>	-
Impairment losses on contract assets, net		<b>(15,060)</b>	(20,425)
Administrative expenses		<b>(129,284)</b>	(313,232)
Other operating expenses	7	<b>(9,685)</b>	(51,671)
<b>Profit from operations</b>		<b>55,878</b>	231,078
Finance costs	8	<b>(6,082)</b>	(10,986)
Share of loss of a joint venture		<b>(16)</b>	(40)
<b>Profit before tax</b>		<b>49,780</b>	220,052
Income tax expense	9	<b>(3,942)</b>	(34,986)
<b>Profit for the year</b>	10	<b>45,838</b>	185,066
<b>Attributable to:</b>			
Owners of the Company		<b>45,838</b>	185,066
<b>Earnings per share</b>	12	<b>RMB</b>	<b>RMB</b>
Basic		<b>2.22 cents</b>	9.04 cents
Diluted		<b>2.21 cents</b>	8.96 cents

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 DECEMBER 2025

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
<b>Profit for the year</b>	<b>45,838</b>	185,066
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(5,665)	5,527
Share of other comprehensive income of a joint venture, net of related income tax	<u>4</u>	<u>1</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>(5,661)</u>	<u>5,528</u>
<b>Total comprehensive income for the year</b>	<u><u>40,177</u></u>	<u><u>190,594</u></u>
<b>Attributable to:</b>		
Owners of the Company	<u><u>40,177</u></u>	<u><u>190,594</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AT 31 DECEMBER 2025

	Notes	<u>2025</u> RMB'000	<u>2024</u> RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		1,063,584	932,127
Right-of-use assets		346,224	364,279
Interest in a joint venture		50	62
Goodwill		52,444	52,444
Intangible assets		3,057	4,176
Trade receivables, non-current		1,168	3,417
Deferred tax assets		12,870	8,394
		<b>1,479,397</b>	<b>1,364,899</b>
<b>Current assets</b>			
Inventories		90,797	93,228
Trade and bills receivables	13	157,579	284,653
Contract cost assets	14	5,004	1,271
Contract assets	15	426,726	476,685
Prepayments, deposits and other receivables		78,517	54,810
Derivative financial instruments		2,728	-
Current tax assets		339	1,791
Pledged bank deposits		69,044	64,618
Bank and cash balances		665,681	785,161
		<b>1,496,415</b>	<b>1,762,217</b>
<b>Current liabilities</b>			
Trade and bills payables	16	236,508	417,607
Contract liabilities	15	10,897	60,957
Accruals and other payables		113,838	109,317
Derivative financial instruments		-	1,532
Provisions	17	128,010	202,713
Bank borrowings		61,986	55,000
Other borrowings		2,421	958
Deferred income		8,494	2,751
Lease liabilities		3,348	7,959
		<b>565,502</b>	<b>858,794</b>
<b>Net current assets</b>		<b>930,913</b>	<b>903,423</b>
<b>Total assets less current liabilities</b>		<b>2,410,310</b>	<b>2,268,322</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**  
 AT 31 DECEMBER 2025

	Notes	<u>2025</u> RMB'000	<u>2024</u> RMB'000
<b>Non-current liabilities</b>			
Deferred income		53,919	15,724
Lease liabilities		9,828	12,527
Bank borrowings		135,194	30,500
Deferred tax liabilities		23,619	34,170
		<hr/> 222,560	92,921
<b>Net assets</b>		<hr/> 2,187,750	2,175,401
<b>Capital and reserves</b>			
Share capital		19,153	19,145
Reserves		2,168,597	2,156,256
<b>Total equity</b>		<hr/> 2,187,750	2,175,401

## NOTES:

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is 10th Floor, Chiwan Petroleum Building, Shekou, Nanshan District, Shenzhen, the People's Republic of China (the "PRC"). The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company.

### 2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations ("HKFRS Accounting Standards") and the accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

### 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

#### (a) Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 "Lack of Exchangeability" which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2025.

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

### 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (CONT'D)

#### (b) Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

	Effective for accounting periods beginning on or after
HKFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 - Subsidiaries without Public Accountability: Disclosures and related amendments	1 January 2027
Amendments to HKFRS 9 and HKFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 10 and HKAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Amendments to HKFRS Accounting Standards - Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to Hong Kong Interpretation 5 - Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKAS 21 - Translation to Hyperinflationary Presentation Currency	1 January 2027

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

#### **HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5**

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

### 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (CONT'D)

#### (b) Issued but not yet effective HKFRS Accounting Standards (CONT'D)

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax” and “discontinued operation”), depending on the reporting entity’s main business activities, in the statement of profit or loss;
- Disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as “other”.

#### 4. REVENUE

##### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by type of contract for the year is as follows:

	<u>2025</u>	<u>2024</u>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>	<b>RMB'000</b>	<b>RMB'000</b>
Disaggregated by type of contract		
- Revenue from construction contracts	<b>594,606</b>	1,858,561
- Trading of products	<b>11,013</b>	35,806
- Technical support and other services	<b>194,311</b>	184,655
	<b><u>799,930</u></b>	<b><u>2,079,022</u></b>

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following type of contract:

For the year ended 31 December	Revenue from construction contracts		Trading products		Technical support and other services		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Timing of revenue recognition</b>								
Goods and services transferred at a point in time	-	7,223	<b>11,013</b>	35,806	<b>1,974</b>	1,259	<b>12,987</b>	44,288
Goods and services transferred over time	<b>594,606</b>	1,851,338	-	-	<b>192,337</b>	183,396	<b>786,943</b>	2,034,734
<b>Total</b>	<b><u>594,606</u></b>	<b><u>1,858,561</u></b>	<b><u>11,013</u></b>	<b><u>35,806</u></b>	<b><u>194,311</u></b>	<b><u>184,655</u></b>	<b><u>799,930</u></b>	<b><u>2,079,022</u></b>

For revenue from the transfer of goods and services over time, input and output methods are applied depends on the characteristics of the construction contracts and technical support and other services.

