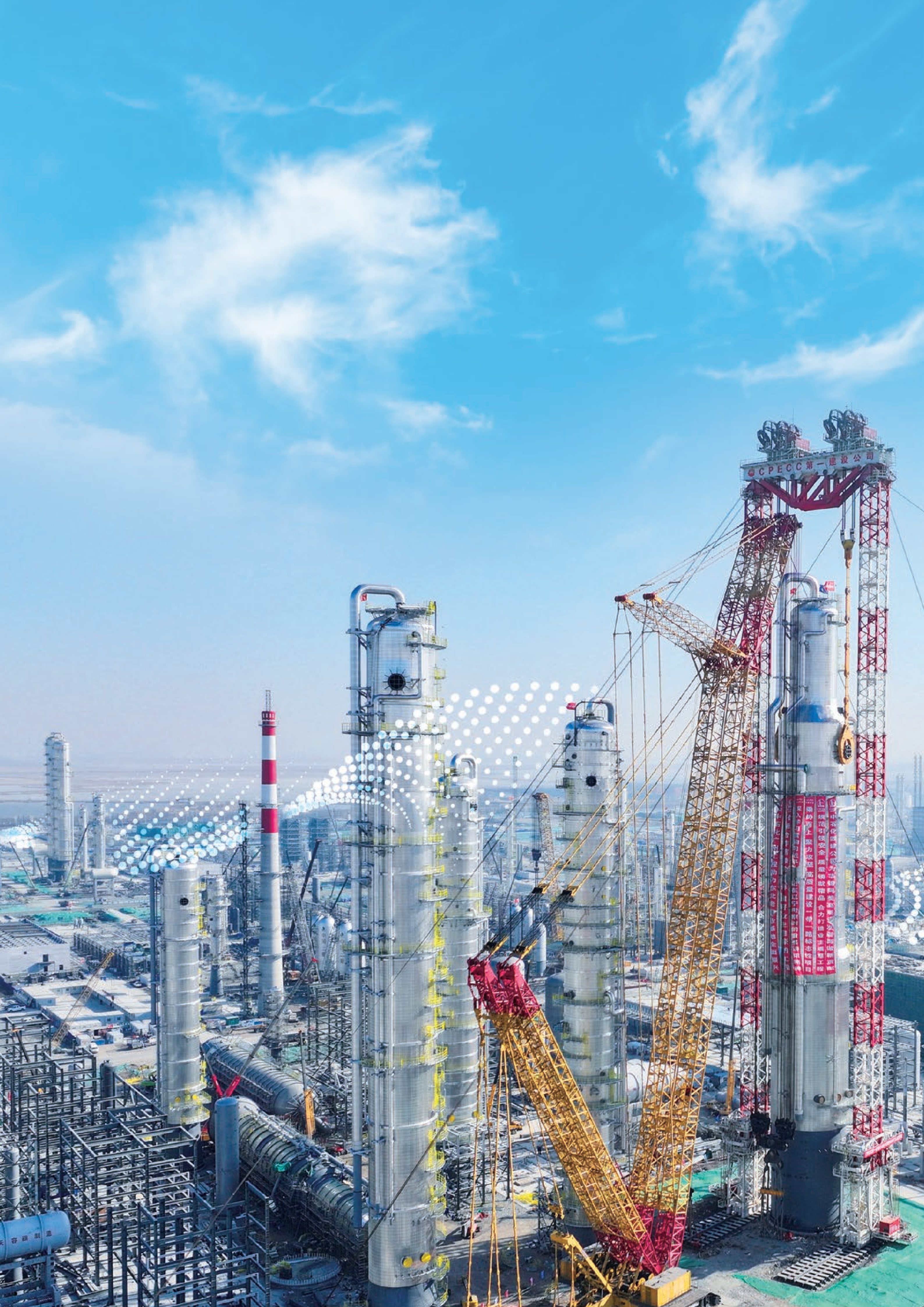
中国石化
SINOPEC

# 中石化炼化工程(集团)股份有限公司
# SINOPEC ENGINEERING (GROUP) CO., LTD.

Stock Code: 2386

# 2026
# INTERIM REPORT

BUILDING
A WORLD-LEADING
**TECHNOLOGY-DRIVEN**
ENGINEERING COMPANY


CPECC第一建设公司

# IMPORTANT NOTICE

The board of directors (the "**Board**") and the directors (the "**Directors**") of SINOPEC ENGINEERING (GROUP) CO., LTD. ("**SINOPEC SEG**" or the "**Company**") warrant that there are no false representations, misleading statements or material omissions contained in this interim report and are hereby jointly and severally liable for the authenticity, accuracy and completeness of the content hereof. All the Directors of SINOPEC SEG attended the fourteenth meeting of the Fifth Session of the Board. Mr. ZHANG Xinming (Executive Director and President), Mr. YIN Fengbing (Chief Financial Officer and Secretary to the Board) and Ms. WANG Lihui (Head of the Finance Department) warrant the authenticity, accuracy and completeness of the financial statements contained in this interim report.

The interim financial statements for the six months ended 30 June 2026 (the "**Reporting Period**") of SINOPEC SEG and its subsidiaries (together, the "**Group**"), prepared in accordance with International Financial Reporting Standards, were audited by BDO Limited, which has issued a standard unqualified audit report.

This report contains forward-looking statements. All statements (other than statements of historical facts) that address business activities, events or developments that the Company expects or anticipates will or may occur in the future (including but not limited to projections, goals, estimates and business plans) are forward-looking statements. The future actual results or development trends may differ materially from the forward-looking statements due to various factors. The forward-looking statements contained in this report were made by the Company on 14 August 2026 and, unless otherwise required by the relevant regulatory authorities, the Company undertakes no obligation or responsibility to update these forward-looking statements.

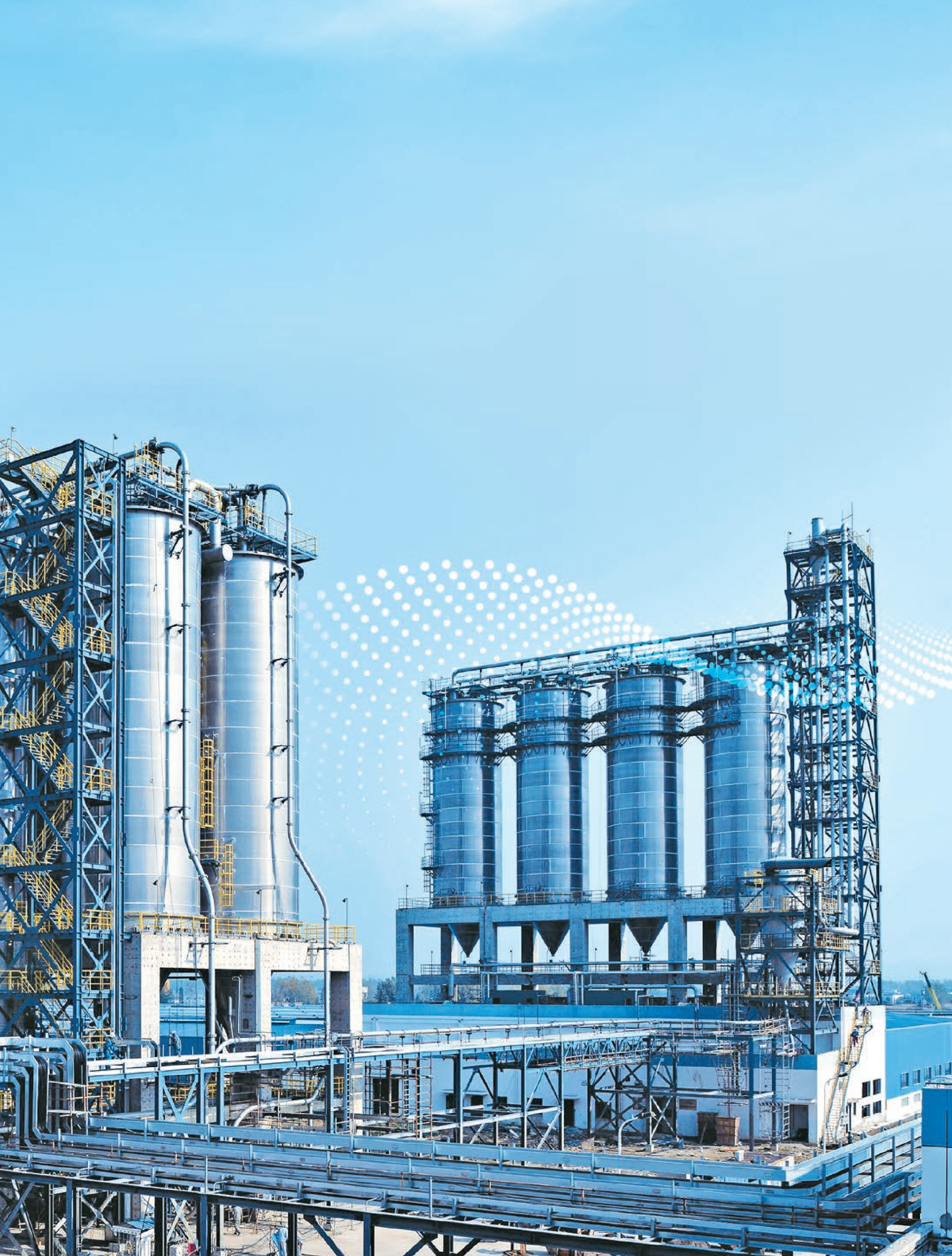
This report is printed in both Chinese and English. Should there be any discrepancy between the English and the Chinese version, the Chinese version shall prevail.

# CONTENTS



# COMPANY PROFILE

The Group is a comprehensive service provider covering the entire energy and chemical industry value chain and full project lifecycles. With over 70 years of history, it operates across multiple industrial sectors, including petroleum refining, petrochemical, aromatics, new coal chemical, inorganic chemical, pharmaceutical chemical, clean energy, storage and transportation facility, as well as environmental protection and energy conservation. The Group is committed to providing global clients with full industry chain services, including engineering R&D, technical consulting, technology licensing, engineering consulting, engineering design, project management, financing and EPC (engineering, procurement and construction) contracting. Its services also cover material procurement, equipment manufacturing, construction and installation, large-scale equipment lifting and transportation, pre-commissioning and commission services as well as operation and maintenance. The Group has delivered, on schedule, hundreds of modern chemical plants featuring large investment scales, complex processes, advanced technologies and high-quality standards for clients in more than 30 countries and regions. Over the years, it has built extensive and stable client relationships and earned significant industrial influence and social recognition.



# BASIC INFORMATION OF THE COMPANY

## LEGAL NAME
中石化煉化工程(集團)股份有限公司

## CHINESE ABBREVIATION
中石化煉化工程

## ENGLISH NAME
SINOPEC ENGINEERING (GROUP) CO., LTD.

## ENGLISH ABBREVIATION
SINOPEC SEG

## AUTHORISED REPRESENTATIVES
Mr. ZHANG Xinming

Mr. YIN Fengbing

## COMPANY SECRETARIES
Mr. YIN Fengbing

Ms. Ng Sau Mei

## REGISTERED ADDRESS
Floors 6-9, Building 1, A67, Ande Road, Xicheng District, Beijing, the PRC

## OFFICE AND CORRESPONDENCE ADDRESS
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Telephone: +8610-5673-0525

Website: www.segroup.cn

E-mail: seg.ir@sinopec.com

## WEBSITES ON WHICH THIS INTERIM REPORT IS PUBLISHED
Website designated by The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"):

http://www.hkexnews.hk

The Company's website:

http://www.segroup.cn

## PLACE WHERE THIS INTERIM REPORT IS AVAILABLE FOR INSPECTION
Office of the Board

SINOPEC ENGINEERING (GROUP) CO., LTD.

A67, Ande Road, Xicheng District, Beijing, the PRC

## PLACE OF LISTING OF SHARES, STOCK SHORT NAME AND STOCK CODE

H Shares: Hong Kong Stock Exchange

Stock short name: SINOPEC SEG

Stock code: 2386

## UNIFORM SOCIAL CREDIT CODE

911100007109349087

## NAMES AND ADDRESSES OF AUDITORS

PRC:

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BDO Limited

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## NAMES AND ADDRESSES OF LEGAL ADVISORS

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Zhong Lun Law Firm LLP

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1 Connaught Place,
Central, Hong Kong, the PRC

# PRINCIPAL FINANCIAL DATA AND INDICATORS

# Principal Financial Data and Indicators

## Summary of Financial Data and Indicators Prepared in Accordance with International Financial Reporting Standards ("IFRS")

Unit: RMB '000

| Items | As at 30 June 2026 | As at 31 December 2025 | Change from the end of 2025 (%) |
|---|---|---|---|
| Current assets | 83,479,293 | 83,609,910 | (0.2) |
| Non-current assets | 7,540,256 | 7,809,868 | (3.5) |
| Current liabilities | 57,054,604 | 57,486,796 | (0.8) |
| Non-current liabilities | 1,952,808 | 1,946,587 | 0.3 |
| Consolidated equity attributable to equity holders of the Company | 31,934,736 | 31,913,953 | 0.1 |
| Net assets per share of equity holders of the Company (RMB) | 7.27 | 7.26 | 0.1 |

Unit: RMB '000

| Items | Six-month period ended 30 June | | Changes over the same period of 2025 (%) |
|---|---|---|---|
| | 2026 | 2025 | |
| Revenue | 35,624,371 | 31,618,910 | 12.7 |
| Gross profit | 2,739,642 | 2,604,151 | 5.2 |
| Operating profit | 1,076,392 | 1,163,909 | (7.5) |
| Profit before taxation | 1,440,322 | 1,613,762 | (10.7) |
| Profit attributable to equity holders of the Company | 1,137,149 | 1,386,836 | (18.0) |
| Basic earnings per share (RMB) | 0.26 | 0.32 | (18.0) |
| Net cash flows (used in)/generated from operating activities | (959,002) | 3,299,934 | – |
| Net cash flows (used in)/generated from operating activities per share (RMB) | (0.22) | 0.75 | – |

| Items | Six-month period ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| **Gross profit margin (%)** | **7.7** | 8.2 |
| **Net profit margin (%)** | **3.2** | 4.4 |
| **Return on assets (%)**(1) | **1.3** | 1.6 |
| **Return on equity (%)**(2) | **3.6** | 4.3 |
| **Return on invested capital (%)**(3) | **3.6** | 4.4 |

| Item | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| **Asset-liability ratio (%)**(4) | **64.8** | 65.0 |

(1) Return on assets = $\dfrac{\text{Profit for the period}}{\text{(The opening total assets + The closing total assets)/2}}$

