Petro-king
百勤油服

PETRO-KING OILFIELD SERVICES LIMITED
百勤油田服務有限公司

(Incorporated in the British Virgin Islands with limited liability)
(Stock Code: 2178)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Petro-king Oilfield Services Limited (the "**Company**") hereby presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**", "**we**" or "**our**") for the six months ended 30 June 2026 ("**1H2026**"), together with comparative figures for the six months ended 30 June 2025 ("**1H2025**").

BUSINESS REVIEW

During 1H2026, the Group was principally engaged in the provision of production enhancement services, drilling services, consultancy services for oilfields and gas fields, with auxiliary activities in the trading of oilfield and gas field related products.

In 1H2026, the Group's revenue decreased by approximately 56.8% from approximately HK$111.3 million in 1H2025 to approximately HK$48.1 million in 1H2026. The decrease in revenue was mainly due to the decrease in the provision of production enhancement services in Southwestern China as a customer has postponed the production enhancement works of certain shale gas fields to the second half of 2026 in accordance with its internal extraction plan.

The Group's net loss and loss attributable to owners of the Company for 1H2026 were approximately HK$34.6 million and HK$35.3 million, respectively, which represented increases of approximately HK$23.1 million and HK$23.5 million, respectively (1H2025: approximately HK$11.5 million and HK$11.8 million, respectively). The increases in net loss and loss attributable to owners of the Company were mainly attributable to the decrease in the Group's revenue in 1H2026.

Basic loss per share attributable to owners of the Company for 1H2026 was approximately HK2.05 cents (1H2025: approximately HK0.68 cent). The Board has resolved not to pay any interim dividend for 1H2026 (1H2025: Nil).

GEOGRAPHICAL MARKET ANALYSIS

	1H2026 *(HK$ million)*	1H2025 *(HK$ million)*	Approximate percentage change *(%)*	**Approximate percentage of total revenue in 1H2026** *(%)*	Approximate percentage of total revenue in 1H2025 *(%)*
China market	**43.1**	108.9	-60.4	**89.6**	97.8
Overseas markets	**5.0**	2.4	108.3	**10.4**	2.2
Total	**48.1**	111.3	-56.8	**100**	100

The Group's revenue from the China market decreased by approximately HK$65.8 million or approximately 60.4% to approximately HK$43.1 million in 1H2026 from approximately HK$108.9 million in 1H2025. The decrease in revenue from the China market was mainly due to the decrease in the provision of production enhancement services in Southwestern China.

The Group's revenue from the overseas market increased by approximately HK$2.6 million or approximately 108.3% to approximately HK$5.0 million in 1H2026 from approximately HK$2.4 million in 1H2025. Such increase in revenue from the overseas markets was mainly due to the increase in the provision of integrated project management services and production enhancement services in the Middle East region and the increase in the provision of supervisory services in Cameroon.

Revenue from the China Market

	1H2026 *(HK$ million)*	1H2025 *(HK$ million)*	Approximate percentage change *(%)*	**Approximate percentage of total revenue from the China market in 1H2026** *(%)*	Approximate percentage of total revenue from the China market in 1H2025 *(%)*
Southwestern China	**13.7**	73.4	-81.3	**31.8**	67.4
Northern China	**20.2**	21.0	-3.8	**46.9**	19.3
Northwestern China	**7.9**	11.0	-28.2	**18.3**	10.1
Other regions in China	**1.3**	3.5	-62.9	**3.0**	3.2
Total	**43.1**	108.9	-60.4	**100**	100

The Group's revenue from Southwestern China amounted to approximately HK$13.7 million in 1H2026, which decreased by approximately HK$59.7 million or approximately 81.3% from approximately HK$73.4 million in 1H2025. The decrease was mainly due to the decrease in the provision of production enhancement services in this region.

In 1H2026, the Group's revenue from Northern China amounted to approximately HK$20.2 million, which decreased by approximately HK$0.8 million or approximately 3.8% from approximately HK$21.0 million in 1H2025. The decrease was mainly due to the decrease in the provision of production enhancement services, which was partly offset by the increase in the sales of drilling products in this region.

The Group's revenue from Northwestern China amounted to approximately HK$7.9 million in 1H2026, which decreased by approximately HK$3.1 million or approximately 28.2% from approximately HK$11.0 million in 1H2025. The decrease was mainly due to the decrease in the provision of drilling services in this region.

The Group's revenue from other regions in China amounted to approximately HK$1.3 million in 1H2026, which decreased by approximately HK$2.2 million or approximately 62.9% from approximately HK$3.5 million in 1H2025. The decrease in revenue from other regions in China was mainly due to the decrease in the provision of supervisory services and integrated project management services in these regions.

Revenue from the Overseas Markets

	1H2026 *(HK$ million)*	1H2025 *(HK$ million)*	Approximate percentage change *(%)*	**Approximate percentage of total revenue from the overseas markets in 1H2026** *(%)*	Approximate percentage of total revenue from the overseas markets in 1H2025 *(%)*
The Middle East	**3.0**	1.4	114.3	**60.0**	58.3
Others	**2.0**	1.0	100.0	**40.0**	41.7
Total	**5.0**	2.4	108.3	**100**	100

In 1H2026, the Group's revenue from the Middle East amounted to approximately HK$3.0 million, which increased by approximately HK$1.6 million or approximately 114.3% from approximately HK$1.4 million in 1H2025. Such increase in revenue from the Middle East region was mainly due to the increase in the provision of integrated project management services and production enhancement services in this region.