For revenue from the transfer of goods and services at a point in time, revenue is recognised when customer obtains control of the promised goods or services.

Both revenue from transfer of goods and services over time and at a point in time do not contain significant financing component.

#### 4. REVENUE (CONT'D)

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

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

	Construction contracts		Trading of products		Technical support and other services	
	<u>2025</u> RMB'000	<u>2024</u> RMB'000	<u>2025</u> RMB'000	<u>2024</u> RMB'000	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Within one year	455,405	433,089	-	-	78,347	82,124
More than one year but not more than two years	139,935	520,924	-	-	-	3,849
More than two years but not more than five years	67,938	-	-	-	-	-
	<u>663,278</u>	<u>954,013</u>	<u>-</u>	<u>-</u>	<u>78,347</u>	<u>85,973</u>

#### 5. OTHER INCOME

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Net foreign exchange gains	-	1,325
Compensation income	340	361
Government grants recognised (note)	18,016	7,300
Interest income on bank deposits	7,559	14,673
Reversal of other receivable previously written off	-	3,000
Gain on disposal of property, plant and equipment	7	-
Gain on early termination of lease contracts	-	10
Gains on derivative financial instruments	558	-
Reversal of allowances of inventories	2,744	-
Fair value change on financial assets at fair value through profit or loss	-	61
Written off of trade payables	1,310	-
Others	546	146
	<u>31,080</u>	<u>26,876</u>

Note: For the year ended 31 December 2025, government grants of approximately RMB4,434,000 (2024: RMB3,200,000) are recognised in relation to compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. Government grants of approximately RMB13,582,000 (2024: RMB4,100,000) are recognised in relation to certain research and development activities.

## 6. SEGMENT INFORMATION

The Group has two reportable segments as follows:

- (a) Fabrication of facilities and provision of integrated services for oil and gas industries
- (b) Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries

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

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

Segment profits or losses do not include other income, certain administrative expenses and other operating expenses, finance costs, impairment losses/reversals of impairment losses on (i) trade and bills receivables; (ii) other receivables; (iii) contract assets and (iv) property, plant and equipment and income tax expense. Segment assets do not include derivative financial instruments, current and deferred tax assets, goodwill, pledged bank deposits, bank and cash balances and other corporate assets. Segment liabilities do not include bank borrowings, derivative financial instruments, deferred tax liabilities and deferred income.

## 6. SEGMENT INFORMATION (CONT'D)

### Information about reportable segment profit or loss, assets and liabilities:

	Fabrication of facilities and provision of integrated services for oil and gas industries	Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Year ended 31 December 2025</b>				
Revenue from external customers	593,865	205,870	195	799,930
Segment profit/(loss)	246,973	(65,287)	(4)	181,682
Depreciation and amortisation	65,932	47,969	-	113,901
Other material non-cash items:				
Impairment losses on trade and bills receivables, net				2,850
Impairment losses on contract assets				15,060
Impairment losses on other receivables				5
Reversal of allowances for inventories				(2,744)
Impairment losses on property, plant and equipment				-
Fair value losses on derivative financial instruments				-
Additions to segment non-current assets				<b>227,214</b>
<b>As at 31 December 2025</b>				
Segment assets	<b>1,805,826</b>	<b>363,761</b>	<b>12</b>	<b>2,169,599</b>
Segment liabilities	<b>457,735</b>	<b>44,691</b>	<b>3</b>	<b>502,429</b>
<b>Year ended 31 December 2024</b>				
Revenue from external customers	1,843,134	235,589	299	2,079,022
Segment profit/(loss)	450,711	116,884	(437)	567,158
Depreciation and amortisation	113,815	1,846	212	115,873
Other material non-cash items:				
Reversal of impairment losses on trade and bills receivables, net				(22,372)
Impairment losses on contract assets				20,425
Allowances of inventories				5,258
Impairment losses on property, plant and equipment				30,510
Fair value losses on derivative financial instruments				5,732
Additions to segment non-current assets				<b>149,623</b>
<b>As at 31 December 2024</b>				
Segment assets	2,096,722	113,688	61	2,210,471
Segment liabilities	735,379	75,694	7	811,080

## 6. SEGMENT INFORMATION (CONT'D)

### Reconciliations of reportable segment profit or loss, assets and liabilities:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
<b>Profit or loss</b>		
Total profit of reportable segments	181,682	567,158
Unallocated amounts:		
Finance costs	(6,082)	(10,986)
(Impairment losses)/Reversals of impairment losses on trade and bills receivables	(2,850)	22,372
Impairment losses on other receivables	(5)	-
Impairment losses on contract assets	(15,060)	(20,425)
Other income	31,080	26,876
Other corporate expenses	(138,985)	(364,943)
Consolidated profit before tax for the year	<u>49,780</u>	<u>220,052</u>
<b>Assets</b>		
Total assets of reportable segments	2,169,599	2,210,471
Unallocated amounts:		
Bank and cash balances	665,681	785,161
Pledged bank deposits	69,044	64,618
Derivative financial instruments	2,728	-
Current tax assets	339	1,791
Deferred tax assets	12,870	8,394
Goodwill	52,444	52,444
Other corporate assets	3,107	4,237
Consolidated total assets	<u>2,975,812</u>	<u>3,127,116</u>
<b>Liabilities</b>		
Total liabilities of reportable segments	502,429	811,080
Unallocated amounts:		
Bank borrowings	197,180	85,500
Other borrowings	2,421	958
Derivative financial instruments	-	1,532
Deferred income	62,413	18,475
Deferred tax liabilities	23,619	34,170
Consolidated total liabilities	<u>788,062</u>	<u>951,715</u>