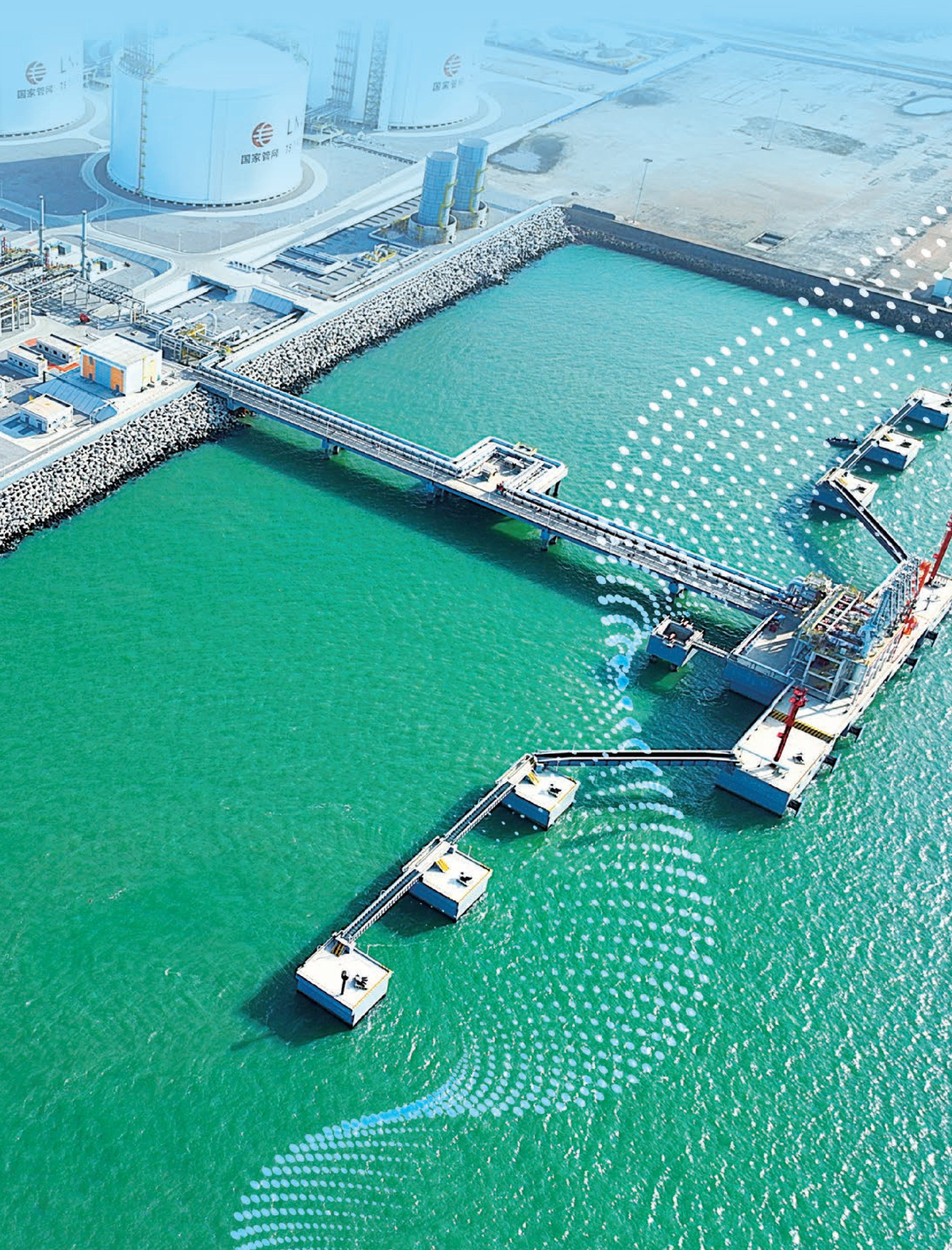
(2) Return on equity = $\dfrac{\text{Profit for the period}}{\text{Total equity at the end of the period}}$

(3) Return on invested capital = $\dfrac{\text{Earnings before interest and tax (EBIT) for the period} \times \text{(1 – effective income tax rate)}}{\text{Interest-bearing liabilities at the end of the period – Credit loans + Total equity at the end of the period}}$

(4) Asset-liability ratio = $\dfrac{\text{Total liabilities at the end of period}}{\text{Total assets at the end of period}}$

Note: The comparative figures in this interim report have been restated, please refer to Note 39 to the financial statements in this Report.

# CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS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# Changes in Share Capital and Shareholdings of Substantial Shareholders

## 1. Changes in the Share Capital of the Company

Unit: Share

| | As at 30 June 2026 | | Increase/Decrease during the Reporting Period (+/ – ) | | | As at 31 December 2025 | |
|---|---|---|---|---|---|---|---|
| | Number | Percentage (%) | New shares issued | Others | Subtotal | Number | Percentage (%) |
| Domestic Shares | 2,747,220,000 | 62.52 | – | -219,980,000 | -219,980,000 | 2,967,200,000 | 67.53 |
| Foreign shares listed overseas (H Shares) | 1,646,804,000 | 37.48 | – | 219,980,000 | 219,980,000 | 1,426,824,000 | 32.47 |
| Total number of shares | 4,394,024,000 | 100.00 | – | – | – | 4,394,024,000 | 100.00 |

### Completion of H Shares Full Circulation

The 219,980,000 unlisted domestic shares held by China National Petroleum Corporation were converted into H shares on 12 February 2026 and listed on the Hong Kong Stock Exchange on 13 February 2026. For details, please refer to the announcements published by the Company on 16 March 2025, 27 January 2026 and 12 February 2026 respectively.

## 2. Shareholdings of Substantial Shareholders

As at the end of the Reporting Period, there were a total of 790 shareholders of the Company. As at 14 August 2026, the public float of the Company satisfied the minimum requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") according to the information publicly available to the Company and to the knowledge of the Directors.

### (1) Shareholdings of the Top Ten Shareholders

Unit: Share

| Name of Shareholders | Increase/Decrease during the Reporting Period (+/ – ) | Number of Domestic Shares Held as at the End of the Reporting Period | Number of H Shares Held as at the End of the Reporting Period | Percentage as at the end of the Reporting Period | |
|---|---|---|---|---|---|
| | | | | In total share capital (%) | In relevant type of shares (%) |
| China Petrochemical Corporation[(1)] | 0 | 2,747,220,000 | – | 62.52 | 100.00 |
| HKSCC NOMINEES LIMITED | +220,025,520 | – | 1,643,147,200 | 37.39 | 99.78 |
| HUI MO CHEE | 0 | – | 870,000 | 0.02 | 0.05 |
| HUI SIU SHUN WAN | 0 | – | 450,000 | 0.01 | 0.03 |
| WONG CHOK SHUN | 0 | – | 300,000 | 0.01 | 0.02 |
| WONG SIU JUNK | 0 | – | 200,000 | 0.00 | 0.01 |
| LAM YICK KEUNG GEORGE | 0 | – | 150,000 | 0.00 | 0.01 |
| RIGHT TIME HOLDINGS LIMITED | 0 | – | 100,000 | 0.00 | 0.01 |
| HUI TSING KIT KATE | 0 | – | 60,000 | 0.00 | 0.00 |
| PANG KWOK WAI | 0 | – | 60,000 | 0.00 | 0.00 |
| Statement on the connected relationship or acting in concert among or between the aforementioned shareholders | The Company is not aware of any connection relationship or acting in concert among or between the aforementioned top ten shareholders | | | | |

## (2) Information Disclosed under the Securities and Futures Ordinance

In accordance with the archiving notice submitted through Disclosure of Interests Online System, save as the information disclosed below, as at the end of the Reporting Period, to the knowledge of the Board, no person(s) (other than Directors or the chief executive of the Company) had any interest or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") or recorded in the register kept under Section 336 of the SFO or, who was, directly or indirectly, interested in 5% or more of the nominal value of any type of share capital carrying the rights to vote in all circumstances at general meetings of the Company:

| Name of Shareholders | Type of share | Capacity | Number of shares with interests held or regarded as being held (Share) | Percentage in shares of the Company of the same type (%)[5] | Percentage in the total share capital of the Company (%)[6] |
|---|---|---|---|---|---|
| China Petrochemical Corporation[1] | Domestic Share | Beneficial owner/ Interests of controlled corporation | 2,747,220,000 (L) | 100.00 (L) | 62.52 (L) |
| China National Petroleum Corporation[2] | H Share | Beneficial owner | 219,980,000 (L) | 13.36 (L) | 5.01 (L) |
| FMR LLC[3] | H Share | Interests of controlled corporation | 93,886,821 (L) | 5.70 (L) | 2.14 (L) |
| Fidelity Investment Trust[4] | H Share | Interests of controlled corporation | 73,184,819 (L) | 4.44 (L) | 1.67 (L) |

Notes: (L): long position; (S): short position; (P): lending pool.

Notes:

(1) China Petrochemical Corporation (the "Sinopec Group") directly and/or indirectly holds 2,747,220,000 domestic shares, representing 100.00% of the domestic share capital and approximately 62.52% of the total share capital of the Company, respectively. Sinopec Assets Management Co., Ltd. is a wholly-owned subsidiary of Sinopec Group and directly holds 59,344,000 domestic shares, representing 2.16% of the domestic share capital and approximately 1.35% of the total share capital of the Company, respectively. Pursuant to the SFO, Sinopec Group is also deemed to be interested in the domestic shares held by Sinopec Assets Management Co., Ltd. The information is based on the Corporate Substantial Shareholder Notice filed by Sinopec Group with the Hong Kong Stock Exchange on 1 November 2024.

(2) China National Petroleum Corporation (the "CNPC") directly holds 219,980,000 H shares, representing approximately 13.36% of H share capital and approximately 5.01% of the total share capital of the Company, respectively. The information is based on the Corporate Substantial Shareholders Notice filed by CNPC with the Hong Kong Stock Exchange on 12 February 2026, and such shares are included in the total number of shares held by HKSCC NOMINEES LIMITED.

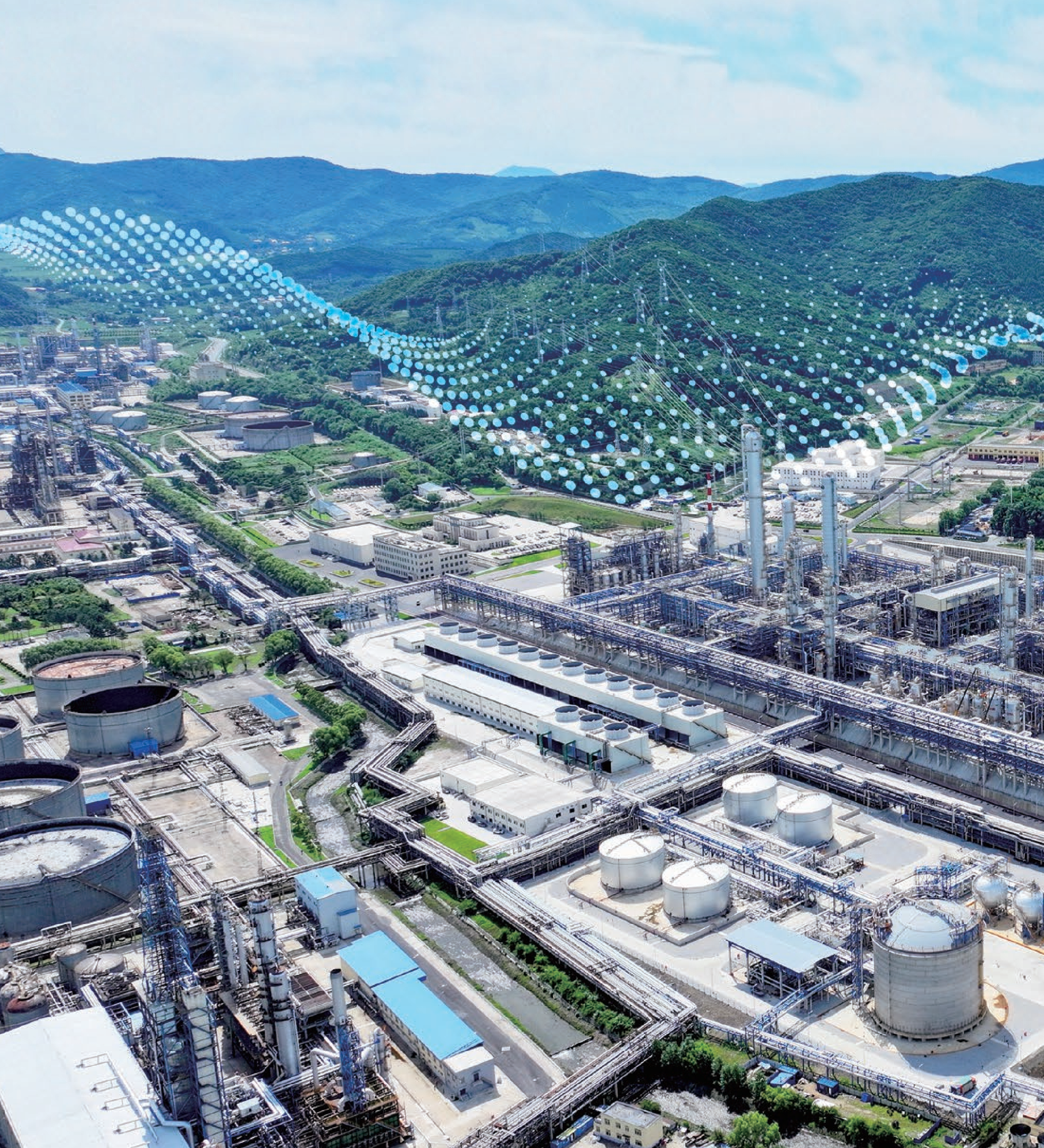
(3) The information is based on the Corporate Substantial Shareholder Notice filed by FMR LLC with the Hong Kong Stock Exchange on 13 February 2026, and such shares are included in the total number of shares held by HKSCC NOMINEES LIMITED.