The Group's revenue from other overseas regions amounted to approximately HK$2.0 million in 1H2026, which increased by approximately HK$1.0 million or approximately 100.0% from approximately HK$1.0 million in 1H2025. The increase in revenue from other overseas regions was mainly due to the increase in the provision of supervisory services in Cameroon.

BUSINESS SEGMENT ANALYSIS

	1H2026 *(HK$ million)*	1H2025 *(HK$ million)*	Approximate percentage change *(%)*	**Approximate percentage of total revenue in 1H2026** *(%)*	Approximate percentage of total revenue in 1H2025 *(%)*
Oilfield project tools and services	**42.5**	105.4	-59.7	**88.4**	94.7
Consultancy services	**5.6**	5.9	-5.1	**11.6**	5.3
Total	**48.1**	111.3	-56.8	**100**	100

In 1H2026, the Group's revenue from oilfield project tools and services amounted to approximately HK$42.5 million, which decreased by approximately HK$62.9 million or approximately 59.7% from approximately HK$105.4 million in 1H2025. The decrease in revenue from this segment was mainly due to the decrease in the provision of production enhancement services in Southwestern China.

The Group's revenue from consultancy services amounted to approximately HK$5.6 million in 1H2026, which decreased by approximately HK$0.3 million or approximately 5.1%, from approximately HK$5.9 million in 1H2025. Such decrease was mainly due to the decrease in supervisory services provided in China, which was partly offset by the increase in the provision of integrated project management services in the Middle East region and the increase in the provision of supervisory services in Cameroon.

Oilfield Projects Tools and Services

	1H2026 *(HK$ million)*	1H2025 *(HK$ million)*	Approximate percentage change *(%)*	**Approximate percentage of total revenue from oilfield project tools and services in 1H2026** *(%)*	Approximate percentage of total revenue from oilfield project tools and services in 1H2025 *(%)*
Production enhancement	**32.5**	93.7	-65.3	**76.5**	88.9
Drilling	**9.8**	10.7	-8.4	**23.0**	10.2
Well completion	**0.2**	1.0	-80.0	**0.5**	0.9
Total	**42.5**	105.4	-59.7	**100**	100

Production Enhancement

In 1H2026, the Group's revenue from production enhancement amounted to approximately HK$32.5 million, which decreased by approximately HK$61.2 million or approximately 65.3% from approximately HK$93.7 million in 1H2025. The decrease was mainly due to the decrease in the provision of production enhancement services in Southwestern China.

Drilling

The Group's revenue from drilling amounted to approximately HK$9.8 million in 1H2026, which decreased by approximately HK$0.9 million or approximately 8.4% from approximately HK$10.7 million in 1H2025. The decrease was mainly due to the decrease in the provision of drilling services in Northwestern China, which was partly offset by the increase in the sales of drilling products in Northern China.

Well Completion

The Group's revenue from well completion amounted to approximately HK$0.2 million in 1H2026, which decreased by approximately HK$0.8 million or approximately 80.0% from approximately HK$1.0 million in 1H2025. The decrease was mainly due to the decrease in the sales of well completion tools in Northwestern China and Northern China. In 1H2026, the Group's revenue from well completion includes commission income of approximately HK$0.2 million (1H2025: HK$0.3 million) arising from facilitating the sales of well completion tools from the Petro-king Energy Technology Co., Ltd. ("**Petro-king Energy**") and its subsidiaries (collectively referred to as the "**Petro-king Energy Group**") to an independent customer. The related gross proceeds of approximately HK$1.5 million (1H2025: HK$2.8 million) were considered as sales amount receivable by the Group on behalf of the Petro-king Energy Group as an agent. The gross proceeds from these sales, which did not represent revenue, represented the price at which products have been sold inclusive of commission income entitled by the Group. Accordingly, such commission income has been recorded by the Group on a net basis.

CUSTOMER ANALYSIS

Customer	**1H2026**	1H2025	Approximate percentage change	**Approximate percentage of total revenue in 1H2026**	Approximate percentage of total revenue in 1H2025
	(HK$ million)	*(HK$ million)*	*(%)*	***(%)***	*(%)*
Customer 1	**26.8**	26.4	1.5	**55.7**	23.7
Customer 2	**15.1**	81.0	-81.4	**31.4**	72.8
Customer 3	**2.3**	1.4	64.3	**4.8**	1.3
Customer 4	**1.6**	–	N/A	**3.3**	–
Customer 5	**1.1**	1.2	-8.3	**2.3**	1.1
Other customers	**1.2**	1.3	-7.7	**2.5**	1.1
Total	**48.1**	111.3	-56.8	**100**	100