## 6. SEGMENT INFORMATION (CONT'D)

### Geographical information:

The Group's revenue from external customers by location of customers and information about its non-current assets (excluding interest in joint venture, deferred tax assets and trade receivables non-current portion) by location of assets are detailed below:

	Revenue		Non-current assets	
	<u>2025</u> RMB'000	<u>2024</u> RMB'000	<u>2025</u> RMB'000	<u>2024</u> RMB'000
PRC except Hong Kong	446,858	558,436	1,465,309	1,353,027
United States	2,684	35,942	-	-
Switzerland	-	197,956	-	-
Singapore	13,925	5,936	-	-
France	73,070	39,302	-	-
United Arab Emirates	172,578	1,078,543	-	-
Brazil	65,194	106,296	-	-
Others	25,621	56,611	-	-
Consolidated total	<u>799,930</u>	<u>2,079,022</u>	<u>1,465,309</u>	<u>1,353,027</u>

### Revenue from major customers:

	Fabrication of facilities and provision of integrated services for oil and gas industries RMB'000	Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries RMB'000	Others RMB'000	Total RMB'000
Year ended 31 December 2025				
Customer A	115,457	751	-	116,208
Customer C	170,259	-	-	170,259
Customer D	-	31,240	-	31,240
Customer E	-	81,339	-	81,339
Year ended 31 December 2024				
Customer A	97,404	-	299	97,703
Customer B	194,593	-	-	194,593
Customer C	1,078,543	-	-	1,078,543
Customer D	-	233,363	-	233,363

## 6. SEGMENT INFORMATION (CONT'D)

### Information about major customers

Revenue from customers of the corresponding years contributing over 10% (2024: 10%) of the total revenue of the Group is as follows:

	<u>Revenue generated from</u>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Customer A	Fabrication of facilities and provision of integrated services for oil and gas, new energy, refining and chemical industries	<b>116,208</b>	N/A*
Customer C	Fabrication of facilities and provision of integrated services for oil and gas industries	<b>170,259</b>	1,078,543
Customer D	Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries and others	<b>N/A*</b>	233,363
Customer E	Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	<b>81,339</b>	N/A*

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 7. OTHER OPERATING EXPENSES

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Net losses on disposal of property, plant and equipment	-	705
Net foreign exchange losses	<b>3,504</b>	-
Allowances on inventories	-	5,258
Impairment losses on property, plant and equipment	-	30,510
Losses on derivative financial instruments	-	5,732
Written off of trade receivables	-	4,963
Written off of other receivables	<b>1,105</b>	-
Penalty and fines	<b>3,899</b>	354
Loss on disposal of a subsidiary	-	282
Others	<b>1,177</b>	3,867
	<b>9,685</b>	51,671

**8. FINANCE COSTS**

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Interest on bank borrowings	4,037	7,592
Interest on lease liabilities	872	1,074
Others	1,173	2,320
	<u>6,082</u>	<u>10,986</u>

**9. INCOME TAX EXPENSE**

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Current tax - PRC Enterprise Income Tax		
Provision for the year	15,183	40,062
Under/(Over)-provision in prior years	3,786	(59)
	18,969	40,003
Deferred tax	(15,027)	(5,017)
	<u>3,942</u>	<u>34,986</u>

## 9. INCOME TAX EXPENSE (CONT'D)

### (a) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits arising in Hong Kong for the years ended 31 December 2025 and 2024.

### (b) PRC Enterprise Income Tax

Pursuant to relevant laws and regulations in the PRC, the applicable PRC Enterprise Income Tax rates of the Group's PRC subsidiaries are as follows:

#### (i) Penglai Jutal Offshore Engineering Heavy Industries Company Limited ("Penglai Jutal")

Penglai Jutal was approved to be recognised as a new and high technology enterprise starting from 12 December 2022 to 11 December 2025. During the year ended 31 December 2025, Penglai Jutal has applied and being approved to continue to be recognised as a new and high technology enterprise for another 3 years until 7 December 2028.

During the year ended 31 December 2025, Penglai Jutal has met all required conditions and is therefore entitled to enjoy a reduced income tax rate of 15% (2024:15%).

#### (ii) Zhuhai Jutal Offshore Oil Services Company Limited ("Zhuhai Jutal")

Zhuhai Jutal was approved to be recognised as a new and high technology enterprise starting from 9 December 2020 to 8 December 2024. During the year ended 31 December 2024, Zhuhai Jutal has applied and being approved to continue to be recognised as a new and high technology enterprise for another three years until 27 December 2026.

During the year ended 31 December 2025, Zhuhai Jutal has met all required conditions and is therefore entitled to enjoy a reduced income tax rate of 15% (2024:15%).