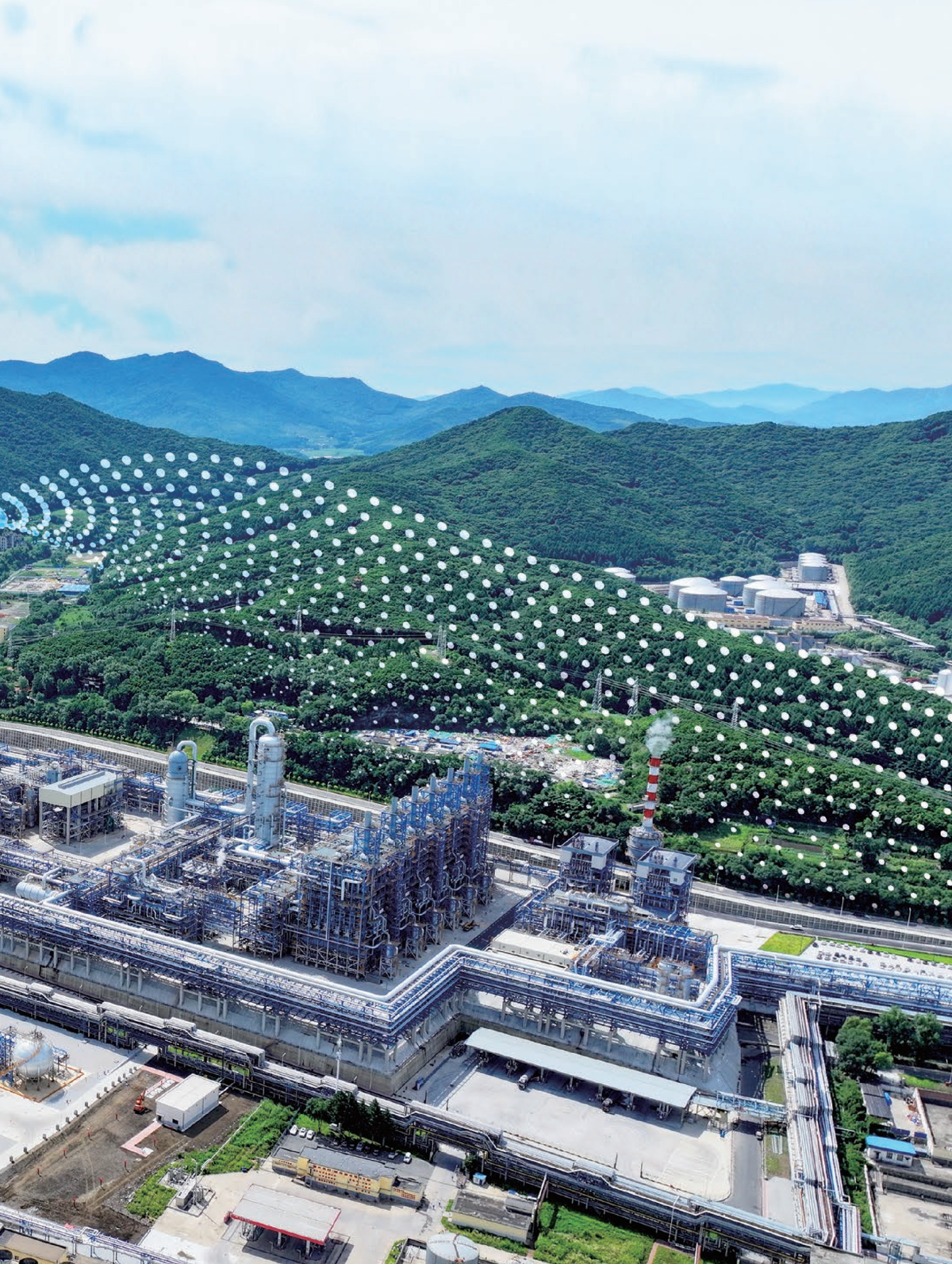
(4) The information is based on the Corporate Substantial Shareholder Notice filed by Fidelity Investment Trust with the Hong Kong Stock Exchange on 23 November 2023, and such shares are included in the total number of shares held by HKSCC NOMINEES LIMITED.

(5) It is calculated on the basis that the Company has issued 2,747,220,000 Domestic Shares or 1,646,804,000 H Shares as at the end of the Reporting Period.

(6) It is calculated on the basis that the Company has issued 4,394,024,000 Shares in total as at the end of the Reporting Period.

# BUSINESS REVIEW AND PROSPECTS





# 1 Business Review

## (1) Operating Environment

China's energy and chemical industry is at a critical stage of transitioning from old to new growth drivers and structural reshaping. Driven by the dual forces of policy guidance and industrial upgrading, traditional production capacity is accelerating its upgrade towards high-end, intelligent and green development. Engineering demand continues to be released for retrofits of energy conservation and carbon reduction, renewal of old equipment and optimisation of industrial structure; demand is growing steadily for new materials such as high-end polyolefins and special engineering plastics; and investments remain active in the modern coal chemical industry.

Globally, the energy transition continues to advance, and demand for green and low-carbon energy is growing steadily, with incremental potential emerging in areas such as SAF (sustainable aviation fuel), green ammonia, green hydrogen and LNG (liquefied natural gas). The oil and gas and downstream refining and petrochemical capacity in the Gulf region of the Middle East continues to expand, and regional maintenance and reconstruction also bring certain engineering demand. Cooperation between Central Asia and China in large-scale petrochemical and natural gas chemical industries continues to deepen. Economic resilience in Southeast Asia underpins sustained growth in demand for refined oil products, natural gas and basic chemicals. Demand for refining and petrochemical and energy infrastructure construction in Africa and Latin America is gradually being released, driven jointly by resource development and industrial upgrading.

## (2) Operation Overview

During the Reporting Period, the Group's total revenue was RMB35.624 billion; profit for the period amounted to RMB1.142 billion, among which profit attributable to shareholders of the Company were RMB1.137 billion.

The business of the Group mainly comprises four segments: (1) engineering, consulting and licensing; (2) EPC Contracting; (3) construction; and (4) equipment manufacturing.

### The following table sets forth the revenue generated from each of the segments and their respective percentage of the Group's total revenue (before inter-segment elimination) for the periods indicated:

| | For the six months ended 30 June | | | | |
|---|---|---|---|---|---|
| | 2026 | | 2025 | | |
| | Revenue | Percentage of total revenue | Revenue | Percentage of total revenue | Change |
| | (RMB'000) | (%) | (RMB'000) | (%) | (%) |
| Engineering, consulting and licensing | 2,027,685 | 5.4 | 1,963,027 | 5.7 | 3.3 |
| EPC Contracting | 23,081,047 | 61.2 | 19,070,130 | 55.6 | 21.0 |
| Construction | 12,320,748 | 32.7 | 12,884,988 | 37.6 | (4.4) |
| Equipment manufacturing | 253,290 | 0.7 | 372,093 | 1.1 | (31.9) |
| Subtotal | 37,682,770 | 100.0 | 34,290,238 | 100.0 | 9.9 |
| Total (after inter-segment elimination)[(1)] | 35,624,371 | N/A | 31,618,910 | N/A | 12.7 |

Notes:

(1) "Total (after inter-segment elimination)" means the aggregate revenue generated from each business segment after inter-segment elimination to exclude the impact of inter-segment transactions. Inter-segment elimination mainly arises from the inter-segment sales to the EPC Contracting segment made by the engineering, consulting and licensing, construction and equipment manufacturing segments.

During the Reporting Period, the value of new contracts of the Group amounted to RMB51.911 billion, representing a year-on-year decrease of 27.0%. As at the end of the Reporting Period, the backlog of the Group amounted to RMB220.137 billion, representing 3.1 times of the total revenue of RMB70.199 billion in 2025.

## The following table sets forth the Group's new contract and backlog for the periods indicated:

| | For the six-month period ended 30 June 2026 | For the six-month period ended 30 June 2025 | Change |
|---|---|---|---|
| | (RMB'000) | (RMB'000) | (%) |
| New contract | 51,911,173 | 71,158,158 | (27.0) |

| | As at 30 June 2026 | As at 31 December 2025 | Change |
|---|---|---|---|
| | (RMB'000) | (RMB'000) | (%) |
| Backlog | 220,137,151 | 203,850,350 | 8.0 |

During the Reporting Period, the Group's capital expenditure was RMB322 million, representing a year-on-year increase of 48.5%. During the Reporting Period, the Group's capital expenditures were mainly for temporary facilities of engineering projects, procurement of large lifting and transport equipment and specialized construction equipment, information technology development, as well as procurement of office facilities, etc.

## The following table sets forth the Group's capital expenditure for the periods indicated:

| | As at 30 June 2026 | As at 30 June 2025 | Change |
|---|---|---|---|
| | (RMB'000) | (RMB'000) | (%) |
| Capital expenditure | 322,033 | 216,921 | 48.5 |

## (3) Business Highlights

### QHSE Performance Remained Sound

As at the end of the Reporting Period, the Group had 2,069 on-going projects with approximately 90,000 on-site employees on average per day; the accumulated safety manhours reached 160 million, with no major safety, quality or environmental incident occurring, and the ESG operational resilience continued to strengthen.

During the Reporting Period, the Group carried out a special campaign on material quality, covering key processes such as procurement, supervision and inspection. For the seven core disciplines including civil works, electrical and instrumentation, and piping, we established tiered inspection and whole-process traceability mechanisms based on operational process, achieving full coverage of tiered inspection and traceability across quality control process, and continuously progressing towards the goal of “zero defects”.

During the Reporting Period, the Group promoted an intelligent identification system for process safety risks, achieving full coverage of supervision and inspection of key projects. We conducted routine special inspections for high-temperature, flood seasons and other climate risks, and improved emergency plans covering 9 major scenarios including production accidents, public safety and natural disasters. In respect of occupational health, the “Health Management Year” campaign was further deepened, and the physical and mental health of employees was safeguarded through the implementation of personalised health management on a “one plan per person” basis.

During the Reporting Period, the Group completed the compilation of the new-version “Green Enterprise Initiative” evaluation indicators and “Green Construction Site” evaluation guidelines, and conducted assessments of green ecological design application on select under-production units, the assessment findings, of which will provide critical support for subsequent optimisation of design standards and achievement of intrinsic environmental protection.

## Market Development

During the Reporting Period, the value of new contracts signed by the Group amounted to RMB51.911 billion. Among which, the value of newly signed domestic contracts amounted to approximately RMB31.160 billion and the value of newly signed overseas contracts amounted to approximately US$3.052 billion.

*PRC Domestic Market*

During the Reporting Period, the Group's representative newly signed domestic contracts included: the BEPC contract for the 1.6 million tons/year imported solid asphalt full-green-energy high-efficiency upgrading industrialisation demonstration project of Zhongke Yaxin Guanghe (Xinjiang) Energy Co., Ltd. (the "Zhongke Yaxin Synthetic Crude Oil Demonstration Project"), with a total contract value of approximately RMB4.309 billion; the EPC contract for the methanol-to-olefin unit of the 800,000 tons/year coal-to-olefin project at Zhundong Wucaiwan, Xinjiang Shanneng (the "Xinjiang Shanneng Coal-to-Olefin Project"), with a total contract value of approximately RMB2.447 billion; the EPC contract for the 30,000 tons/year large-tow carbon fibre remote construction project of Sinopec Shanghai Petrochemical Co., Ltd. (the "Shanghai Petrochemical") (the "Shanghai Petrochemical Large-Tow Carbon Fibre Project"), with a total contract value of approximately RMB1.993 billion; the EPC contract for the acetic acid unit and methanol unit upgrade of the Zhongtian Hechuang green low-carbon upgrade and retrofit project (the "Zhongtian Hechuang Upgrade Project"), with a total contract value of approximately RMB1.572 billion; and the EPC contract for the phase I coal clean and efficient utilisation technical retrofit project of the 2x600,000 tonnes/year natural gas-to-ethylene glycol project of Xinjiang Zhongkun New Materials Co., Ltd. (the "Xinjiang Zhongkun New Materials Project"), with a total contract value of approximately RMB960 million.

In the front-end engineering field, the Group's newly signed contracts amounted to approximately RMB1.962 billion, with representative contracts including: the phase I coal-to-oil engineering design for the CHN Energy Hami Energy Integration and Innovation Base Project (the "CHN Energy Hami Coal-to-Oil Project"), the overall design for the CHN Energy Ordos Coal Liquefaction Upgrade Demonstration Project (the "CHN Energy Ordos Coal-to-Oil Project"), part of the engineering design for the CHN Energy Shenhua Yulin Circular Economy Coal Comprehensive Utilisation Project (the "Shenhua Yulin Coal-to-Oil Project"), the basic design for the Shanghai Petrochemical comprehensive technical retrofit and quality upgrade project (the "Shanghai Petrochemical Ethylene Project"), the engineering design for the 1 million tons/year ethylene unit of the Zhoushan Rongsheng New Materials Project (the "Rongsheng Jintang New Materials Project"), and the overall design for the Tahe Refining & Chemical Company refining and chemical integration project (the "Tahe Refining Integration Project"), etc.

The Group entered into 203 new contracts in emerging business sector, with a new contract value of approximately RMB5 billion. Among which, 25 contracts were in the clean energy and new energy fields, with a new contract value of approximately RMB100 million; and 178 contracts were in new materials, new technologies, energy conservation and environmental protection, with a new contract value of approximately RMB4.9 billion. Representative newly signed contracts included the EPC for the Ningxia Energy & Chemical $CO_2$ chemical-chain mineralisation utilisation demonstration project, the EPC for the Hubei Yihua phosphorus-fluorine resource high-value utilisation project, the preliminary design for the Xindao Hydrogen Energy green methanol integration project, and the engineering design for the Zhongyuan Oilfield water electrolysis hydrogen production demonstration project.

*Overseas Market*

During the Reporting Period, the Group's representative newly signed overseas contracts included: the Kazakhstan butadiene and rubber project (the "Kazakhstan Butadiene Project"), with a technology transfer and process package design contract value of US$24 million and an EPC contract value of US$1.093 billion; the construction contract for the ADNOC Habshan project in the UAE, with a contract value of US$750 million; and the EPC contract for the Saudi Aramco Ras Tanura refinery emergency repair project, with a contract value of US$45 million. In addition, the Group signed with Saudi Aramco a long-term cooperation agreement for old plant upgrade and retrofit (EPC LTA), with a term of 60 months, covering EPC contracting services for the inspection, maintenance and retrofit of Saudi Aramco's old plants within Saudi Arabia; and a long-term management consultancy service agreement (PMC LTA) with a term of 60 months, covering engineering consultancy services for Saudi Aramco's future investment projects.

In the front-end engineering field, the Group entered into 16 new contracts with an aggregate contract value of approximately US$145 million. The business portfolio expanded into new areas such as green hydrogen, green ammonia, SAF and inorganic salts, and into new country markets including Uzbekistan, Australia, Korea and Singapore, etc. The representative contracts included the detailed design and overall design for the second phase of Brunei Hengyi, the front-end engineering design and detailed design for the Uzbekistan sustainable aviation fuel (SAF) biorefinery project (the "Uzbekistan SAF Project"), the basic design for the Kazakhstan sulfuric acid and phosphate fertiliser complex project (the "Kazakhstan Sulfuric Acid and Phosphate Fertiliser Project"), and the FEED for the Petronas Sabah fertiliser plant synthetic ammonia and urea upgrade project in Malaysia (the "Malaysia Ammonia Project"), etc.

### Implementation Status of Major Projects

Sinopec Maoming Ethylene Project (the "Maoming Ethylene Project") (EPC): Details of the project are set out in the Company's 2025 Interim Report published on 17 August 2025 and the announcement published on 15 April 2025. As at the end of the Reporting Period, the project's design had entered the finalisation stage, construction had entered the peak installation stage, and overall progress exceeded 70%.