The revenue from Customer 1 amounted to approximately HK$26.8 million in 1H2026, which increased by approximately HK$0.4 million or approximately 1.5% from approximately HK$26.4 million in 1H2025. Such increase was mainly due to the increase in the provision of drilling services in Northwestern China, which was partly offset by the decrease in the provision of production enhancement services in Northern China for this customer. The revenue from Customer 2 amounted to approximately HK$15.1 million in 1H2026, which decreased by approximately HK$65.9 million or approximately 81.4% from approximately HK$81.0 million in 1H2025. Such decrease was mainly due to the decrease in the provision of production enhancement services in Southwestern China as this customer has postponed the production enhancement works of certain shale gas fields to the second half of 2026 in accordance with its internal extraction plan. In addition, the revenue generated from the provision of drilling services to this customer in Northwestern China has also decreased in 1H2026. The revenue from Customer 3 amounted to approximately HK$2.3 million in 1H2026, which increased by approximately HK$0.9 million or approximately 64.3% from approximately HK$1.4 million in 1H2025. Such increase was mainly due to the increase in the provision of integrated project management services to this customer in the Middle East. The revenue from Customer 4 amounted to approximately HK$1.6 million in 1H2026 (1H2025: Nil), which was generated from the sales of drilling products to this customer in Northern China. The revenue from Customer 5 amounted to approximately HK$1.1 million in 1H2026, which decreased by approximately HK$0.1 million or approximately 8.3% from approximately HK$1.2 million in 1H2025. Such decrease was mainly due to the decrease in the provision of supervisory services in other regions in China. The revenue from other customers amounted to approximately HK$1.2 million in 1H2026, which decreased by approximately HK$0.1 million or approximately 7.7% from approximately HK$1.3 million in 1H2025.

HUMAN RESOURCES

The Group believes that our people are the most valuable assets to our business. We have implemented human resources policies and procedures that set out the requirements on compensation, termination, recruitment, promotion, working hours, equal opportunity and other benefits and welfare. We support employees' growth and strive to secure our core expertise through training and development. To equip our frontline staff with the right skillset and knowledge, we arranged for a series of training courses that cover technical updates in drilling and production enhancement technology, blast management, control at wells and environment management. We also worked with external organisations such as unions and consultants to provide training for the specific needs of certain operations. The Group has arranged 64 training sessions of more than 1,615 hours in total and 115 employees have attended these training programs in 1H2026. Besides, the Company has implemented a talents selection system to expand the promotion channel for employees in order to realise a win-win situation for both the Company and employees.

To cope with the development trend of the industry, the Group streamlined the organisation structure and the cost structure of all service lines as well as the supporting departments. The Company paid high attention to talent introduction and has recruited some international experts who are good at market development as well. The total headcount was 177 employees as at 30 June 2026, representing a decrease of approximately 8.3% as compared with that of 193 employees as at 31 December 2025. Such decrease in the number of employees was mainly due to the reduction in headcounts in view of the decrease in the revenue generated by the production enhancement department in 1H2026.

RESEARCH AND DEVELOPMENT

As a high-end integrated oilfield services provider, the Group attaches great importance to technology, and prides itself on introducing innovative products and services in various oilfield services lines, such as turbine-drilling, directional drilling, rotary steerable drilling system, multistage fracturing, surface facilities for safety and flow control, drilling fluids and fracturing liquid.

In 1H2026, apart from the research and development of oilfield service technologies, the Group has also conducted various studies in the field of geothermal resource development, focusing on areas such as deep geothermal well drilling and completion technologies.

The Group pays great attention to the registration of patents and always encourages application for patents to protect its intellectual property rights. As at 30 June 2026, the Group had 47 utility model patents and 13 innovation patents and was in the process of applying for 20 utility model patents and 5 innovation patents.

In order to maintain its leading position in the high-end oilfield services sector, the Group will continue its efforts in developing oilfield services tools and technologies through in-house research and development and cooperation with technology companies and research institutes.

OUTLOOK

During 1H2026, Brent crude oil price has fluctuated between approximately US$60 to approximately US$120 per barrel. Although the international oil price has been volatile since the outbreak of the Iranian War in early 2026, the Group believes that there will be limited adverse impact on the Group's operation as the majority part of the Group's revenue has been generated from the China Market. Although the revenue of the Group has significantly decreased in 1H2026 as a customer has postponed the production enhancement works of certain shale gas fields to the second half of 2026 in accordance with its internal extraction plan, with the PRC's national policy to ensure energy safety and to encourage shale gas consumption for environmental protection, the Group believes that the market demands for production enhancement services and other oilfield services offered by the Group will remain relatively stable for the second half of 2026 as compared with the corresponding period in 2025.