#### (iii) The tax rate applicable to other Group's PRC subsidiaries were 25% (2024: 25%) during the year.

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

The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC enterprise income tax rate is as follows:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Profit before tax	<u>49,780</u>	<u>220,052</u>
Tax at the PRC enterprise income tax rate of 25% (2024: 25%)	12,445	55,013
Tax effect of income that is not taxable	(3,539)	(3,124)
Tax effect of expenses that are not deductible	7,207	19,548
Tax effect of tax loss previously not recognised	(6,171)	(15,936)
Tax effect of tax losses not recognised	3,329	2,558
Deferred tax/(Reversal of deferred tax) on undistributed earnings of the PRC subsidiaries	1,115	(1,392)
Tax effect on deferred tax assets previously recognised	-	8,750
Tax benefit for qualifying research and development expenses (note)	(5,942)	(6,442)
Under/(Over)-provision in prior years	3,786	(59)
Effect of different tax rates of subsidiaries	<u>(8,288)</u>	<u>(23,930)</u>
Income tax expense	<u><u>3,942</u></u>	<u><u>34,986</u></u>

Note: The qualifying research and development costs charged to profit or loss for the year, which is subject to an additional 200% (2024: 200%) tax deduction in the calculation of income tax expense.

**10. PROFIT FOR THE YEAR**

The Group's profit for the year is stated after (crediting)/charging the following:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
(a) Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	239,886	374,515
Retirement scheme contributions	25,398	36,888
Share-based payments	-	116,221
	<u>265,284</u>	<u>527,624</u>
(b) Other items:		
	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Amortisation of intangible assets	1,119	1,311
Depreciation on property, plant and equipment	93,608	95,775
Depreciation on right-of-use assets	19,174	18,787
Net (gain)/loss on disposals of property, plant and equipment*	(7)	705
Net foreign exchange losses/(gains) *	3,504	(1,325)
Research and development expenditure	41,517	78,262
Auditor's remuneration	1,448	1,506
Cost of inventories utilised in construction contracts and sold	185,512	324,917
Cost of service	180,968	356,826
(Reversal of allowances)/Allowances for inventories*	(2,744)	5,258
Impairment/(Reversals) of allowance on trade and bills receivables, net	2,850	(22,372)
Impairment losses on contract assets, net	15,060	20,425
Impairment losses on property, plant and equipment*	-	30,510
Impairment losses on other receivables	5	-
(Gains)/Losses on derivative financial instruments*	<u>(558)</u>	<u>5,732</u>

\* This amount is included in "Other income" / "Other operating expenses".

## 11. DIVIDENDS

### Dividends attributable to the year

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Interim dividend of HK\$0.015 (2024: HK\$0.03) per ordinary share	28,215	54,882

There were no dividends attributable to the previous financial year, approved and paid during the year.

The Board does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: Nil).

## 12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
<b>Earnings</b>		
Earnings for the purpose of calculating basic and diluted earnings per share	<u>45,838</u>	<u>185,066</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,066,855,671	2,047,506,859
Effect of dilutive potential ordinary shares arising from share options	<u>9,497,737</u>	<u>18,049,634</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>2,076,353,408</u>	<u>2,065,556,493</u>

Basic earnings per share attributable to owners of the Company is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of the ordinary shares in issue during the year. For the year ended 31 December 2025, the number of shares used in the calculation of basic earnings per share include the weighted average number of shares in issue and vested shares at nil consideration less shares not yet awarded held for share award scheme.

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

### 13. TRADE AND BILLS RECEIVABLES

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Trade receivables	214,190	365,421
Allowance for doubtful debts	<u>(81,000)</u>	<u>(78,701)</u>
	133,190	286,720
Bills receivables	<u>25,557</u>	<u>1,350</u>
	<u>158,747</u>	<u>288,070</u>
	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Classified as:		
Trade receivables, non-current	1,168	3,417
Trade and bills receivables, current	<u>157,579</u>	<u>284,653</u>
	<u>158,747</u>	<u>288,070</u>

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

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

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Billed		
0 to 30 days	31,242	136,215
31 to 90 days	48,953	115,542
91 to 365 days	46,445	30,277
Over 365 days	<u>47,126</u>	<u>42,500</u>
	173,766	324,534
Unbilled (note a)	<u>40,424</u>	<u>40,887</u>
	<u>214,190</u>	<u>365,421</u>

Note a: The unbilled balance mainly in relation to provision of construction and other services which will be billed in accordance with the payment terms stipulated in the relevant contracts entered into between the Group and the contract customers. As at 31 December 2025, unbilled balance of RMB1,168,000 (2024: RMB3,417,000) will be billed after one year from the end of the reporting date.

### 13. TRADE AND BILLS RECEIVABLES (CONT'D)

As at 31 December 2025, trade receivables aged over 90 days includes retentions receivables amounted to approximately RMB12,554,000 (2024: RMB11,208,000).

The carrying amounts of the Group's trade and bills receivables are denominated in the following currencies:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
RMB	151,442	274,298
United States Dollar ("US\$")	-	12,468
Euro	6,033	-
Hong Kong Dollar ("HK\$")	1,272	1,304
	<u>158,747</u>	<u>288,070</u>
Total	<u>158,747</u>	<u>288,070</u>

### 14. CONTRACT COST ASSETS

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Contract cost assets	<u>5,004</u>	<u>1,271</u>

The amount represents the costs incurred relate directly to an existing contract or to specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. The movement of the contract cost assets is as follows:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
At 1 January	1,271	1,298
Additions	3,733	-
Amortisation for the year	-	(27)
At 31 December	<u>5,004</u>	<u>1,271</u>

## 15. CONTRACT ASSETS / CONTRACT LIABILITIES

<b>Contract assets</b>	<b><u>2025</u></b> <b>RMB'000</b>	<b><u>2024</u></b> <b>RMB'000</b>
Arising from performance under construction contracts	<b>322,918</b>	393,058
Arising from performance under technical support and other services	<b><u>103,808</u></b>	<u>83,627</u>
	<b><u><u>426,726</u></u></b>	<u><u>476,685</u></u>
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and bills receivables"	<b><u><u>158,747</u></u></b>	<u><u>288,070</u></u>

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. Payment for technical support and other services are not due from the customer until the related services are complete and therefore a contract asset is recognised over the period in which the technical support and other services are performed to represent the entity's right to consideration for the services performed to date.