Shanghai Petrochemical Large-tow Carbon Fibre Project (EPC): Details of the project are set out in the announcement published by the Company on 24 April 2026. As at the end of the Reporting Period, phase I of the project has entered feeding and start-up, producing qualified products. Phase II was at the detailed design stage, construction had entered the installation stage, and overall progress exceeded 40%.

SHCCIG Yulin Chemical 15 million tons/year Coal Graded Clean and Efficient Conversion Demonstration Project MTO unit and FDPE unit (the "SHCCIG Yulin MTO") (EPC): Details of the project are set out in the announcement published by the Company on 25 February 2026. As at the end of the Reporting Period, the project's detailed engineering design was completed, construction had entered the installation stage, and overall progress exceeded 50%.

Shaanxi Yuli Energy Fine Chemical Materials Co., Ltd. 1 million tons/year High-End Chemicals New Materials Project – the 400,000 tons/year DMTA (methanol toluene to aromatics) unit (the "Yuneng DMTA") (EPC): Details of the project are set out in the announcement published by the Company on 17 October 2025. As at the end of the Reporting Period, the project was at the detailed design stage, the site had entered the installation stage, and overall progress approached 10%.

CHN Energy Shenhua Baotou Coal-to-Olefin Upgrading Demonstration Project (the "Shenhua Baotou Coal-to-Olefin") (EPC): Details of the project are set out in the Company's 2025 Interim Report published on 17 August 2025. As at the end of the Reporting Period, the project was at the final stage of civil construction, installation was in full swing, and overall progress exceeded 60%.

Xinjiang Shanneng MTO Project (EPC): Details of the project are set out in the announcement published by the Company on 24 April 2026. As at the end of the Reporting Period, the project was at the detailed design stage, the site was at the early stage of civil construction, and overall progress exceeded 10%.

North Huajin United Petrochemical Fine Chemical and Raw Material Engineering Project (the "Huajin Project") (EPC): Details of the project are set out in the Company's 2024 Interim Report published on 18 August 2024 and the announcements published on 15 April 2024 and 26 February 2024. As at the end of the Reporting Period, the project was completed and delivered.

Packages P1 and P2 of Saudi Aramco Riyas NGL Project (the "Saudi Riyas Project") (EPC): Details of the project are set out in the announcement published by the Company on 26 February 2024. As at the end of the Reporting Period, the project's design had entered the finalisation stage, construction had entered the peak installation stage, and overall progress approached 80%.

Tank Farm and Integration Project with SATORP Refinery under Saudi AMIRAL Project (the "Saudi AMIRAL Project") (EPC): Details of the project are set out in the announcement published by the Company on 27 June 2023. As at the end of the Reporting Period, the project's design had entered the finalisation stage, construction had entered the peak installation stage, and overall progress approached 80%.

Saudi Aramco's Jafurah Gas Expansion Project Phase III (the "Saudi Jafurah Project Phase III") (EPC): Details of the project are set out in the Company's 2024 Interim Report published on 18 August 2024. As at the end of the Reporting Period, the project's design stage was completed, construction had been fully commenced, and overall progress exceeded 60%.

Saudi Aramco Haradh GOSP-3 Oil-Gas Separation and Production Enhancement Project (the "Saudi Haradh Project") (EPC): Details of the project are set out in the announcement published by the Company on 17 October 2025. As at the end of the Reporting Period, the project was at the peak of design and procurement, construction was at the commencement stage, and overall progress exceeded 30%.

Saudi Aramco's Crude Oil Pumping Station Upgrading and Improvement Project (EPC): Details of the project are set out in the announcement published by the Company on 16 April 2020. As at the end of the Reporting Period, the project was essentially completed and had entered the finalisation stage.

Kazakhstan Silleno Petrochemical Complex Project – Polyethylene and Utilities Project (the "Kazakhstan Silleno PE & UIO Project"): (1) The ethane cracking unit (ECU) project (EPC) details are set out in the announcement published by the Company on 22 September 2024. As at the end of the Reporting Period, the project's design had entered the finalisation stage, construction had been fully commenced, and overall progress exceeded 50%. (2) The polyolefin and utilities (PE & UIO) project (EPC) details are set out in the Company's 2025 Interim Report published on 17 August 2025. As at the end of the Reporting Period, the project had commenced design and procurement work, and overall progress approached 20%.

Kazakhstan Butadiene Project (EPC): Details of the project are set out in the announcement published by the Company on 7 April 2026. As at the end of the Reporting Period, the project was at the commencement stage, various preparatory works were progressing in an orderly manner, and overall progress was less than 10%.

Algerian LNG/MTBE Project (EPCC): Details of the project are set out in the announcement published by the Company on 19 April 2022 and the 2022 Annual Report published on 19 March 2023. As at the end of the Reporting Period, the project's design and procurement work was substantially completed, construction was approaching the finalisation stage, and overall progress exceeded 90%.

Algerian Hassi Refinery Project (EPC): Details of the project are set out in the announcement published by the Company on 15 April 2025. As at the end of the Reporting Period, the project was at the peak of design and procurement, construction was at the commencement stage, and overall progress exceeded 20%.

Yanbu, Saudi Arabia Green Hydrogen Project (FEED): Details of the project are set out in the announcement published by the Company on 1 August 2025. As at the end of the Reporting Period, the project's overall design progress exceeded 80%.

Kazakhstan Sulfuric Acid and Phosphate Fertiliser Project (Pre-FEED): Details of the project are set out in the announcement published by the Company on 24 April 2026. As at the end of the Reporting Period, the project was at the commencement stage, and overall design progress exceeded 10%.

Malaysia Ammonia Project (FEED): As at the end of the Reporting Period, the project's overall design progress approached 20%.

Note: "FEED" refers to a front-end engineering design contract; "EPC" refers to an engineering, procurement and construction contracting; "BEPC" refers to a basic design + EPC; "EPCC" refers to EPC and commissioning contracting; and "C" refers to construction contracting.

### Technological Innovation

During the Reporting Period, the Group continued to expand the open collaboration in technological innovation. We successfully hosted the 6th Fluid Catalytic Cracking Technology Exchange Conference, the Sulfuric Acid and Phosphate Fertiliser Design Industry Technology Exchange Conference, and the Sinopec Environmental Protection Technology Exchange and Achievement Transformation Seminar, and other industry conferences. We deepened industry-university-research collaborative R&D with multiple research institutes and universities in fields such as high-end carbon materials, biomass gasification, carbon dioxide resource utilisation, hydrogen storage materials and solid waste resource utilisation.

During the Reporting Period, the Group's major scientific and technological achievements included the following: (1) the "100,000 tonnes/year POE unit" of Sinopec Tianjin achieved mechanical completion, and the "100,000 tonnes/year POE unit" of Zhenhai Refining & Chemical completed detailed design, which represent the steady progress of the industrialisation of high-end polyolefin materials; (2) the first "million-tonne-scale ethylene technology" licensed to CNPC completed its performance test at Jilin Petrochemical with all performance indicators better than design values; (3) the Cangzhou 20,000 tonnes/year organic liquid hydrogen storage project passed acceptance; (4) the world's first "50,000-tonne-scale carbon dioxide-based PPC industrialisation unit" jointly developed successfully produced qualified products, realizing the industrialisation of high-value utilisation of carbon dioxide; (5) the "biomass gasification flexible platform construction project" of Hunan Petrochemical achieved mechanical completion, establishing a core technology verification platform for the scaled utilisation of biomass energy; (6) officially launched the "basic physical property database for the petrochemical industry", providing inquiry and calculation services for core data resources such as large-scale, high-quality basic physical properties and phase equilibrium experiments; and (7) carried out special work on the integrated upgrading and promotion of "membrane deaeration" technology.

During the Reporting Period, the Group received a total of 35 science and technology progress awards at or above provincial/ministerial level, of which the "New Technology for Liquid-Holding Particle Fluidised Bed Ethylene Polymerisation" project was awarded the second prize of the National Science and Technology Progress Award.

During the Reporting Period, the Group signed 187 new technology development contracts with a total contract value of RMB320 million, and 70 new technology licensing and technology transformation contracts with a total contract value of RMB256 million.

During the Reporting Period, the Group filed 398 new patent applications of which 309 were invention patents; and 185 newly licensed patents of which 128 were invention patents. As at the end of the Reporting Period, the Group owned 4,774 valid patents, of which 2,673 were invention patents.

*Application of Advanced Automation Technology*

During the Reporting Period, the Group's application rate of automatic welding for process piping continued to increase, with railless crawling welding robots and nine-axis/six-axis pipeline welding robots being more widely deployed, among which the welding first pass yield of welding robots at the Maoming Project reached 99.9%. The Group carried out functional verification of a prototype of confined-space operation robots with multi-source sensor fusion and completed the inspection path planning and intelligent recognition algorithm development for safety intelligent inspection robots in multiple scenarios. The Group piloted and promoted full-process robotic operations of anti-corrosion inside tanks, intelligent inspection robot dogs, safety monitoring systems, and new energy construction machinery, such as electric forklifts and aerial work platforms. We promoted the development of Beidou-enabled smart construction site, driving the transformation of project management towards visualised and quantifiable intelligent models.

During the Reporting Period, in the Jiujiang Aromatics Project undertaken by the Group, an automated, assembly-line and digitized piping prefabrication factory was established based on design documents and 3D models and using secondary design software and advanced equipment, achieving an upgrade from traditional sporadic prefabrication to a standardized assembly-line factory model, with the piping prefabrication ratio approaching 70%. Such project fully implemented integrated modular construction and completed the multi-disciplinary integrated installation of 69 structural modules together with equipment, piping, electrical and instrumentation (with a maximum weight of 572 tonnes per single module), significantly improving construction efficiency and intrinsic safety levels.

*Artificial Intelligence (AI) Applications*

The Group continues to deepen the integration of AI with our core business, deepening integrated management and practices across collaborative design, supply chain, design constructability studies, and project interface. Through the standardisation of business chain processes, interconnection of data chains and AI applications in the tool chain, we optimise the integrated collaborative working mechanism for engineering construction to provide customers with better full-lifecycle integrated collaborative value-added services.

**(1)** **On the design side,** professional models have been formed in scenarios such as intelligent review, process safety analysis and structural design, and tangible results have been achieved in plant-wide process optimisation, intelligent drawing and 3D model review. Among them, intelligent design review has been verified and tested in multiple projects; intelligent structural design has been piloted in multiple projects; and the intelligent process safety analysis scenario has completed HAZOP/SIL closed-loop analysis and reporting.

**(2)** **On the management side,** an intelligent supply chain management system for the full lifecycle of projects has been built. An integrated platform for operation management, project management and construction management has been developed to promote the building of standardised smart construction sites. On the operation management side, online operations were achieved for management systems covering QHSE and human resources with intelligent monitoring and early warning of operating indicators such as project progress and contract assets. The “intelligent contract review” scenario has been piloted. On the project management side, full-lifecycle application integration has been completed and trial operation has been carried out in multiple projects. On the construction management side, an intelligent subcontract resource management system integrating subcontractor information management, assessment and evaluation, contracting planning and on-site supervision, has been built and piloted.

**(3)** **On the application side,** the collaborative application of 3D design software and intelligent construction equipment is deepened. We continuously conducted R&D in industrial software such as piping design, physical property database and process simulation, and promoted the in-depth application and capability iteration of 3D design platforms such as civil design and equipment modelling.

*Intelligent Production, Operation and Maintenance*

The Group continues to expand the breadth and depth of digital plant delivery. We connect the full-lifecycle digital chain of “design – delivery – operation and maintenance”, and accelerates the construction of the “process remote technical support center” and the “process remote intelligent support service platform”. By integrating dynamic operation data with mechanistic models, we achieved remote diagnostics, predictive maintenance and process optimisation, deepening applications across diverse scenarios such as ethylene production, coal gasification and anti-corrosion. In pilot projects, we achieved an increase of 1 to 3 percentage points in key products yields such as gasoline and propylene, a reduction of approximately 1.6% in coal consumption of unit operation, and a reduction of over 90% in the reporting burden on plant employees, creating high value-added operation assurance for customers.

During the Reporting Period, the value of newly signed contracts for digital delivery and intelligent operation and maintenance exceeded RMB50 million.

## 2 Business Outlook

In the second half of the year, the Group will focus on four key priority areas and exert great effort to achieve annual targets with high quality, and continuously consolidate the operational foundation for Shareholder returns.

### Cultivate a Comprehensive Market Layout

The market development targets of the Group for 2026 are newly signed contract amount of RMB55 billion in domestic market and USD5 billion in overseas market. The Group will firmly extend towards the front end of the engineering industrial chain and high-end of value chain, continuously enhancing high-end service capabilities such as consultancy, FEED and detailed design. We will give full play to the integrated collaboration advantages of the entire industry chain, create higher value for customers with full-lifecycle holistic solutions, and build a market development landscape characterized by a solid traditional core business, sustained emerging drivers, and synergy between domestic-overseas operations.

In the domestic market, the Group will seize opportunities in areas such as coal-to-oil/gas, refining and chemical upgrading and new materials and vigorously expand into the new energy sector to steadily increase our market share.

In overseas markets, the Group will further consolidate our presence in key regions such as the Middle East, Central Asia, and North Africa, actively expand into emerging markets, and firmly seize the opportunities arising from regional development and industrial recovery. The Group will accelerate our expansion into new low-carbon sectors including green hydrogen, green ammonia, and SAF, thereby promote both the scale expansion and quality enhancement in our international business.

For emerging business, the Group will continuously focus on sectors such as new chemical materials, green hydrogen/ammonia/methanol, biomass energy, inorganic chemicals, energy conservation and environmental protection, building a multi-pillar second growth curve.

## Enhance Project Profitability

In deepen full-lifecycle operation and control, the Group will continuously carry out design optimisation and precisely reduce project investment costs. We will vigorously promote modular design, factory prefabrication and on-site assembly construction, aiming at further increasing the automatic welding application rate by 3 percentage points; promote smart construction sites, welding robots and other intelligent equipment to deepen the scenario implementation of AI in design optimisation and project management, and continuously improve management efficiency and reduce operating costs.

In refined supply chain and settlement management, the Group will tap the synergy benefits of the supply chain, accelerate the establishment of the overseas project procurement management system and overseas low-cost operation centers. The Group will focus on full-lifecycle cost control and close-out review for key overseas projects, systematically summarise experience and lessons learned, and continuously improve the operation and management level of international projects.

## Strengthen Core Technological Advantages

Focusing on key fields such as low-cost refining, biomass gasification, SAF, recycling and high-value utilisation of waste polymer materials, high-performance polyolefins, energy conservation and emission reduction and green and low-carbon development, and intelligent refineries, the Group will coordinate the optimisation of technology sources and engineering technology R&D. We will intensify the market promotion and brand building of our advantageous technologies, create markets through technology, and continuously enhance the Company's core influence and industry leadership.