Looking forward, the Group will continue to put efforts into the marketing and promotion of the Group's oilfield services and technologies so as to increase our market penetration. In addition, the Group will continue to explore other investment opportunities with earning potentials to expand its existing operations and to diversify its business, including but not limited to various kinds of green and renewable energy projects and/or other new energy related businesses. With the committed efforts of our staff and management, we are cautiously optimistic on the prospects of the Group.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Unaudited Six months ended 30 June 2026 *HK$'000***	2025 *HK$'000*
Revenue	*4*	**48,125**	111,266
Other income		**437**	1,011
Operating costs			
Material costs		**(13,037)**	(19,532)
Depreciation of property, plant and equipment		**(5,936)**	(7,764)
Depreciation of right-of-use assets		**(758)**	(895)
Expenses related to short-term leases		**(909)**	(1,163)
Employee benefit expenses		**(15,717)**	(15,681)
Distribution expenses		**(500)**	(688)
Technical service fees		**(16,712)**	(51,477)
Research and development expenses		**(8,521)**	(10,078)
Entertainment and marketing expenses		**(3,692)**	(4,342)
Net (impairment loss)/reversal of impairment on financial assets		**(314)**	919
Net reversal of impairment/(impairment loss) on contract assets		**348**	(50)
Reversal of write-down/(write-down) of inventories to net realisable value		**1,204**	(299)
Other expenses		**(9,384)**	(8,734)
Other gains and losses, net	*5*	**(157)**	2,777
Operating loss		**(25,523)**	(4,730)
Finance income		**63**	220
Finance costs		**(3,742)**	(5,890)
Finance costs, net	*6*	**(3,679)**	(5,670)
Share of results of associates		**(4,956)**	(720)
Loss before income tax expense		**(34,158)**	(11,120)
Income tax expense	*7*	**(402)**	(412)
Loss for the period		**(34,560)**	(11,532)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**8,527**	3,254
Share of other comprehensive income of associates		**945**	(374)
Other comprehensive income for the period, net of tax		**9,472**	2,880

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Notes	Unaudited Six months ended 30 June 2026 HK$'000	 2025 HK$'000
Total comprehensive income for the period		**(25,088)**	(8,652)
Loss for the period attributable to:			
Owners of the Company		**(35,325)**	(11,793)
Non-controlling interests		**765**	261
		(34,560)	(11,532)
Total comprehensive income for the period attributable to:			
Owners of the Company		**(25,853)**	(8,913)
Non-controlling interests		**765**	261
		(25,088)	(8,652)
Loss per share attributable to owners of the Company during the period:			
Loss per share – basic and diluted ***(HK cent(s))***	*8*	**(2.05)**	(0.68)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*10*	**107,257**	100,189
Intangible assets		**26,756**	26,756
Right-of-use assets	*11*	**2,758**	3,553
Financial asset at fair value through profit or loss (“**FVTPL**”)		**7,380**	7,097
Interests in associates		**90,086**	98,353
Other receivables and deposits		**352**	417
		234,589	236,365
Current assets			
Inventories		**11,809**	11,514
Trade receivables	*12*	**120,194**	141,473
Contract assets		**136,665**	166,225
Other receivables and deposits		**42,450**	40,365
Prepayments		**20,078**	10,721
Cash and cash equivalents		**24,988**	44,541
Restricted bank deposits		**–**	31,984
		356,184	446,823
Current liabilities			
Trade payables	*13*	**201,701**	228,391
Other payables and accruals		**71,180**	96,405
Contract liabilities		**400**	493
Lease liabilities		**1,526**	1,510
Bank and other borrowings		**83,698**	101,897
Financial liabilities at FVTPL		**6,374**	6,129
		364,879	434,825
Net current (liabilities)/assets		**(8,695)**	11,998
Total assets less current liabilities		**225,894**	248,363

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Non-current liabilities		
Bank and other borrowings	**40,862**	37,599
Lease liabilities	**1,330**	2,056
	42,192	39,655
NET ASSETS	**183,702**	208,708
EQUITY		
Capital and reserves		
Share capital	**2,001,073**	2,001,073
Other reserves	**101,648**	92,094
Accumulated losses	**(1,926,909)**	(1,891,584)
Equity attributable to owners of the Company	**175,812**	201,583
Non-controlling interests	**7,890**	7,125
TOTAL EQUITY	**183,702**	208,708

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Petro-king Oilfield Services Limited (the "**Company**") was incorporated in the British Virgin Islands on 7 September 2007 as an exempted company with limited liability. The address of the Company's registered office is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands, VG1110.

The Company is an investment holding company and its subsidiaries (together the "**Group**") are principally engaged in the provision of oilfield technology services covering various stages in the life cycle of oilfields including drilling, well completion and production enhancement as well as consultancy services for oilfields and gas fields with auxiliary activities in trading of oilfield and gas field related products.

The Company had its listing on The Stock Exchange of Hong Kong Limited on 6 March 2013. This interim condensed consolidated financial information is presented in Hong Kong dollars ("**HK$**"), unless otherwise stated.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with the International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this announcement should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards and any public announcements made by the Group during the interim reporting period.

The Group reported a net loss of approximately HK$34,560,000 during the six months ended 30 June 2026, and as of that date, the Group had net current liabilities of approximately HK$8,695,000 and total current bank and other borrowings of approximately HK$83,698,000, while the Group only had cash and cash equivalents of approximately HK$24,988,000.

In assessing the appropriateness of the use of the going concern basis in the preparation of the interim condensed consolidated financial statements, the directors of the Company (the "**Directors**") have prepared a cash flow forecast (the "**Forecast**") covering a fifteen-month period from the end of reporting period. In preparing the Forecast, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing and also have taken account of the following plans and measures:

(a) In July 2026, the Group has obtained and drawn down an additional loan facility with an amount of RMB10,000,000 from a bank located in the People's Republic of China (the "**PRC**"). The Group is also actively negotiating with this bank and other banks in the PRC for new loan facilities for its working capital needs for the Group's oilfield and gas field projects in the PRC.