During the reporting period, decrease in contract assets mainly due to decrease in recognising revenue before being unconditionally entitled to the consideration under the payment terms set out in respective contracts.

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous period is RMB13,960,000 (2024: RMB176,000), mainly due to the changes in the final transaction price of certain construction and service contracts.

No contract assets is expected to be recovered after more than one year (2024: Nil).

**15. CONTRACT ASSETS / CONTRACT LIABILITIES (CONT'D)**

<b>Contract liabilities</b>	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Billings in advance of performance obligation		
- Construction contracts	5,621	57,875
- Technical support and other services	<u>5,276</u>	<u>3,082</u>
	<u><u>10,897</u></u>	<u><u>60,957</u></u>

Contract liabilities relating to construction contracts/technical support and other services are balances due to customers under construction contracts/technical support and other services. These arise if a particular milestone payment exceeds the revenue recognised to date under the percentage of completion method.

During the reporting period, decrease in the contract liabilities balance mainly because of decrease in advance payments from contract customers and the fulfilment of performance obligations.

Movements in contract liabilities:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Balance at 1 January	60,957	648,903
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	(56,407)	(641,320)
Increase in contract liabilities as a result of billing in advance of construction activities	<u>6,347</u>	<u>53,374</u>
Balance at 31 December	<u><u>10,897</u></u>	<u><u>60,957</u></u>

No billings in advance are expected to be recognised as income after more than one year (2024: Nil).

16. TRADE PAYABLES

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
Trade payables	<u>236,508</u>	<u>417,607</u>

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

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
0 to 30 days	127,379	279,475
31 to 90 days	52,625	45,832
91 to 365 days	17,102	36,113
Over 365 days	<u>39,402</u>	<u>56,187</u>
	<u>236,508</u>	<u>417,607</u>

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	<u>2025</u> RMB'000	<u>2024</u> RMB'000
RMB	226,606	412,865
US\$	7,054	1,779
HK\$	114	117
GBP	-	939
Euro	<u>2,734</u>	<u>1,907</u>
Total	<u>236,508</u>	<u>417,607</u>

## 17. PROVISIONS

	Warranty provision	
	2025 RMB'000	2024 RMB'000
At 1 January	202,713	168,348
Additional provisions	6,571	36,128
Provisions used	(621)	(1,135)
Unused provisions reversed	<u>(80,653)</u>	<u>(628)</u>
At 31 December	<u>128,010</u>	<u>202,713</u>

Note:

The warranty provision represents the Group's best estimate of the Group's liability under 18 - 84 months (2024: 18 - 84 months) warranties granted to its customers in relation to certain construction contracts under which defective works are rectified or replaced.

The amount of the warranty provision is estimated based on past experience and current expectation of the level of defective works and the estimation basis is reviewed on an ongoing basis and revised where appropriate.

## 18. SUBSEQUENT EVENT

On 14 January 2026, the Company proposed to conduct the rights issue on the basis of one (1) rights share (the "**Rights Shares**") for every six (6) existing Shares held on the record date of 5 February 2026 at the subscription price of HK\$0.16 per Rights Share, to raise up to approximately HK\$56.9 million before expenses by way of issuing up to 355,547,898 Rights Shares (the "**Rights Issue**"). The Rights Issue was completed on 20 March 2026.

Details of the above Rights Issue are set forth in the Company's announcements dated 14 January 2026, 3 March 2026 and 19 March 2026 and prospectus dated 6 February 2026.

## BUSINESS REVIEW

2025 was a year of changes and resilience, marked by profound transformations and complex uncertainties. The global economy continued to operate on a subdued level amidst multiple challenges. With intensified competition among major powers and persistent geopolitical conflicts, emerging markets and developing economies became the core drivers of growth. The energy industry sought a balance between ensuring secure supply and advancing the green transition.

According to the World Energy Investment 2025 report from the International Energy Agency (IEA), total global energy investment is projected to reach US\$3.3 trillion in 2025, of which US\$2.2 trillion will be invested in clean energy and US\$1.1 trillion in fossil fuels. Investment in clean energy is expected to reach twice that of fossil fuels for the first time. Wind power and photovoltaic power generation are expected to account for more than 90% of the growth in global electricity demand for the year. China continues to be the world's largest energy investor, accounting for over 30% of global energy investment. China's share of clean energy investment has risen from 25% in 2015 to nearly one-third, primarily due to strategic investments in technologies such as solar and wind power.

As a comprehensive energy equipment manufacturer and service provider, the Group has actively pursued its transformation towards EPC (Engineering, Procurement, and Construction) general contracting and offshore wind power equipment construction in recent years by leveraging its long-standing experience in large-scale module construction and offshore engineering construction. The Group continued to increase investment in various aspects such as site facilities, business development, design and construction, aimed at upgrading existing hardware, resolving operational bottlenecks, bolstering customer confidence, improving its bidding success rate, and enhancing the competitiveness of its sites in wind power equipment production and offshore engineering sectors.