The Group will enhance systematic engineering transformation capabilities, deepen industry-university-research cooperation, strengthen the integrated synergy among research and development, design, manufacturing and construction, and expedite the industrialisation and commercialization of innovative achievements.

The Group will continue to promote the in-depth integration of digital and intelligent technologies with our core business. Taking intelligent design and intelligent manufacturing as the starting point, vigorously promote the integrated application of AI across the entire industry chain, accelerate breakthroughs in key technologies for the localisation of engineering software, improve the intelligent technology platform system, and facilitate the efficiency upgrade of the entire engineering chain collaboration.

## Strengthen Risk Prevention and Control

In building a full-lifecycle "comprehensive risk control" system, the Group will strengthen the upfront management of project risk, and strictly implement review and decision-making procedures for project initiation. We will continuously strengthen the management of overseas public security, compliance, and fiscal and tax risk and establish dynamic early warning and contingency plan mechanisms to address macro risks such as geopolitics.

The Group will enhance the management and control of financial and operational risks and strictly control risks including capital, foreign exchange, and taxation. The Group will also implement whole-process and all-factor cost control, expedite the settlement of completed projects and the repatriation of overseas funds, thereby safeguarding the sound and stable operations of the Company.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the Group's audited financial statements and the related notes set out in this interim report. Unless otherwise stated, the financial data referred to below are extracted from the Group's audited financial statements prepared in accordance with IFRS.

# 1 Consolidated Results of Operations

**The following table sets out the Group's consolidated statement of income and comprehensive income for the periods indicated.**

| | Six months ended 30 June | | | | |
|---|---|---|---|---|---|
| | 2026 | | 2025 | | |
| | Revenue | Percentage of total revenue | Revenue | Percentage of total revenue | Change |
| | (RMB'000) | (%) | (RMB'000) | (%) | (%) |
| Revenue | 35,624,371 | 100.0 | 31,618,910 | 100.0 | 12.7 |
| Cost of sales | (32,884,729) | (92.3) | (29,014,759) | (91.8) | 13.3 |
| Gross profit | 2,739,642 | 7.7 | 2,604,151 | 8.2 | 5.2 |
| Other income — net | 49,654 | 0.1 | 139,025 | 0.4 | (64.3) |
| Selling and marketing expenses | (58,038) | (0.2) | (63,461) | (0.2) | (8.5) |
| Administrative expenses | (697,651) | (2.0) | (595,309) | (1.9) | 17.2 |
| Research and development costs | (841,959) | (2.4) | (1,009,080) | (3.2) | (16.6) |
| Other operating (expenses)/ income | (115,704) | (0.3) | 67,600 | 0.2 | – |
| Other gains — net | 448 | 0.0 | 20,983 | 0.1 | (97.9) |
| Operating profit | 1,076,392 | 3.0 | 1,163,909 | 3.7 | (7.5) |
| Finance income | 401,320 | 1.1 | 485,178 | 1.5 | (17.3) |
| Finance expenses | (37,795) | (0.1) | (31,809) | (0.1) | 18.8 |
| Finance income — net | 363,525 | 1.0 | 453,369 | 1.4 | (19.8) |
| Share of profit/(loss) of joint ventures | 405 | 0.0 | (3,516) | (0.0) | – |
| Profit before taxation | 1,440,322 | 4.0 | 1,613,762 | 5.1 | (10.7) |
| Income tax expense | (298,241) | (0.8) | (222,805) | (0.7) | 33.9 |
| Profit for the period | 1,142,081 | 3.2 | 1,390,957 | 4.4 | (17.9) |

### (1) Revenue

During the Reporting Period, the Group's total revenue amounted to RMB35.624 billion, representing an increase of 12.7% year-on-year, mainly attributable to the growth in contracts under implementation in the EPC Contracting business.

### (2) Cost of sales

The Group's cost of sales was RMB32.885 billion, up 13.3% year-on-year, mainly in line with the corresponding increase in revenue.

### (3) Gross profit

The Group's gross profit was RMB2.740 billion, up 5.2% year-on-year; the gross profit margin was 7.7%, down 0.5 percentage points year-on-year, mainly affected by the year-on-year decline in the profitability of the construction business.

### (4) Other income — net

The Group's other income was RMB50.0 million, down 64.3% year-on-year, mainly due to exchange losses during the Reporting Period.

### (5) Selling and marketing expenses

The Group's selling and marketing expenses were RMB58 million, which remained broadly flat year-on-year.

### (6) Administrative expenses

The Group's administrative expenses were RMB698 million, up 17.2% year-on-year, mainly due to an increase of RMB76 million in letter of guarantee and other expenses during the Reporting Period.

### (7) Research and development costs

The Group's research and development costs were RMB842 million, down 16.6% year-on-year, mainly affected by the research and development cycle and the progress of R&D projects.

### (8) Other operating (expenses)/income

The Group's other operating expenses were RMB116 million, mainly comprising exchange losses of RMB80.0 million and impairment provisions of RMB23.0 million.

### (9) Finance income — net

The Group's net finance income was RMB364.0 million, down 19.8% year-on-year, mainly due to the decrease in RMB and USD deposit interest rates during the Reporting Period.

### (10) Income tax expense

The Group's income tax expense was RMB298.0 million, up 33.9% year-on-year. The effective income tax rate was 20.7%; the change in the effective tax rate was mainly attributable to the fluctuations in profit before tax and differences in statutory tax rates in countries such as Saudi Arabia, Kazakhstan, Algeria and Spain.

## 2 Discussion on Results of Operations by Business Segment

**The following table sets out the segment revenue, gross profit, gross profit margin, operating profit and operating profit margin of each business segment of the Group for the periods indicated:**

| | Segment revenue | | Segment gross profit | | Segment gross profit margin | | Segment operating profit/(loss) | | Segment operating profit/(loss) margin | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Six months ended 30 June | | Six months ended 30 June | | Six months ended 30 June | | Six months ended 30 June | | Six months ended 30 June | |
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | (RMB'000) | | (RMB'000) | | (%) | | (RMB'000) | | (%) | |
| Engineering, consulting and licensing | **2,027,685** | 1,963,027 | **649,985** | 608,382 | **32.1** | 31.0 | **299,469** | 187,546 | **14.8** | 9.6 |
| EPC Contracting | **23,081,047** | 19,070,130 | **1,643,076** | 1,438,557 | **7.1** | 7.5 | **866,773** | 785,214 | **3.8** | 4.1 |
| Construction | **12,320,748** | 12,884,988 | **427,141** | 543,603 | **3.5** | 4.2 | **(57,104)** | 155,413 | **(0.5)** | 1.2 |
| Equipment manufacturing | **253,290** | 372,093 | **19,440** | 13,609 | **7.7** | 3.7 | **4,221** | 7,023 | **1.7** | 1.9 |
| Unallocated | **N/A** | N/A | **N/A** | N/A | **N/A** | N/A | **(36,967)** | 28,713 | **N/A** | N/A |
| Sub-total | **37,682,770** | 34,290,238 | **2,739,642** | 2,604,151 | **N/A** | N/A | **1,076,392** | 1,163,909 | **N/A** | N/A |
| Total after inter-segment elimination (3) | **35,624,371** | 31,618,910 | **2,739,642** | 2,604,151 | **7.7**(1) | 8.2(1) | **1,076,392** | 1,163,909 | **3.0**(2) | 3.7(2) |

Notes:

(1) The aggregate gross profit margin is calculated by dividing the total gross profit by the total revenue, and the total revenue is the total revenue generated by each business segment after inter-segment elimination.

(2) The aggregate segment operating profit/(loss) margin is calculated by dividing the total segment operating profit/(loss) by the total revenue, and the total revenue is the total revenue generated by each business segment after inter-segment elimination.

(3) The inter-segment elimination mainly arises from inter-segment sales made by the engineering, consulting and licensing, construction, and equipment manufacturing segments to the EPC Contracting segment. Other information on inter-segment sales is disclosed in Note 7 to the financial statements contained in this report.

## Engineering, Consulting and Licensing

### The operating results of the Group's engineering, consulting and licensing business were as follows:

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount (RMB'000) | Percentage of segment revenue (%) | Amount (RMB'000) | Percentage of segment revenue (%) |
| Revenue | 2,027,685 | 100.0 | 1,963,027 | 100.0 |
| Cost of sales | (1,377,700) | (67.9) | (1,354,645) | (69.0) |
| Gross profit | 649,985 | 32.1 | 608,382 | 31.0 |
| Selling and marketing expenses | (5,659) | (0.3) | (5,893) | (0.3) |
| Administrative expenses | (46,532) | (2.3) | (42,348) | (2.2) |
| Research and development costs | (230,012) | (11.3) | (371,648) | (18.9) |
| Other income/expenses | (68,313) | (3.4) | (947) | (0.0) |
| Operating profit | 299,469 | 14.8 | 187,546 | 9.6 |

During the Reporting Period, driven by the increase in executed contracts for front-end businesses such as engineering and consulting, the revenue, gross profit and operating profit of this segment all increased year-on-year, the revenue of this segment was RMB2.028 billion, up 3.3% year-on-year. The gross profit margin was 32.1%, up 1.1 percentage points year-on-year. And the operating profit was RMB299 million, up 59.7% year-on-year.

## EPC Contracting

### The operating results of the Group's EPC Contracting business were as follows:

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount | Percentage of segment revenue | Amount | Percentage of segment revenue |
| | (RMB'000) | (%) | (RMB'000) | (%) |
| Revenue | 23,081,047 | 100.0 | 19,070,130 | 100.0 |
| Cost of sales | (21,437,971) | (92.9) | (17,631,573) | (92.5) |
| Gross profit | 1,643,076 | 7.1 | 1,438,557 | 7.5 |
| Selling and marketing expenses | (31,456) | (0.1) | (32,817) | (0.2) |
| Administrative expenses | (365,575) | (1.6) | (311,539) | (1.6) |
| Research and development costs | (400,257) | (1.7) | (404,045) | (2.1) |
| Other income/expenses | 20,985 | 0.1 | 95,058 | 0.5 |
| Operating profit | 866,773 | 3.8 | 785,214 | 4.1 |

During the Reporting Period, as large-scale EPC projects such as Silleno in Kazakhstan, Riyas in Saudi Arabia, the Hassi Messaoud Refinery in Algeria and the Maoming Ethylene project entered their peak construction periods, the segment's revenue, gross profit and operating profit increased year-on-year. The revenue of this segment was RMB23.081 billion, up 21.0% year-on-year. The cost of sales was RMB21.438 billion, up 21.6% year-on-year. The gross profit was RMB1.643 billion, up 14.2% year-on-year. The gross profit margin was 7.1%, down 0.4 percentage points year-on-year. Affected by the increase in fees for letter of guarantee for overseas projects, administrative expenses were RMB366 million, up 17.3% year-on-year. And the operating profit was RMB867 million, up 10.4% year-on-year.

## Construction

### The operating results of the Group's construction business were as follows:

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount | Percentage of segment revenue | Amount | Percentage of segment revenue |
| | (RMB'000) | (%) | (RMB'000) | (%) |
| Revenue | 12,320,748 | 100.0 | 12,884,988 | 100.0 |
| Cost of sales | (11,893,607) | (96.5) | (12,341,385) | (95.8) |
| Gross profit | 427,141 | 3.5 | 543,603 | 4.2 |
| Selling and marketing expenses | (19,915) | (0.2) | (23,346) | (0.2) |
| Administrative expenses | (289,133) | (2.4) | (233,549) | (1.8) |
| Research and development costs | (199,161) | (1.6) | (215,887) | (1.7) |
| Other income/expenses | 23,964 | 0.2 | 84,592 | 0.7 |
| Operating (loss)/profit | (57,104) | (0.5) | 155,413 | 1.2 |

During the Reporting Period, the segment's revenue was RMB12.321 billion, down 4.4% year-on-year. Cost of sales was RMB11.894 billion, down 3.6% year-on-year. Gross profit was RMB427 million, down 21.4% year-on-year, and the gross profit margin was 3.5%, down 0.7 percentage points year-on-year. Due to declining profitability from the following two construction projects, this segment recorded an operating loss of RMB57 million.

As at the end of the Reporting Period, the on-site construction of the Marjan Oil and Gas Production Stimulation and Expansion Project in Saudi Arabia (the "Saudi Marjan Project") and the Oil and Gas Processing Engineering Project in Berri Oilfield, Saudi Arabia (the "Saudi Berri Project"), have been completed but settlement has not yet been finalised. Details of the relevant projects are set out in the 2025 annual report published by the Company on 15 March 2026.

## Equipment Manufacturing

### The operating results of the Group's equipment manufacturing business were as follows:

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount (RMB'000) | Percentage of segment revenue (%) | Amount (RMB'000) | Percentage of segment revenue (%) |
| Revenue | 253,290 | 100.0 | 372,093 | 100.0 |
| Cost of sales | (233,850) | (92.3) | (358,484) | (96.3) |
| Gross profit | 19,440 | 7.7 | 13,609 | 3.7 |
| Selling and marketing expenses | (1,008) | (0.4) | (1,405) | (0.4) |
| Administrative expenses | (8,217) | (3.2) | (6,123) | (1.7) |
| Research and development costs | (14,227) | (5.6) | (15,288) | (4.1) |
| Other income/expenses | 8,233 | 3.2 | 16,230 | 4.4 |
| Operating profit | 4,221 | 1.7 | 7,023 | 1.9 |

During the Reporting Period, affected by the equipment manufacturing cycle, the segment's revenue was RMB253 million, down 31.9% year-on-year. The cost of sales was RMB234 million, down 34.8% year-on-year. The gross profit was RMB20 million, with a gross profit margin of 7.7% and operating profit of RMB4 million.

# 3 Discussion on Operating Results by Other Categories

## Revenue by industry of the Group's customers:

| | Six months ended 30 June | | | | |
|---|---|---|---|---|---|
| | 2026 | | 2025 | | |
| | Revenue | Percentage of total revenue | Revenue | Percentage of total revenue | Change |
| | (RMB'000) | (%) | (RMB'000) | (%) | (%) |
| Oil refining | 5,784,318 | 16.2 | 5,704,724 | 18.1 | 1.4 |
| Petrochemicals | 22,265,760 | 62.5 | 19,888,227 | 62.9 | 12.0 |
| New coal chemicals | 3,101,831 | 8.7 | 1,299,093 | 4.1 | 138.8 |
| Storage, transportation and others | 4,472,462 | 12.6 | 4,726,866 | 14.9 | (5.4) |
| Total | 35,624,371 | 100.0 | 31,618,910 | 100.0 | 12.7 |

During the Reporting Period, revenue from the petrochemical industry was RMB22.266 billion, up 12.0% year-on-year; revenue from the oil refining industry was RMB5.784 billion, up 1.4% year-on-year; benefiting from the contribution of projects such as the China Coal Yulin Coal Chemical project and Shenhua Baotou Coal-to-Olefins project, revenue from new coal chemical industry was RMB3.102 billion, up 138.8% year-on-year; and revenue from the storage, transportation and other industries was RMB4.472 billion, down 5.4% year-on-year.