(b) As at 30 June 2026, the Group has unutilised loan facility with an amount of RMB30,000,000 which is granted by a money lending company established in the PRC which is beneficially owned by a shareholder of the Company. Subsequent to 30 June 2026, the Group has not drawn down such loan facility.

In the opinion of the Directors, the Group will have sufficient financial resources to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the Directors considered that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through:

(i) successfully obtaining new loan facilities from the banks located in the PRC to fund the working capital needs of the Group's oilfield and gas field projects in the PRC;

(ii) successfully drawing down the loan facility from the relevant money lending company; and

(iii) generating cash flows from the operations of the oilfield project tools and services based on the expected project schedules.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to achieve the above plans and measures, it may not be able to continue as a going concern, and adjustments would have to be made to reduce the carrying values of the Group's assets to their realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the interim condensed consolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

In the current period, the Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2026.

The adoption of the new and revised IFRS Accounting Standards has no material impact on the Group's interim condensed consolidated financial statements.

4 REVENUE AND SEGMENT INFORMATION

The Chief Operating Decision Maker (the "**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 segments based on these reports.

The Group's operating segments, which are also the reportable segments, are entity or group of entities that offer different products and services.

They are also managed according to different nature of products and services. Most of these entities engaged in just single business, except a few entities deal with diversified operation. Financial information of these entities has been separated to present discrete segment information to be reviewed by the CODM.

The Group has two operating segments as follows:

Oilfield project tools and services	– provision of oilfield technology services including drilling, well completion and production enhancement with auxiliary activities in trading of oilfield and gas field related products
Consultancy services	– provision of integrated project management services and supervisory services

(a) Revenue

Revenue recognised for the six months ended 30 June 2026 and 2025 are as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue from contract with customers within the scope of IFRS 15:		
Oilfield project tools and services		
– Production enhancement work	**32,586**	93,721
– Drilling work	**9,754**	10,664
– Well completion work	**150**	991
	42,490	105,376
Consultancy services		
– Integrated project management services	**2,254**	1,692
– Supervisory services	**3,381**	4,198
	5,635	5,890
Total revenue	**48,125**	111,266
Timing of revenue recognition within the scope of IFRS 15:		
At a point in time	**1,984**	709
Over time	**46,141**	110,557
	48,125	111,266

(b) Segment results

The segment information for the six months ended 30 June 2026 and 2025 are as follows:

	Unaudited		
	Oilfield project tools and services *HK$'000*	**Consultancy services** *HK$'000*	**Total** *HK$'000*
Six months ended 30 June 2026			
Revenue from external customers	**42,490**	**5,635**	**48,125**
Inter-segment revenue	**–**	**–**	**–**
Total segment revenue	**42,490**	**5,635**	**48,125**
Segment results	**(28,901)**	**3,576**	**(25,325)**
Net unallocated expenses			**(8,833)**
Loss before income tax expense			**(34,158)**
Other information:			
Depreciation of property, plant and equipment	**(5,597)**	**–**	**(5,597)**
Depreciation of right-of-use assets	**(656)**	**–**	**(656)**
Net (impairment loss)/reversal of impairment on financial assets	**(328)**	**14**	**(314)**
Net reversal of impairment loss on contract assets	**339**	**9**	**348**
Reversal of write-down of inventories to net realisable value	**1,204**	**–**	**1,204**
Finance costs	**(3,037)**	**–**	**(3,037)**

	Unaudited		
	Oilfield project tools and services *HK$'000*	Consultancy services *HK$'000*	Total *HK$'000*
Six months ended 30 June 2025			
Revenue from external customers	105,376	5,890	111,266
Inter-segment revenue	–	–	–
Total segment revenue	105,376	5,890	111,266
Segment results	(13,013)	3,764	(9,249)
Net unallocated expenses			(1,871)
Loss before income tax expense			(11,120)
Other information:			
Depreciation of property, plant and equipment	(7,461)	–	(7,461)
Depreciation of right-of-use assets	(192)	–	(192)
Net reversal of impairment/(impairment loss) on financial assets	1,239	(320)	919
Net impairment loss on contract assets	(38)	(12)	(50)
Write-down of inventories to net realisable value	(299)	–	(299)
Finance costs	(4,649)	–	(4,649)

Measurement of profit or loss of the operating segments are the same as the reportable segments. The CODM evaluates the performance of the reportable segments based on a measure of revenue and revenue less all directly attributable costs.

A reconciliation of operating segments' results to total loss before income tax expense is provided as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Segment results	**(25,325)**	(9,249)
Depreciation of property, plant and equipment	**(339)**	(303)
Depreciation of right-of-use assets	**(102)**	(703)
Finance costs	**(705)**	(1,241)
Finance income	**63**	220
Other income	**437**	1,011
Other expenses	**(2,371)**	(2,159)
Other gains and losses, net	**(157)**	2,777
Share of results of associates	**(4,956)**	(720)
Other unallocated corporate expenses	**(703)**	(753)
Consolidated loss before income tax expense	**(34,158)**	(11,120)

The segment results included the loss of each operating segment without allocation of the following items such as corporate expenses, finance income, other income, other gains and losses, net and share of results of associates.