At the end of 2024, the Ministry of Natural Resources of the PRC released a development plan for deep-sea offshore wind power resources, and coastal provinces also unveiled numerous investment plans for offshore wind farms. Most of the planned future deep-sea wind farms will feature large high-voltage direct current (HVDC) converter stations. Such large converter stations impose extremely high requirements on site equipment, facilities and construction capabilities. Currently, only a few of domestic construction sites, including those of the Group, can meet the construction and delivery requirements, thereby bringing new opportunities for the Group's business development.

In 2025, the Group undertook several offshore wind power equipment manufacturing projects. Notwithstanding various difficulties and challenges, and through relentless efforts, it secured a bid for a large converter station module project of approximately 28,000 tonnes at the end of the year. Winning this project represents a pivotal milestone for the Group's future development of its domestic wind power business.

In the fourth quarter of 2025 and early February 2026, the Group also achieved a historic breakthrough in its EPC general contracting business for offshore oil and gas engineering and the EPC general contracting business for the topside modules of offshore floating production units, winning several projects which were tendered in 2025 with a total contract amount of approximately US\$550 million (equivalent to approximately RMB3.8 billion).

Given that the current site conditions and facilities are insufficient to meet the requirements of new and future potential projects, and to enhance its chances of successfully undertaking large-scale projects, the Group further upgraded and renovated the site. The upgrading works include the construction of a new quay, the addition of new workshops, and the enhancement of other existing equipment and facilities. In the first half of 2025, the Group commenced the construction of Quay#2 at the Zhuhai site, which involves building a 50,000-tonne general berth. Upon completion and commissioning, the Quay#2 at the Zhuhai site will significantly strengthen the Zhuhai site's core competitiveness in offshore oil and gas equipment manufacturing, module shipment, and international logistics services, enabling the Group to expand its international market presence and provide more efficient manufacturing and shipment services for medium-to-large modules and offshore wind power equipment. In addition, the Group will add facilities such as large gantry cranes to enhance construction capabilities.

Due to delays in the progress of some tracked projects and the negative impact of international economic and political factors on overseas markets, the workload of the Group's construction sites during the reporting year was relatively insufficient. Confronted with market volatility, the Group actively adjusted its operating strategies, studied and implemented risk control measures, and continued to strengthen cost and expense management.

On 14 October 2025, Penglai Jutal Offshore Engineering Heavy Industries Company Limited\* (蓬萊巨濤海洋工程重工有限公司) (“**Penglai Jutal**”), a wholly-owned subsidiary of the Group, formally submitted a written application to the Office of Foreign Assets Control (“**OFAC**”) of the United States Department of the Treasury for removal from the Specially Designated Nationals and Blocked Persons List (“**SDN List**”). Currently, Penglai Jutal and its professional lawyers are preparing responses to inquiries from the U.S. Department of State, following earlier communications conducted by legal counsel on specific matters.

## PROSPECTS

In 2026, the global energy industry will continue to make solid strides in coordinated advancement of security, green development, and innovation. The security, resilience, flexibility, and adjustability of energy systems are becoming key metrics for measuring economic competitiveness. Although total energy investment is growing, geopolitical tensions and economic uncertainties remain major challenges, and ensuring the reliability, affordability, and sustainability of global energy supplies is of paramount importance.

According to the “Outline of the 15th Five-Year Plan for National Economic and Social Development of the People’s Republic of China”, by the end of the “15th Five-Year Plan” (2030), the national cumulative grid-connected installed capacity of offshore wind power will reach 100GW or more. As at the end of 2025, the cumulative installed capacity of offshore wind power in China was 47GW, implying that installed capacity will double in the next five years. The plan explicitly outlines a comprehensive strategy to develop offshore wind power bases across the four major sea areas of the Bohai Sea, the Yellow Sea, the East China Sea, and the South China Sea, achieving coordinated development from nearshore to far-offshore regions, while promoting deep-sea development in a regulated and orderly manner.

Global demand for offshore wind power is expected to be robust in 2026, with a projected increase of over 40% in new offshore wind installations in China. Overseas offshore wind power markets will also see steady growth in orders and construction demand, and jackets and floating foundations for deep-sea projects will gradually move towards commercial deployment.

According to relevant forecasts, investment in global offshore oil and gas development projects in 2026 will remain at historically high levels. In the recommendations for the “15th Five-Year Plan”, China explicitly stated the need to “accelerate the building of a strong maritime country”, requiring the country to consolidate and enhance the advantages of its marine equipment manufacturing industry, enhance the resilience and self-reliance of the industrial chain, and strengthen industrial foundation reconstruction and achieve breakthroughs in key technical equipment.

Looking forward, numerous market opportunities exist, but competition will intensify. The Group will also invest more resources strategically and operationally in future market development. By building a robust marketing team integrating technical support with market development, the Group aims to forge a competitive edge. It will closely monitor domestic and international market dynamics, strengthen communication and collaboration with partners, explore innovative cooperation models, and develop sustainable markets.

Leveraging the technology and experience accumulated in the offshore engineering, the Group is committed to tapping into the high value-added module market, providing customized module solutions, and optimizing its business mix. The Group will continue to actively promote and develop its EPC business while collaborating with external professional forces on design optimization, to enhance the competitiveness of its project solutions and improve overall profitability.

As of the date of this report, the Group's total contracts in hand amounted to approximately RMB 4.7 billion, mainly from EPC general contracting project., The ongoing projects are currently at the preliminary design and procurement stages, with construction work gradually commencing in the second quarter. In the first half of 2026, the Group’s sites continued to experience a relative shortage of workload, followed by a period of intensive construction. In addition, some of the projects are of new business types undertaken by the Group. These factors present challenges to the construction sites in terms of personnel organization, resource allocation, capacity coordination, project operations, capital management, operation mechanisms, and completion and delivery. The Group will also continue to undertake site construction and updates in the coming year to meet capacity demands.