### Revenue generated from different regions where the Group's clients operate:

| | Six months ended 30 June | | | | |
|---|---|---|---|---|---|
| | 2026 | | 2025 | | |
| | Revenue | Percentage of total revenue | Revenue | Percentage of total revenue | Change |
| | (RMB'000) | (%) | (RMB'000) | (%) | (%) |
| PRC | 21,527,225 | 60.4 | 24,194,167 | 76.5 | (11.0) |
| Overseas | 14,097,146 | 39.6 | 7,424,743 | 23.5 | 89.9 |
| Total | 35,624,371 | 100.0 | 31,618,910 | 100.0 | 12.7 |

### Revenue generated from services provided by the Group for customers comprising Sinopec Group and its associates and non-Sinopec Group and its associates:

| | Six months ended 30 June | | | | |
|---|---|---|---|---|---|
| | 2026 | | 2025 | | |
| | Revenue | Percentage of total revenue | Revenue | Percentage of total revenue | Change |
| | (RMB'000) | (%) | (RMB'000) | (%) | (%) |
| Sinopec Group and its associates | 14,569,622 | 40.9 | 10,713,897 | 33.9 | 36.0 |
| Non-Sinopec Group and its associates | 21,054,749 | 59.1 | 20,905,013 | 66.1 | 0.7 |
| Total | 35,624,371 | 100.0 | 31,618,910 | 100.0 | 12.7 |

# 4 Discussion on the Value of Backlog and New Contracts

Backlog refers to the total estimated value of uncompleted construction contracts to be performed by the Group as at a specific date, net of estimated value-added tax and derived assuming the Group will fully perform relevant contracts in accordance with their terms. Backlog is not a measure defined under Generally Accepted Accounting Principles. If these contracts are amended, terminated or suspended by the Group's customers, it would have a direct and material impact on the Group's backlog. The duration of the Group's uncompleted projects may also be extended due to various factors beyond the Group's control, resulting in such projects remaining in the Group's backlog for a longer period than initially expected.

### The following table sets forth a breakdown of the total value of backlog by each business segment of the Group as at the dates indicated:

| | As at 30 June 2026 | As at 31 December 2025 | Change |
|---|---|---|---|
| | (RMB'000) | (RMB'000) | (%) |
| Engineering, consulting and licensing | 13,903,614 | 12,844,549 | 8.2 |
| EPC Contracting | 164,660,532 | 156,349,780 | 5.3 |
| Construction | 39,257,476 | 32,280,798 | 21.6 |
| Equipment manufacturing | 2,315,529 | 2,375,223 | (2.5) |
| Total | 220,137,151 | 203,850,350 | 8.0 |

### The following table sets forth a breakdown of the total value of backlog categorised by the industries in which the customers operate as at the dates indicated:

| | As at 30 June 2026 | As at 31 December 2025 | Change |
|---|---|---|---|
| | (RMB'000) | (RMB'000) | (%) |
| Oil refining | 45,732,865 | 44,602,200 | 2.5 |
| Petrochemicals | 93,066,005 | 89,806,206 | 3.6 |
| New coal chemicals | 22,261,476 | 17,111,415 | 30.1 |
| Storage, transportation and others | 59,076,805 | 52,330,529 | 12.9 |
| Total | 220,137,151 | 203,850,350 | 8.0 |

**The following table sets forth a breakdown of the total value of backlog by geographic regions as at the dates indicated:**

| | As at 30 June 2026 (RMB'000) | As at 31 December 2025 (RMB'000) | Change (%) |
|---|---|---|---|
| PRC | 129,614,121 | 120,052,898 | 8.0 |
| Overseas | 90,523,030 | 83,797,452 | 8.0 |
| Total | 220,137,151 | 203,850,350 | 8.0 |

**The following table sets forth a breakdown of the total value of backlog categorised by customers comprising Sinopec Group and its associates and non-Sinopec Group and its associates as at the dates indicated:**

| | As at 30 June 2026 (RMB'000) | As at 31 December 2025 (RMB'000) | Change (%) |
|---|---|---|---|
| Sinopec Group and its associates | 98,558,425 | 97,236,545 | 1.4 |
| Non-Sinopec Group and its associates | 121,578,726 | 106,613,805 | 14.0 |
| Total | 220,137,151 | 203,850,350 | 8.0 |

As at 30 June 2026, the Group's backlog amounted to RMB220.137 billion, representing 3.1 times the full-year revenue of RMB70.199 billion for 2025.

**The following table sets forth a breakdown of the total value of new contracts entered into by each business segment of the Group for the periods indicated:**

| | Six months ended 30 June | | Change |
|---|---|---|---|
| | 2026 | 2025 | |
| | (RMB'000) | | (%) |
| Engineering, consulting and licensing | 2,950,639 | 2,792,375 | 5.7 |
| EPC Contracting | 31,391,799 | 53,843,349 | (41.7) |
| Construction | 17,465,745 | 14,345,525 | 21.8 |
| Equipment manufacturing | 102,990 | 176,909 | (41.8) |
| Total | 51,911,173 | 71,158,158 | (27.0) |

**The following table sets forth a breakdown of the total value of new contracts entered into by the Group categorised by the industries in which the customers operate for the periods indicated:**

| | Six months ended 30 June | | Change |
|---|---|---|---|
| | 2026 | 2025 | |
| | (RMB'000) | | (%) |
| Oil refining | 6,914,984 | 21,670,736 | (68.1) |
| Petrochemicals | 25,550,429 | 37,808,977 | (32.4) |
| New coal chemicals | 8,251,891 | 2,076,593 | 297.4 |
| Storage, transportation and others | 11,193,869 | 9,601,852 | 16.6 |
| Total | 51,911,173 | 71,158,158 | (27.0) |

**The following table sets forth a breakdown of the total value of new contracts entered into by the Group by geographic regions for the periods indicated:**

| | Six months ended 30 June | | |
|---|---|---|---|
| | 2026 | 2025 | Change |
| | (RMB'000) | | (%) |
| PRC | 31,160,108 | 40,182,115 | (22.5) |
| Overseas | 20,751,065 | 30,976,043 | (33.0) |
| Total | 51,911,173 | 71,158,158 | (27.0) |

**The following table sets forth a breakdown of the total value of new contracts entered into by the Group with customers comprising Sinopec Group and its associates and non-Sinopec Group and its associates for the periods indicated:**

| | Six months ended 30 June | | |
|---|---|---|---|
| | 2026 | 2025 | Change |
| | (RMB'000) | | (%) |
| Sinopec Group and its associates | 15,891,502 | 39,290,009 | (59.6) |
| Non-Sinopec Group and its associates | 36,019,671 | 31,868,149 | 13.0 |
| Total | 51,911,173 | 71,158,158 | (27.0) |

During the Reporting Period, the value of newly signed contracts was RMB51.911 billion, down 27.0% year-on-year.

# 5 Assets, Liabilities, Equity and Cash Flows

## (1) Assets, Liabilities and Equity

Unit: RMB '000

| | As at 30 June 2026 | As at 31 December 2025 | Change in Amount |
|---|---|---|---|
| Total assets | 91,019,549 | 91,419,778 | (400,229) |
| Current assets | 83,479,293 | 83,609,910 | (130,617) |
| Non-current assets | 7,540,256 | 7,809,868 | (269,612) |
| Total liabilities | 59,007,412 | 59,433,383 | (425,971) |
| Current liabilities | 57,054,604 | 57,486,796 | (432,192) |
| Non-current liabilities | 1,952,808 | 1,946,587 | 6,221 |
| Net assets | 32,012,137 | 31,986,395 | 25,742 |
| Share capital | 4,394,024 | 4,394,024 | – |
| Reserves | 27,540,712 | 27,519,929 | 20,783 |
| Total equity attributable to equity holders of the Company | 31,934,736 | 31,913,953 | 20,783 |
| Non-controlling interests | 77,401 | 72,442 | 4,959 |

As at the end of the Reporting Period, the Group's total assets amounted to RMB91.020 billion. Compared with the end of 2025, cash and cash equivalents decreased by RMB2.481 billion, prepayments and other receivables decreased by RMB936 million, notes receivable and trade receivables increased by RMB1.292 billion, time deposits placed with financial institutions increased by RMB1.026 billion, and contract assets increased by RMB939 million.

As at the end of the Reporting Period, the Group's total liabilities amounted to RMB59.007 billion. Compared with the end of 2025, contract liabilities decreased by RMB2.111 billion, notes payable and trade payables increased by RMB1.308 billion, and other payables increased by RMB438 million.

As at the end of the Reporting Period, the consolidated equity attributable to equity holders of the Company was RMB31.935 billion, an increase of RMB21 million compared with the end of 2025, mainly attributable to the increase in retained earnings.

## (2) Cash Flow Position

During the Reporting Period, the net decrease in cash and cash equivalents was RMB2.152 billion, and net cash used in operating activities was RMB959 million. The following table sets out the major items of the Group's consolidated statement of cash flows for the Reporting Period and the corresponding period of the prior year and their respective changes.

Unit: RMB '000

| Major Items of Cash Flow | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| **Net cash (used in)/generated from operating activities** | **(959,002)** | 3,299,934 |
| **Net cash used in investing activities** | **(1,223,992)** | (1,283,040) |
| **Net cash generated from/(used in) financing activities** | **30,672** | (119,991) |
| **Net (decrease)/increase in cash and cash equivalents** | **(2,152,322)** | 1,896,903 |

During the Reporting Period, profit before taxation was RMB1.440 billion, and after adjusting for items in the expenses that had no effect on operating cash flows, the amount was RMB1.713 billion. The major non-cash expense items were: depreciation and amortisation of RMB535 million, net interest income of RMB364 million, exchange losses of RMB79 million, and impairment provisions of RMB23 million. Operating receivables and payables increased net cash outflow by RMB2.614 billion, mainly manifested as follows: the decrease in contract liabilities resulted in an operating cash outflow of RMB2.111 billion; the increase in contract assets resulted in an operating cash outflow of RMB942 million; the increase in the balance of trade and other receivables resulted in an operating cash outflow of RMB396 million; the increase in the balance of inventories resulted in an operating cash outflow of RMB63 million; and the increase in the balance of trade and other payables resulted in an operating cash inflow of RMB866 million.

After adjusting profit before taxation for non-cash items and receivables/payables items, and then deducting cash outflow of RMB319 million from income tax paid and adding cash inflow of RMB262 million from interest received, the net cash used in operating activities was RMB959 million.

Net cash used in investing activities was RMB1.224 billion, mainly affected by the increase in time deposits.

Net cash generated from financing activities was RMB31 million, mainly comprising borrowings from fellow subsidiaries.

## (3) Summary of Financial Ratios

The following table sets out the Group's key financial ratios for the periods indicated.

| Key Financial Ratios | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Net profit margin (%) | 3.2 | 4.4 |
| Return on assets (%)[1] | 1.3 | 1.6 |
| Return on equity (%)[2] | 3.6 | 4.3 |
| Return on invested capital (%)[3] | 3.6 | 4.4 |

| Key Financial Ratios | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| Gearing ratio (%)[4] | 3.9 | 3.8 |
| Net debt to equity ratio (%)[5] | Net cash | Net cash |
| Current ratio[6] | 1.5 | 1.5 |
| Quick ratio[7] | 1.5 | 1.4 |

(1) Return on assets = $\dfrac{\text{Profit for the period}}{\text{(Total assets at the beginning of the period + total assets at the end of the period)/2}}$

(2) Return on equity = $\dfrac{\text{Profit for the period}}{\text{Total equity at the end of the period}}$

(3) Return on invested capital = $\dfrac{\text{Earnings before interest and tax (EBIT) for the period} \times \text{(1 – effective income tax rate)}}{\text{Interest-bearing debt at the end of the period – credit borrowings + total equity at the end of the period}}$

(4) Gearing Ratio = $\dfrac{\text{Interest bearing debt at the end of the period}}{\text{Interest-bearing debt at the end of the period + total equity at the end of the period}}$

(5) Net Debt to Equity Ratio = $\dfrac{\text{Net debt at the end of the period}}{\text{Total equity at the end of the period}}$

(6) Current Ratio = $\dfrac{\text{Current assets}}{\text{Current liabilities}}$

(7) Quick Ratio = $\dfrac{\text{Current assets – inventories}}{\text{Current liabilities}}$

## 6 Foreign Exchange Risk

During the Reporting Period, the foreign currencies held by the Group were mainly USD, EUR, and SAR, equivalent to RMB12.577 billion. Changes in foreign exchange rates may affect the pricing of the Group's services and the expenditure on materials purchased in foreign currencies, and exchange rate fluctuations may affect the Group's operating results.

During the Reporting Period, the Group did not enter into any hedging transactions in respect of foreign exchange fluctuations.

# SIGNIFICANT EVENTS

# 1 Corporate Governance

During the Reporting Period, the Company complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules, and there were no deviations from the code provisions.

# 2 The Dividend Distribution Plan

The Board was authorized to determine the 2026 interim profit distribution plan by way of an ordinary resolution at the Company's 2025 annual general meeting held on 5 June 2026.

As approved at the 14th meeting of the fifth session of the Board held on 14 August 2026, the interim dividend distribution plan for the period ended 30 June 2026 is as follows: based on the total share capital of the Company of 4,394,024,000 shares as at 30 June 2026, comprising 1,646,804,000 H shares and 2,747,220,000 domestic shares, it is proposed to distribute a 2026 interim cash dividend of RMB0.127 per share (inclusive of applicable taxes).

The 2026 interim dividend will be paid on or before Friday, 30 October 2026 to all shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 17 September 2026. In order to qualify for the interim dividend, the holders of H Shares must lodge all share certificates accompanied by the transfer documents with Computershare Hong Kong Investor Services Ltd. (address: Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) before 4:30 p.m. on Friday, 11 September 2026 for registration. For the purpose of ascertaining shareholders who qualify for the interim dividend, the register of members for H Shares will be closed from Saturday, 12 September 2026 to Thursday, 17 September 2026 (both days inclusive).

The dividends will be denominated and declared in RMB, and will be paid in RMB to holders of domestic shares and in HKD to holders of H shares. The exchange rate for the dividends paid in HKD is based on the average of the reference exchange rates as published at the end of each day by the China Foreign Exchange Trade System during the five business days prior to the date of declaration by the Board (i.e., Friday, 14 August 2026), being RMB1.00 to HKD1.16308. Accordingly, the Company's interim cash dividend per H share is HKD0.1477 (inclusive of applicable taxes).