5 OTHER GAINS AND LOSSES, NET

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Foreign exchange losses, net	**(951)**	(258)
Losses on disposals of property, plant and equipment	**(40)**	(19)
Loss on deemed acquisition of interests in associates	**–**	(2,095)
Government grant	**847**	4,390
Others	**(13)**	759
	(157)	2,777

6 FINANCE COSTS, NET

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest income from bank deposits	**13**	56
Interest income from others	**50**	164
Finance income	**63**	220
Interest expenses:		
– Bank and other borrowings	**(3,665)**	(5,858)
– Lease liabilities	**(77)**	(32)
Finance costs	**(3,742)**	(5,890)
Finance costs, net	**(3,679)**	(5,670)

7 INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax	**–**	98
Overseas withholding tax	**402**	314
Income tax expense	**402**	412

8 LOSS PER SHARE

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

	Unaudited Six months ended 30 June	
	2026	2025
Loss for the period attributable to owners of the Company (HK$'000)	**(35,325)**	(11,793)
Weighted average number of ordinary shares (Number of shares in thousand)	**1,726,674**	1,726,674
Basic and diluted loss per share (HK cent(s))	**(2.05)**	(0.68)

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. Potential ordinary shares are dilutive when, and only when, their conversion to ordinary shares would increase loss per share.

Diluted loss per share for the six months ended 30 June 2026 was the same as basic loss per share since all potential ordinary shares are anti-dilutive (six months ended 30 June 2025: same) as the conversion of potential ordinary shares in relation to the share options (six months ended 30 June 2025: share options) has an anti-dilutive effect to the basic loss per share.

9 DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the current period (six months ended 30 June 2025: Nil).

10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group has acquired and disposed of property, plant and equipment of approximately HK$8,849,000 (six months ended 30 June 2025: approximately HK$1,576,000) and approximately HK$41,000 (six months ended 30 June 2025: approximately HK$32,000), respectively.

11 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group has addition to right-of-use assets of approximately HK$153,000 (six months ended 30 June 2025: HK$142,000).

12 TRADE RECEIVABLES

	Unaudited As at 30 June 2026 ***HK$'000***	Audited As at 31 December 2025 *HK$'000*
Trade receivables	**124,328**	145,182
Less: provision for impairment of trade receivables	**(4,134)**	(3,709)
Trade receivables, net	**120,194**	141,473

As at 30 June 2026 and 31 December 2025, ageing analysis of gross trade receivables by invoice date is as follows:

	Unaudited As at 30 June 2026 ***HK$'000***	Audited As at 31 December 2025 *HK$'000*
Up to 3 months	**31,480**	72,140
3 to 6 months	**42,090**	22,462
6 to 12 months	**49,550**	48,140
Over 12 months	**1,208**	2,440
Trade receivables - gross	**124,328**	145,182

The Group generally allows a credit period of up to 1 year after invoice date to its customers.

13 TRADE PAYABLES

As at 30 June 2026 and 31 December 2025, ageing analysis of trade payables based on invoice date is as follows:

	Unaudited As at 30 June 2026 *HK$'000*	Audited As at 31 December 2025 *HK$'000*
Up to 3 months	**52,255**	67,288
3 to 6 months	**12,268**	47,847
6 to 12 months	**81,497**	39,107
Over 12 months	**55,681**	74,149
	201,701	228,391

FINANCIAL REVIEW

Revenue

The Group's revenue amounted to approximately HK$48.1 million in 1H2026, which decreased by approximately HK$63.2 million or approximately 56.8% as compared with that of approximately HK$111.3 million in 1H2025. The decrease in revenue was mainly due to the decrease in the provision of production enhancement services in Southwestern China as a customer has postponed the production enhancement works of certain shale gas fields to the second half of 2026 in accordance with its internal extraction plan.

Material Costs

In 1H2026, the Group's material costs were approximately HK$13.0 million, which decreased by approximately 33.3% or approximately HK$6.5 million as compared with that of approximately HK$19.5 million in 1H2025. Material costs accounted for approximately 27.0% of the revenue in 1H2026, which was higher than that of approximately 17.5% in 1H2025. Material costs as a percentage of revenue increased in 1H2026 as certain production enhancement projects have utilized more diesel in 1H2026.

Depreciation of Property, Plant and Equipment

In 1H2026, the depreciation of property, plant and equipment amounted to approximately HK$5.9 million, which decreased by approximately HK$1.9 million or approximately 24.4% as compared with that of approximately HK$7.8 million in 1H2025. Depreciation expense decreased in 1H2026 as certain property, plant and equipment has been fully depreciated in 2025.

Technical Service Fees

In 1H2026, the Group's technical service fees amounted to approximately HK$16.7 million, which decreased by approximately HK$34.8 million or approximately 67.6% from approximately HK$51.5 million in 1H2025. Technical service fees accounted for approximately 34.7% of the revenue in 1H2026, which was lower than that of approximately 46.3% in 1H2025. Technical services fees as a percentage of revenue decreased in 1H2026 as the Group has utilised less technical services from outside service providers in 1H2026 in view of the decrease in revenue in 1H2026.