Looking ahead, the Group will be committed to consolidating its foundation. Key priorities include enhancing design capabilities, the systematic establishment of a process innovation and R&D system, and the improvement of manufacturing system management. We will foster team development, refine management models, and improve performance and appraisal mechanisms to fortify our core competitiveness. By swiftly adapting to and fulfilling project requirements while consistently ensuring customer satisfaction, we aim to drive operational performance through strategic objectives, to effectively address challenges and to create further room for the Group’s long-term growth.

\* For identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. FINANCIAL AND BUSINESS REVIEW

#### Revenue

As compared with last year, the workload of the Group's construction sites decreased remarkably. In year 2025, the Group recorded a revenue of approximately RMB799,930,000 representing a decrease of 61.52% or RMB1,279,092,000 as compared with that of year 2024. Among them, revenue from the fabrication of facilities and provision of integrated services for oil and gas industries decreased by 67.78% or RMB1,249,269,000 as compared with that of year 2024. Revenue from the fabrication of facilities and provision of integrated services for new energy and refining and chemical industries decreased by 12.61% or RMB29,719,000 as compared with that of year 2024, and other revenue decreased by 34.78% or RMB104,000 as compared with that of year 2024.

The table below sets out the analysis of revenue by business segments for the years 2025, 2024 and 2023 respectively:

Business Segments	For the financial year ended 31 December					
	2025 RMB'000	Percentage to total revenue (%)	2024 RMB'000	Percentage to total revenue (%)	2023 RMB'000	Percentage to total revenue (%)
1 Fabrication of facilities and provision of integrated services for oil and gas industries	593,865	74	1,843,134	92	2,377,445	91
2 Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	205,870	26	235,589	8	202,916	8
3 Others	195	-	299	-	11,412	1
<b>Total</b>	<b>799,930</b>	<b>100</b>	<b>2,079,022</b>	<b>100</b>	<b>2,591,773</b>	<b>100</b>

#### Cost of sales and services

Cost of sales and services of the Group amounted to approximately RMB618,248,000 in year 2025, representing a decrease of approximately 59.11% or approximately RMB893,616,000 as compared with RMB1,511,864,000 in year 2024. Cost of sales and services comprised direct costs and manufacturing overheads. Direct costs in the current year amounted to approximately RMB402,238,000, representing approximately 65.06% of the total cost of sales and services, and a decrease of approximately RMB893,532,000 or approximately 68.96% from RMB1,295,770,000 of last year. The Group calculates the cost of sales and services of projects on an order-by-order basis. Since the composition of cost differs for each project, the composition of cost of sales and services varies from project to project. Manufacturing overheads have decreased by approximately RMB84,000 or 0.04% from RMB216,094,000 in last year to approximately RMB216,010,000 in year 2025.

## Gross profit

The total gross profit of the Group for the year 2025 amounted to approximately RMB181,682,000, representing a decrease of approximately 67.97% or approximately RMB385,476,000 as compared with RMB567,158,000 in year 2024. The overall gross profit margin dropped to approximately 22.71% from 27.28% of last year. The gross profit margin of the fabrication of facilities and provision of integrated services for oil and gas industries rose from 24.45% in year 2024 to approximately 41.59%. The fabrication of facilities and provision of integrated services for new energy and refining and chemical industries recorded a loss in 2025, with a gross loss rate of approximately 31.71%. The gross loss margin of other businesses dropped from 146.15% in year 2024 to a gross loss rate of approximately 2.05%. Changes in business structure resulted in various changes in the gross profit margin of different business segments during the current period. In addition to changes in business composition, the decrease in the overall gross profit margin was mainly due to a significant reduction in the workload at the Group's construction sites this year, which led to a substantial decline in recognized contract revenue, while the indirect manufacturing costs of these sites have not decreased proportionally.

The following shows the breakdown of gross profit/(loss) by business segments for the years 2025, 2024 and 2023 respectively:

Business Segments	For the financial year ended 31 December								
	2025			2024			2023		
	RMB'000	Gross profit margin (%)	Percentage to total gross profit (%)	RMB'000	Gross profit margin (%)	Percentage to total gross profit (%)	RMB'000	Gross profit margin (%)	Percentage to total gross profit (%)
1 Fabrication of facilities and provision of integrated services for oil and gas industries	246,973	42	136	450,711	24	79	532,312	22	81
2 Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	(65,287)	(32)	(36)	116,884	50	21	122,629	60	19
3 Others	(4)	(2)	-	(437)	(146)	-	449	4	-
<b>Total</b>	<b>181,682</b>		<b>100</b>	567,158		100	655,390		100

## Other income

Other income of the Group in year 2025 amounted to approximately RMB31,080,000, mainly comprising income from government grants and interest income from bank deposits.

## Administrative and other operating expenses

Administrative and other operating expenses in aggregate decreased by approximately 61.92% or approximately RMB225,934,000 as compared with that of year 2024 to approximately RMB138,969,000. Among them, the administrative expenses decreased by approximately RMB183,948,000 as compared with that of year 2024, primarily resulting from the decrease in the accrued employee compensation and no share-based payment expenses were generated during the reporting period. Other operating expenses decreased by approximately RMB41,986,000.

## Finance costs

Finance costs in aggregate amounted to approximately RMB6,082,000 in year 2025, which was mainly comprised of interests on bank borrowings of approximately RMB4,037,000 and bank charges and other finance costs of approximately RMB2,045,000.