In accordance with the Enterprise Income Tax Law of the People's Republic of China《中華人民共和國企業所得稅法》and its implementation regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H shares when distributing the cash dividends. Any H shares not registered under the name of an individual shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organisations or groups, shall be deemed as shares held by non-resident enterprise shareholders. Therefore, enterprise income tax shall be withheld from dividends payable to such shareholders. If holders of H shares intend to change their shareholder status, please enquire about the relevant procedures with their agents or trustees. The Company will strictly comply with the law and the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant shareholders.

If the individual holders of H shares are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for the cash dividends given to them under the relevant tax agreement with the PRC, the Company should withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. Should the individual holders of H Shares be residents of the countries which had an agreed tax rate of less than 10% under the relevant tax agreement with the PRC, the Company shall withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. In that case, if the relevant individual holders of H shares wish to reclaim the extra amount withheld due to the application of 10% tax rate, the Company can apply for the relevant agreed preferential tax treatment on behalf of them provided that the relevant shareholders submit the information required by the notice of the tax agreement to the H share registrar of the Company. The Company will assist with the tax refund of the extra amount withheld after obtaining the approval of the competent tax authority. Should the individual holders of H shares be residents of the countries which had an agreed tax rate of over 10% but less than 20% under the tax agreement with the PRC, the Company shall withhold and pay the individual income tax on behalf of the relevant shareholders at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual holders of H shares are residents of the countries which have had an agreed tax rate of 20% under the relevant tax agreement with the PRC, or which has not entered into any tax agreement with the PRC, or otherwise, the Company shall withhold and pay the individual income tax on behalf of the relevant shareholders at a rate of 20%.

For investors (including enterprises and individuals) investing in the H shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai Stock Exchange or Shenzhen Stock Exchange (the "Southbound Trading"), the Company has entered into the Agreement on Appropriation of Cash Dividends of H Shares for Southbound Trading《港股通H股股票現金紅利派發協議》with China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H shares of Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depositary and clearing system. The cash dividends for the investors of H shares of Southbound Trading of the Company will be paid in RMB.

Pursuant to the relevant requirements under the "Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81)《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the "Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No. 127)《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

# 3 Connected Transactions

## Continuing Connected Transactions between the Group and Sinopec Group

During the Reporting Period, the Group entered into a series of continuing connected transactions agreements with Sinopec Group, including the following:

(1) the Engineering and Construction Services Framework Agreement and its supplemental agreements;

(2) the Financial Services Framework Agreement and its supplemental agreements;

(3) the Technology R&D Framework Agreement and its supplemental agreements;

(4) the General Services Framework Agreement and its supplemental agreements;

(5) the Land Use Rights and Properties Leasing Framework Agreement;

(6) the Counter-guarantees provided by Sinopec Group;

(7) the Safe Production Insurance Fund; and

(8) the Trademark Licensing Agreement.

For the details and the reasons for and benefits of the above agreements (the "Framework Agreements"), please refer to the section headed "Connected Transactions" in the prospectus of the Company dated 10 May 2013, the Company's announcement entitled "Announcement of Continuing Connected Transactions and Major Transactions – Renewal of the Framework Agreements and the Annual Caps for 2025 to 2027" published on 18 August 2024 and the contents in relation to the "Financial Services Framework Agreement" and the "Engineering and Construction Services Framework Agreement" in the Company's circular to its shareholders published on 11 September 2024.

## Annual Caps and Actual Amount of the Continuing Connected Transactions of the Group

During the Reporting Period, the Group's actual connected transaction amount totaled RMB16.247 billion, including purchases of RMB1.462 billion (including purchase of products and services amounting to RMB1.444 billion and an interest expenditure of RMB18 million) and sales of RMB14.785 billion (including sales of products and services amounting to RMB14.576 billion and an interest income of RMB209 million).

| No. | Connected Party | Continuing Connected Transaction Agreement | Transaction Contents | 2026 Annual Cap (RMB100 million) | Actual Transaction Amount during the Reporting Period (RMB100 million) |
|---|---|---|---|---|---|
| 1 | Sinopec Group and its associates | Engineering and Construction Services Framework Agreement and its supplemental agreements | Provision of engineering services to the Group by connected persons | **70.00** | 13.25 |
| | | | Provision of engineering services to connected persons by the Group | **550.00** | 145.13 |
| 2 | Sinopec Finance Co., Ltd. and Sinopec Century Bright Capital Investment Limited | Financial Services Framework Agreement and its supplemental agreements | Daily Maximum Balance of Deposits and Interest Income | **80.00** | 71.87 |
| | | | Maximum Daily Balance of Entrustment Loans and Interest Income | **205.00** | 205.00 |
| | | | Settlement and other financial services fees | **0.05** | 0.01 |
| 3 | Sinopec Group and its associates | Technology R&D Framework Agreement and its supplemental agreements | Provision of technology R&D services by the Group to connected persons | **5.10** | 0.57 |
| 4 | Sinopec Group and its associates | General Services Framework Agreement and its supplemental agreements | Provision of general services to connected persons by the Group | **0.20** | 0.01 |
| | | | Provision of general services to the Group by connected persons | **2.00** | 0.25 |
| 5 | Sinopec Group and its associates | Land Use Rights and Properties Leasing Framework Agreement | Provision of land use rights and properties leasing services by the Group to connected persons | **1.50** | 0.05 |
| | | | Provision of land use rights and properties leasing services by connected persons to the Group | **4.00** | 0.93 |

In terms of the premium payable under documents on the safe production insurance funds, the amount payable by the Group each year shall not be less than the amount specified in these documents.

The prices and terms for the actual transactions are determined in accordance with the pricing policies set forth in each of the respective Framework Agreements.

### Opinions of Independent Non-executive Directors on the aforesaid Continuing Connected Transactions (including Deposits and Entrustment Loan Transactions under the Financial Services Framework Agreement)

The independent non-executive Directors of the Company reviewed the aforesaid continuing connected transactions from the perspectives of the nature of the transactions, the implementation of the annual caps, the pricing policies and the implementation of internal control procedures, and confirmed that the transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

For details on the major related-party transactions (including the above-mentioned continuing connected transactions) during the Reporting Period, please refer to Note 41 of the financial statements prepared in accordance with the IFRS in this report, among which the above continuing connected transactions constituted connected transactions under the Hong Kong Listing Rules, and the Company has complied with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules in relation to these connected transactions.

## 4 Material Litigation or Arbitration Events

There were no material litigation or arbitration events during the Reporting Period.

## 5 Other Material Contracts

The Group had no other contracts of significance which were required to be disclosed but had not been disclosed during the Reporting Period.

# 6 Repurchase, Sale and Redemption of Shares

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of its listed shares during the Reporting Period.

# 7 Reserves

During the Reporting Period, the movements in the reserves of the Group were set out in the consolidated statement of changes in equity of the financial report, which was prepared in accordance with IFRS in this Report.

# 8 Use of Proceeds from the Global Offering

The use of proceeds from the global offering by the Company was consistent with the planned uses as previously disclosed in the announcements. For details of such uses, please refer to the announcements of the Company entitled "Adjustment in Use of Proceeds from the Global Offering" dated 13 December 2013 and "Adjustment in the Allocations of the Use of Proceeds from the Global Offering" dated 26 October 2018. The expected specific time for the completion of the use of proceeds from the global offering will be subject to the business development of the Company and the proceeds are expected to be fully utilised within the next 6 years. During the Reporting Period, there was no material change to the use of proceeds from the global offering of the Group.

As at 30 June 2026, the unutilised proceeds from the global offering amounted to approximately RMB5.996 billion.

The use of the proceeds from the global offering by the Company as at 30 June 2026 was as follows:

| Use of Net Proceeds from the Global Offering as of 30 June 2018 | Allocation of Net Proceeds from Global Offering as of 30 June 2018 (RMB ten thousands) | Used Proceeds from 2018 to 2025 (RMB ten thousands) | Used Proceeds during the Reporting Period (RMB ten thousands) | Remaining Proceeds as of 30 June 2026 (RMB ten thousands) |
|---|---|---|---|---|
| **Establishing an engineering technology R&D center, modular construction base and machinery manufacturing, etc.** | 60,000 | 3,183 | 659 | **56,158** |
| **Improving and developing overseas marketing networks** | 30,000 | – | – | **30,000** |
| **Information technology development projects** | 50,000 | 5,532 | – | **44,468** |
| **Purchasing large lifting and transport equipment and specialised construction equipment** | 40,000 | 20,831 | – | **19,169** |
| **Newly added long-term equity investment** | 220,000 | 126,504 | 29,550 | **63,946** |
| **Mergers and acquisitions of engineering companies, purchase of patents, proprietary technologies and other items** | 385,900 | – | – | **385,900** |
| **Total** | 785,900 | 156,050 | 30,209 | **599,641** |

## 9 Assets Transactions

During the Reporting Period, the Group did not enter into any assets transactions other than in the ordinary and usual course of business.

## 10 Insolvency and Restructuring

During the Reporting Period, the Group was not involved in any insolvency or restructuring matters.

## 11 Material Trusteeship, Contracting and Lease

During the Reporting Period, the Group was not involved in any material trusteeship, contracting or lease of any asset of other companies, nor placing its assets to or under any other companies' trusteeship, contracting or lease which were required to be disclosed.

## 12 Material Acquisitions and Disposals

During the Reporting Period, the Group has not made any material acquisition and disposal of its subsidiaries, associates or joint ventures.

## 13 Financial Derivatives for Hedging Purposes

During the Reporting Period, the Group did not use any financial derivatives for hedging purposes.

## 14 Pledged Assets

During the Reporting Period, there were no matters relating to pledged assets of the Group.

## 15 Borrowings

As at the end of the Reporting Period, the borrowings incurred by the Group were approximately RMB1.093 billion. For details of the borrowings, please refer to Note 35 to the financial statements contained in this Report.

## 16 Contingent Liabilities

For details of the contingent liabilities of the Group, please refer to Note 40 to the financial statements in this Report.

## 17 Review of the Interim Report

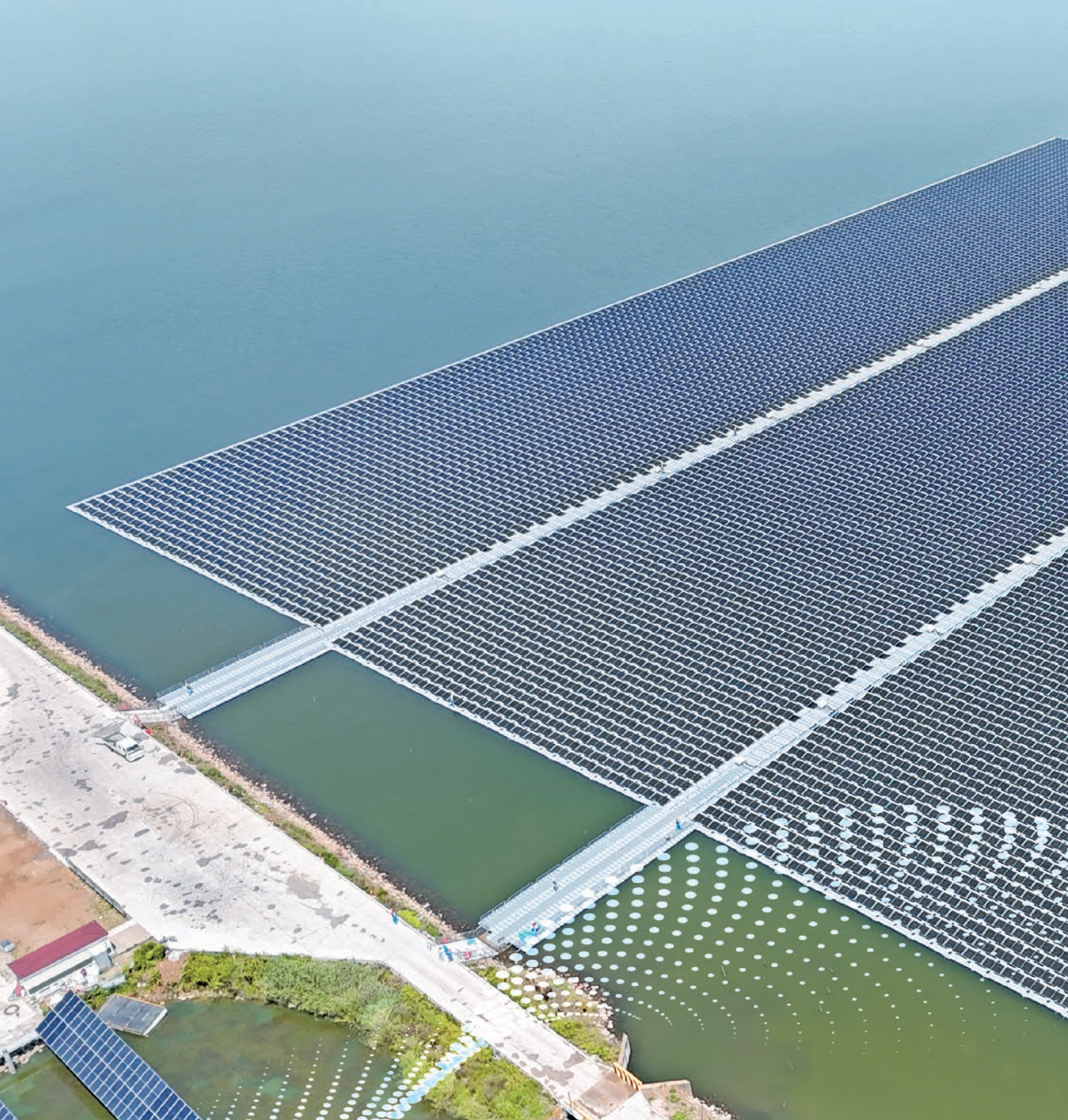
The Audit Committee of the Company has reviewed this interim report. The Audit Committee did not have any disagreement concerning the financial statements contained in this interim report.