Other Gains and Losses, net

The Group recorded net other losses of approximately HK$0.2 million in 1H2026, as compared with a net other gains of approximately HK$2.8 million in 1H2025. The decrease in net other gains was mainly due to the decrease in government grant entitled by the Group in 1H2026.

Operating Loss

As a result of the foregoing, the Group recorded an operating loss of approximately HK$25.5 million in 1H2026 (1H2025: HK$4.7 million).

Net Finance Costs

In 1H2026, the Group's net finance costs amounted to approximately HK$3.7 million, which decreased by approximately HK$2.0 million or approximately 35.1% as compared with that of approximately HK$5.7 million in 1H2025. The decrease in net finance costs was mainly due to the repayments of bank and other borrowings in 1H2026.

Share of Results of Associates

In 1H2026, the Group recorded share of loss of associates of approximately HK$5.0 million (1H2025: approximately HK$0.7 million). The balance represented the Group's share of loss of Petro-king Energy Group in 1H2026. The increase in loss of the Petro-king Energy Group in 1H2026 was mainly due to its decrease in revenue and its increase in finance costs in 1H2026. The Group has received dividend income of approximately RMB5.7 million (equivalent to approximately HK$6.6 million) from Petro-king Energy in June 2026. Petro-king Energy has not paid any dividend in 1H2025.

Loss for the Period

As a result of the foregoing, the Group recorded a net loss of approximately HK$34.6 million in 1H2026 as compared with a net loss of approximately HK$11.5 million in 1H2025.

Loss for the Period Attributable to Owners of the Company

As a result of the foregoing, the Group's loss attributable to owners of the Company amounted to approximately HK$35.3 million in 1H2026 as compared with a loss attributable to owners of the Company of approximately HK$11.8 million in 1H2025.

Interests in Associates

As at 30 June 2026, the Group's interests in associates amounted to approximately HK$90.1 million, representing a decrease of approximately HK$8.3 million as compared with that of approximately HK$98.4 million as at 31 December 2025. The decrease was mainly due to the Group's share of loss in the Petro-king Energy Group in 1H2026, the declaration and payment of dividend by Petro-king Energy in 1H2026 and the effect of exchange difference. As at 30 June 2026, the carrying amount of the Group's interest in Petro-king Energy was approximately HK$90.1 million (31 December 2025: HK$98.4 million), which represented approximately 15.2% (31 December 2025: 14.4%) of the Group's total assets. As at 30 June 2026, the Group held approximately 28.56% equity interest in Petro-king Energy (31 December 2025: approximately 28.56%). The Group presently intends to retain its interest in Petro-king Energy for long term investment, but may also consider the needs to partially dispose a portion of its interest in Petro-king Energy depending on the future liquidity requirements of the Group.

Inventories

As at 30 June 2026, the Group's inventories amounted to approximately HK$11.8 million, which was similar to that of approximately HK$11.5 million as at 31 December 2025. The average turnover days of inventories increased from approximately 78 days in 1H2025 to approximately 162 days in 1H2026. The increase in average inventory turnover days was mainly due to the slowdown in the consumption of materials as a result of the decrease in turnover in 1H2026.

Trade Receivables

As at 30 June 2026, the Group's trade receivables amounted to approximately HK$120.2 million, representing a decrease of approximately HK$21.3 million or approximately 15.1% as compared with that of approximately HK$141.5 million as at 31 December 2025. The average turnover days of trade receivables were approximately 492 days in 1H2026, representing an increase of approximately 203 days as compared with that of approximately 289 days in 1H2025. The increase in average turnover days of trade receivables was mainly due to the decrease in revenue in 1H2026.

Contract Assets

The contract assets primarily relate to the Group's rights to consideration for works completed and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the reporting date. As at 30 June 2026, the Group's contract assets amounted to approximately HK$136.7 million, representing a decrease of approximately HK$29.5 million or approximately 17.7% as compared with that of approximately HK$166.2 million as at 31 December 2025. The decrease was mainly due to the decrease in unbilled works related to the provision of production enhancement services to certain customers in 1H2026.

Trade Payables

As at 30 June 2026, the Group's trade payables were approximately HK$201.7 million, which decreased by approximately HK$26.7 million or approximately 11.7% as compared with that of approximately HK$228.4 million as at 31 December 2025. The average turnover days of trade payables increased from approximately 500 days in 1H2025 to approximately 1,308 days in 1H2026, representing an increase of approximately 808 days. The increase in the average turnover days of trade payables was mainly resulted from the decrease in material costs and technical service fees incurred in 1H2026.

Liquidity and Capital Resources

The Group's objectives in capital management are to safeguard the Group's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital, while maximising returns to shareholders through improving the debts and equity balance.

As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$25.0 million, representing a decrease of approximately HK$19.5 million as compared with that of approximately HK$44.5 million as at 31 December 2025. The cash and cash equivalents were mainly held in RMB and US dollars ("**US$**").