## **Profit attributable to owners of the Company and profit per share**

In summary, in year 2025, profit attributable to owners of the Company amounted to approximately RMB45,838,000 (2024: RMB185,066,000). Basic and diluted earnings per share attributable to owners of the Company for year 2025 was approximately RMB2.22 cents and RMB2.21 cents respectively.

## **2. LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2025, the working funds (cash and cash equivalent) of the Group amounted to approximately RMB665,681,000 (2024: RMB785,161,000). During the year, net cash outflow from operating activities amounted to approximately RMB52,856,000, net cash outflow from investing activities amounted to approximately RMB134,909,000, and net cash inflow from financing activities amounted to approximately RMB76,915,000.

As at 31 December 2025, the Group had approximately RMB643,066,000 (2024: RMB200,000,000) of available undrawn banking facilities. Available undrawn banking facilities include bank borrowings, letters of credit, etc.

As at 31 December 2025, the Group had obtained bank guarantees under performance bonds for construction contracts of approximately RMB305,164,000 (2024: RMB270,100,000).

## **3. CAPITAL STRUCTURE**

As of 31 December 2025, the share capital of the Company comprises 2,132,484,389 ordinary shares (2024: 2,131,598,389 ordinary shares). As at 31 December 2025, net assets of the Group amounted to approximately RMB2,187,750,000 (2024: RMB2,175,401,000), comprising non-current assets of approximately RMB1,479,397,000 (2024: RMB1,364,899,000), net current assets of approximately RMB930,913,000 (2024: RMB903,423,000) and non-current liabilities of approximately RMB222,560,000 (2024: RMB92,921,000).

## **4. SIGNIFICANT INVESTMENT**

In the year, the renovation works of the west factory area of Penglai site was completed, and based on market conditions and future development plans, the Group further upgraded the equipment and facilities at the Penglai site.

At the same time, the Group has also initiated the construction of a “Phase II wharf” project at the Zhuhai site, and planning to build a 50,000-tonne general-purpose berth, with an estimated total investment of approximately RMB 200 million.

Except as mentioned above, during the year ended 31 December 2025, the Group had no other significant investments, acquisitions or disposals.

## **5. FOREIGN EXCHANGE RISK**

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

## **6. ASSETS PLEDGED BY THE GROUP**

As at 31 December 2025, approximately RMB69,044,000 (2024: RMB64,618,000) of the bank deposits of the Group were pledged as security deposits for bank borrowings, the issuance of performance bonds, letter of credits and bank acceptance, etc.

## **7. CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have significant contingent liabilities.

## 8. CAPITAL MANAGEMENT

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

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

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

The gearing ratios at 31 December 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Bank and other borrowings	199,601	86,458
Lease liabilities	13,176	20,486
Total equity	2,187,750	2,175,401
Gearing ratio	<u>9.73%</u>	<u>4.92%</u>

The increase in gearing ratio for the period resulted mainly from the increase in bank borrowings and lease liabilities. The Group adjusts the amount of bank loan facilities from time to time to meet the Group's working capital needs.

## 9. EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had total 1,859 employees (31 December 2024: 2,181 employees), of which 807 (31 December 2024: 967) were management and technical staff, and 1,052 (31 December 2024: 1,214) were technicians.

The Group encourages staff to long-term service, and strives to create a fair and open competition environment, committed to develop talents with management experience, professional skills and dedication. The Group determines the remuneration and incentives of employees with reference to the prevailing industry practice, and based on their position, duties and performance. The Group continues to optimize its salary and welfare policies to ensure that employees enjoy relevant benefits and rights in accordance with the law. By establishing an effective performance evaluation mechanism, the group regularly assesses employees' work performance, encourages employees to be proactive and improve performance. The Group contributes to social security funds and housing funds for employees according to the local laws and regulations.

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

## DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2025.

## AUDIT COMMITTEE

The audit committee of the Company comprises of four independent non-executive directors. The audit committee has reviewed the consolidated results of the Group for the year ended 31 December 2025.

## **CORPORATE GOVERNANCE**

In the opinion of the directors, the Company has complied with the Corporate Governance Codes set out in Appendix C1 of the Listing Rules (the “**Corporate Governance Code**”) for the year ended 31 December 2025, save for the deviations from the code provisions as follows:

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

The Company provides the board member, namely Mr. Tang Hui, with monthly updates instead of all board members, because he is responsible for overseeing the financial affairs of the Company. The remaining Directors have access to the monthly updates as well. The reason for such deviation from the Corporate Governance Code is to enhance the Company’s efficiency. Directors also received management reports including the above at the relevant board meetings.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

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

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed interest in any of the Company’s listed securities during the year ended 31 December 2025.

## **SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED ON THIS RESULTS ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in this results announcement have been agreed by the Company’s auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong Limited 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 HKICPA and, consequently, no assurance has been expressed by Grant Thornton Hong Kong Limited on this results announcement.

## **PUBLICATION OF FINAL RESULTS**

This results announcement will be published on the website of the Stock Exchange and the Company’s website ([www.jutal.com](http://www.jutal.com)). The annual report for the year ended 31 December 2025 containing all the information required under Appendix 16 to the Listing Rules will be disseminated in due course.

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

Hong Kong, 27 March 2026

*As at the date of this announcement, the executive directors are Mr. Wang Lishan (Chairman) and Mr. Tang Hui, the independent non-executive directors are Ms. Choy So Yuk, Mr. Tam Kin Yip, Mr. Cheung Ngar Tat Eddie and Mr. Zhang Hua.*