As at 30 June 2026, the Group's bank and other borrowings amounted to approximately HK$124.6 million (31 December 2025: approximately HK$139.5 million), of which approximately 67.2% (31 December 2025: approximately 73.0%) was repayable within one year. As at 30 June 2026, the Group's bank and other borrowings were mainly denominated in Hong Kong dollars and RMB whilst 81.6% (31 December 2025: 84.2%) of such borrowings bore interest at fixed lending rate and 18.4% (31 December 2025: 15.8%) of such borrowings bore interest at floating lending rate.

As at 31 December 2025, bank deposits of approximately RMB28.9 million (equivalent to approximately HK$32.0 million) (the "Restricted Bank Deposits") have been frozen by the courts pending the outcome of an appeal in relation to the claims of technical service fees of approximately RMB28.9 million, together with any interest accrued thereon, by a service provider (the "Plaintiff") against an indirectly wholly-owned subsidiary of the Company (the "Defendant"). On 14 May 2026, the Defendant received a civil ruling issued by the appeal court and pursuant to the appeal ruling, the Defendant shall pay technical service fees in the sum of RMB16,630,019.49, together with any interest accrued thereon to the Plaintiff on or before 24 May 2026. The Defendant has paid the technical service fees together with accrued interest to the Plaintiff on 15 May 2026. On 26 May 2026, the court has issued a civil ruling to the Defendant in relation to the release of the Restricted Bank Deposits and all the Restricted Bank Deposits have been unfrozen on or before 30 June 2026. Further details of the claims and the appeal were set out in the Company's announcements dated 29 January 2024, 12 June 2024, 2 July 2024 and 14 May 2026.

As at 30 June 2026, the Group has pledged certain machineries with carrying values of approximately HK$52.6 million to secure certain instalment loans granted to the Group (31 December 2025: approximately HK$53.9 million). In addition, certain trade receivables of approximately HK$100.3 million (31 December 2025: HK$78.7 million) were pledged to secure certain bank borrowings of the Group as at 30 June 2026.

Gearing ratio

As at 30 June 2026, the Group's gearing ratio (calculated as dividing net debt by total capital) was approximately 35.8% (31 December 2025: approximately 24.2%). Net debt is calculated as total borrowings (including "current and non-current bank and other borrowings" and "current and non-current lease liabilities" as shown in the interim condensed consolidated statement of financial position) less total cash (including "restricted bank deposits" and "cash and cash equivalents" as shown in the interim condensed consolidated statement of financial position). Total capital is calculated as "equity" as shown in the interim condensed consolidated statement of financial position plus net debt.

Foreign Exchange Risk

The Group operates in various countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US$ and RMB. The foreign exchange risk mainly arises from the trade and other receivables, contract assets, cash and cash equivalents, trade and other payables, intra-group balance, bank and others borrowings and lease liabilities in foreign currencies. The Group has not used any financial instrument for hedging purpose in 1H2026 (31 December 2025: Nil).

Off-balance Sheet Arrangements

As at 30 June 2026, the Group did not have any off-balance sheet arrangements (31 December 2025: Nil).

IMPORTANT EVENTS AFTER THE END OF FINANCIAL PERIOD

On 19 January 2026, the Company entered into a sale agreement with 烟台杰瑞石油裝備技術有限公司 (Yantai Jereh Petroleum Equipment & Technologies Co., Ltd.#) ("**Yantai Jereh**") in relation to the disposal of certain existing fracturing trucks and instrument trucks at an aggregate consideration of RMB85,500,000 (equivalent to approximately HK$95,042,000). On the same date, the Company entered into a purchase agreement with Yantai Jereh in relation to the acquisition of certain new fracturing trucks and instrument sled at an aggregate consideration of RMB124,000,000 (equivalent to approximately HK$137,838,000). Further details of these transactions were set out in the Company's announcement and circular dated 19 January 2026 and 16 February 2026, respectively. These aforementioned transactions were completed in July 2026.

There were no other important event affecting the Company's business operations in material aspects after the end of financial period up to the date of this announcement.

Others

Save as disclosed in this announcement, there have been no material changes in the development or future developments of the business and financial position of the Group since the publication of the annual report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner.

The Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). During 1H2026, the Company has complied with the CG Code in all applicable aspects.

DIRECTORS' SECURITIES TRANSACTIONS

The Directors have adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirms that all Directors have fully complied with the relevant standards stipulated in the Model Code during 1H2026.

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

During 1H2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Directors resolved not to declare any interim dividend for 1H2026 (1H2025: Nil).

REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Pursuant to the requirements of the CG Code and the Listing Rules, the Company has established an audit committee (the "**Audit Committee**") which is composed of three independent non-executive Directors, namely Mr. Leung Lin Cheong (the chairman of the Audit Committee), Mr. Xin Junhe and Mr. Zhang Dawei. The unaudited interim condensed consolidated financial information has been reviewed by the Audit Committee.

The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

By Order of the Board
PETRO-KING OILFIELD SERVICES LIMITED
Wang Jinlong
Chairman

Hong Kong, 14 August 2026

As at the date of this announcement, the executive Directors are Mr. Zhao Jindong, Mr. Lin Jingyu and Ms. Zhou Sisi; the non-executive Director is Mr. Wang Jinlong; and the independent non-executive Directors are Mr. Leung Lin Cheong, Mr. Xin Junhe and Mr. Zhang Dawei.