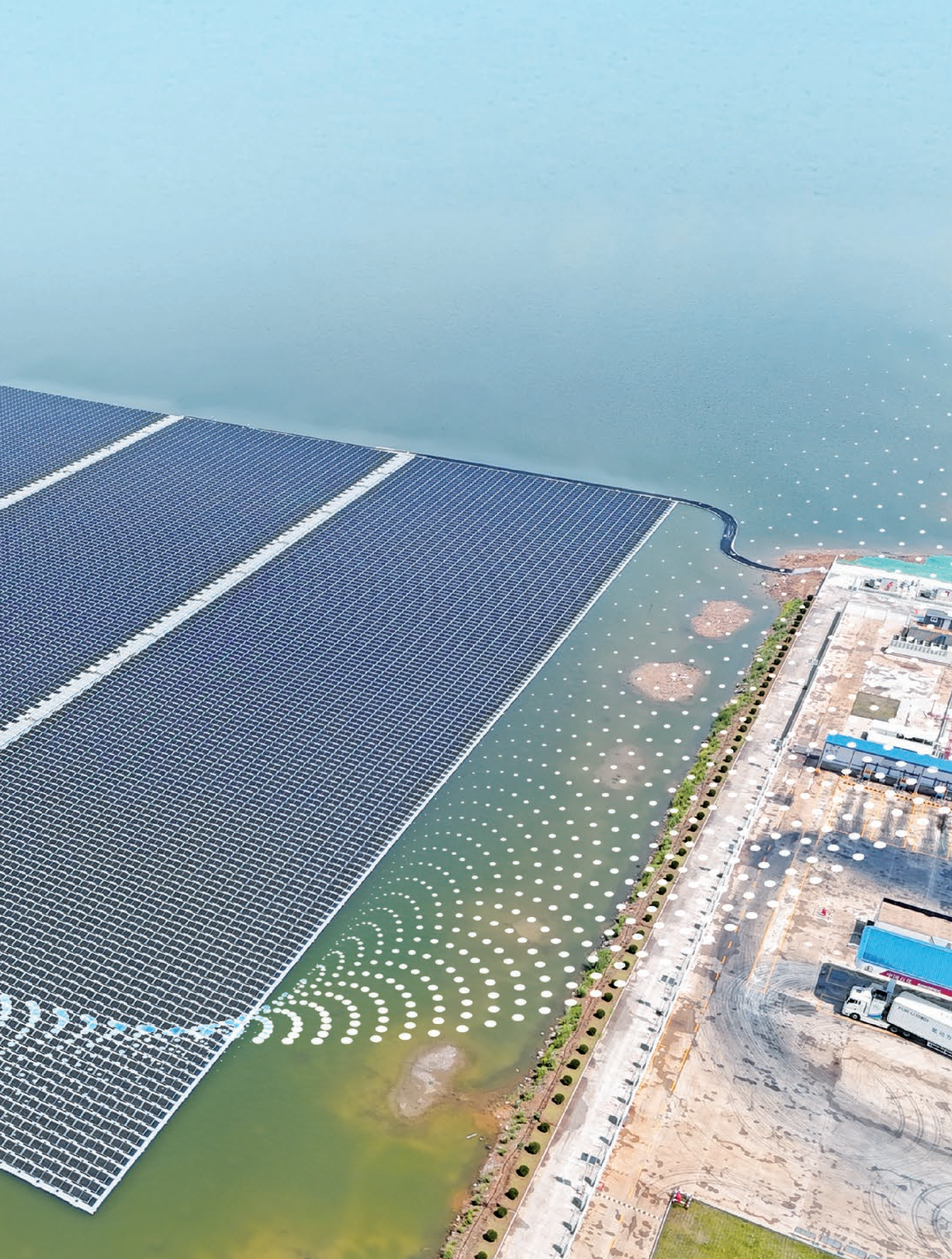
The Audit Committee is comprised of all independent non-executive Directors, namely, Mr. YE Zheng, Mr. ZHAO Jinsong and Ms. ZHANG Xuyan. Mr. YE Zheng has the appropriate professional qualifications (including membership of the Hong Kong Institute of Certified Public Accountants) and over 30 years of experience in auditing, internal control and consultancy.

## 18 Significant Events Affecting the Group after the Reporting Period

From 30 June 2026 to the date of this Report, there have been no other significant events of the Group.

# DIRECTORS AND OTHER SENIOR MANAGEMENT AND EMPLOYEES





# 1 Directors and Other Senior Management

## (1) Directors

### Profile of the Directors of the Fifth Session of the Board as at the date of this report

| Name | Gender | Age | Position in the Company | Term of Office as Director |
|---|---|---|---|---|
| ZHANG Xinming | Male | 59 | Executive Director and President | November 2024 – November 2027 |
| XIANG Wenwu | Male | 60 | Non-Executive Director | November 2024 – November 2027 |
| LI Chengfeng | Male | 62 | Non-Executive Director | November 2024 – November 2027 |
| YU Renming | Male | 62 | Non-Executive Director | November 2024 – November 2027 |
| YE Zheng | Male | 62 | Lead Independent Non-Executive Director | November 2024 – November 2027 |
| ZHAO Jinsong | Male | 57 | Independent Non-Executive Director | November 2024 – November 2027 |
| ZHANG Xuyan | Female | 62 | Independent Non-Executive Director | May 2025 – November 2027 |
| XIE Yanli | Female | 50 | Employee Representative Director | November 2024 – November 2027 |

### Resignation of Director during and after the Reporting Period

| Name | Gender | Age | Position in the Company | Term of Office as Director |
|---|---|---|---|---|
| JIANG Dejun | Male | 60 | Chairman | November 2024 – May 2026 |

### (2) Other Senior Management

**Profile of other senior management as of the date of this report**

| Name | Gender | Age | Position in the Company | Date of Appointment |
|---|---|---|---|---|
| ZHANG Xinming | Male | 59 | Executive Director and President | April 2023 |
| WANG Guohua | Male | 57 | Vice President | April 2019 |
| YIN Fengbing | Male | 55 | Chief Financial Officer<br>Board Secretary<br>Company Secretary | October 2023<br>November 2023<br>November 2023 |
| FENG Di | Male | 58 | Vice President | January 2023 |
| SUN Baoping | Male | 51 | Vice President | January 2023 |

**Changes in the information of Directors and the President as of the end of the Reporting Period**

During the Reporting Period, there were no changes in the information of the Directors and the President that required disclosure pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

## 2 Relationship among Directors and Other Senior Management of the Company

Save for their working relationships within the Group, there are no relationships of a financial, business, family or other material nature among the Directors and other senior management.

## 3 Equity Interests of the Directors and Senior Management of the Company

During the Reporting Period, to the knowledge of the Directors, none of the Directors or senior management of the Company and their respective associates had any interests or short positions, including interests or short positions which they were taken or deemed to have under the relevant provisions of the SFO, in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Divisions 7 and 8 of Part XV of the SFO, to be notified to the Company and the Hong Kong Stock Exchange, or which were required, pursuant to section 352 of the SFO, to be entered in the register required to be kept thereunder, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, all Directors confirmed that they complied with the Model Code during the Reporting Period.

## 4 Positions Held by the Directors in Shareholders and Their Competition Interests

As of the end of the Reporting Period, save that Mr. XIANG Wenwu served as the general manager of the engineering department of Sinopec Group and the general manager of the engineering department of China Petroleum & Chemical Corporation, to the knowledge of the Board, none of the Directors is a director or employee of a company which has an interest in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or holds interests in any other business which competes or is likely to compete, directly or indirectly, with the business of the Group.

## 5 Contract Benefits of Directors

For details of the continuing connected transactions, please refer to "Significant Event" and Note 41 of the financial statements in this interim report.

Notwithstanding the above, no transaction, arrangement, or contract that is significant in relation to the Group's business to which the Group was a party and in which the director or his/her connected entity had, directly or indirectly, a material interest was entered into in the Reporting Period or subsisted at any time during the Reporting Period.

All Directors have entered into service agreements with the Company. Such service agreements are effective from the date of the election of the Directors by the shareholders or through democratic election by the employees, until the expiry of the term of the Fifth Session of the Board. The service agreements can be renewed in accordance with the Articles of Association of the Company and applicable laws and regulations. None of the Directors has any service contract with the Company which is not determinable by the Company within one year without compensation (other than statutory compensation).

## 6 Remuneration of the Directors and Other Senior Management of the Company

During the Reporting Period, there were 13 Directors and other senior management who received remuneration from the Company, with a total remuneration of RMB6 million. Details of the remuneration of the Directors and the five highest-paid individuals for the period ended 30 June 2026 are set out in Notes 15 and 41(b) to the financial statements contained in this Report.

## 7 Employees

As of 30 June 2026, there were a total of 16,092 employees in the Group.

The table below sets out the particulars of employees by business category as of 30 June 2026.

| | As at 30 June 2026 | |
|---|---|---|
| | Number of Employees | Percentage of Total Employees (%) |
| Engineering and Technical Personnel | 12,013 | 74.6% |
| Management Personnel | 1,925 | 12.0% |
| Production Personnel | 2,154 | 13.4% |
| Total | 16,092 | 100.0% |

The table below sets out the particulars of employees by education as of 30 June 2026.

| | As at 30 June 2026 | |
|---|---|---|
| | Number of Employees | Percentage of Total Employees (%) |
| Master Degree | 3,954 | 24.6% |
| Bachelor Degree | 7,974 | 49.6% |
| Post-secondary Education | 2,287 | 14.2% |
| Other | 1,877 | 11.6% |
| Total | 16,092 | 100.0% |

## 8 Gender Diversity of Employees

The table below sets out the gender ratio of all employees (including senior management) of the Group as of 30 June 2026.

| | As at 30 June 2026 | |
|---|---|---|
| | Number of Employees | Percentage of Total Employees (%) |
| Female | 4,482 | 27.9% |
| Male | 11,610 | 72.1% |
| Total | 16,092 | 100.0% |

The table below sets out the gender ratio of the senior management of the Group (including the Board and senior management of the Company) as of 30 June 2026.

| | As at 30 June 2026 | |
|---|---|---|
| | Number of Senior Management | Percentage of Total Senior Management (%) |
| Female senior management | 3 | 5.0% |
| Male senior management | 57 | 95.0% |
| Total | 60 | 100.0% |

The Group adheres to the employment principle of "equal treatment and mutual respect", provides equal development opportunities for employees of different genders, and is committed to creating a working environment where employees of different genders cooperate with and respect each other. The Group is committed to improving gender diversity in our workforce; however, given the unique nature of the engineering and construction industry in which the Group operates, it is more challenging to achieve gender diversity in our workforce.

## 9 Employee Remuneration

During the Reporting Period, the Group maintained good labour relations. The remuneration of the Group's employees mainly consists of salaries, discretionary bonuses and contributions to compulsory social security funds. In accordance with the laws and regulations of the PRC, the Group is required to participate in various retirement benefit schemes for its employees, including schemes organised by the provincial and municipal governments and supplementary retirement benefit schemes. Bonuses are usually determined on a discretionary basis according to the overall performance of the Group's business. For the six months ended 30 June 2026, the staff costs of the Group amounted to RMB3.185 billion.

## 10 Employee Training Programmes

The Group is dedicated to supporting its employees in achieving better career development, promoting the overall enhancement of their competence, and actively providing comprehensive and diversified professional training for our employees.

During the Reporting Period, the Group delivered 12 key thematic training programmes, with a total of 27,000 attendances in training programmes organised internally and externally by the Group, covering management personnel, engineering and technical personnel, and production operation personnel.

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF SINOPEC ENGINEERING (GROUP) CO., LTD. (中石化煉化工程(集團)股份有限公司)

## (Established in the People's Republic of China with limited liability)

## OPINION

We have audited the consolidated financial statements of SINOPEC Engineering (Group) Co., Ltd. (the "Company") and its subsidiaries (together the "Group") set out on pages 75 to 136, which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months period then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026, and its consolidated financial performance and its consolidated cash flows for the six months period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standard") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the Hong Kong Institute of Certified Public Accountants' "Code of Ethics for Professional Accountants" (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition of construction contracts

*(Refer to notes 3.14, 5(a) and 6 to the consolidated financial statements)*

For the six months ended 30 June 2026, the Group recognised revenue totalled RMB35,624,371,000.

Regarding revenue from construction contracts, it is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation, depending on the nature of the contract, is measured by reference to the proportion of contract costs incurred for work performed to date to estimated total contract costs for each contract. Management estimates the total contract revenue and total contract costs at the inception of each contract. As the contract progresses, management regularly reviews and revises the estimates of contract revenue and contract costs if circumstances change, such as variations in contract work, claims and incentive payments. The increases or decreases in estimated total contract revenue or total contract costs resulted in the adjustments to the extent of progress toward completion and revenue recognised in the period in which the circumstances that give rise to the revision becomes known by management.

These transactions require individual consideration and involve management's estimates and judgment. We have identified the revenue recognition related to construction contracts as a key audit matter.

*Our responses:*

Our procedures in relation to the revenue recognition of construction contracts included:

– assessing and testing the related internal control of the management's accounting estimates and judgment of construction contracts;

– reviewing key contract terms in material construction contracts and verify the total contract revenues;

## KEY AUDIT MATTERS (Continued)

### Revenue recognition of construction contracts (Continued)

– checking, on a sample basis, the principal terms set out in the relevant construction contracts and the implementation status and testing on the accuracy of the calculation of the extent of progress toward completion and revenue and costs recognised during the period;

– testing, on a sample basis, the amount and timing of the construction contract cost recognised and performing cut-off testing procedures to check that cost had been recognised in the appropriate account period; and

– performing analytical review procedures on the gross margins of material construction contracts of the Group.

### Provision for expected credit losses ("ECL") of trade receivables and contract assets

*(Refer to notes 3.7(c), 5(c), 20 and 22(a) to the consolidated financial statements)*

ECL for trade receivables and contract assets are based on management's estimate of the lifetime ECL to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgment.

We have identified ECL assessment of trade receivables and contract assets as a key audit matter because their assessment is a subjective area as it requires the management's judgment and uses of estimates.

*Our responses:*

Our procedures in relation to management's ECL assessment on trade receivables and contract assets included:

– reviewing and assessing the application of the Group's policy for calculating the ECL;

– evaluating techniques and methodology in the ECL model against the requirements of IFRS 9;

– assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgments, including testing the accuracy of the historical default data, evaluating whether the expected credit loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial period and assessing whether there was an indication of management bias when recognising loss allowances;

– evaluating the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimation of ECL; and

– discussing with management the estimates of the recoverable amounts for those material trade receivables balances which are past due over 180 days, including customers' payment history and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information in the interim report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the auditor's report that includes our opinion. The report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO Limited**

*Certified Public Accountants*

Ng Wai Man

Practising Certificate number P05309

Hong Kong, 14 August 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

| | Notes | Six months ended 30 June | |
|---|---|---|---|
| | | 2026 | 2025 |
| | | RMB'000 | RMB'000 |
| | | | (Restated) |
| Revenue | 6 | 35,624,371 | 31,618,910 |
| Cost of sales | | (32,884,729) | (29,014,759) |
| Gross profit | | 2,739,642 | 2,604,151 |
| Other income – net | 8 | 49,654 | 139,025 |
| Selling and marketing expenses | | (58,038) | (63,461) |
| Administrative expenses | | (697,651) | (595,309) |
| Research and development costs | | (841,959) | (1,009,080) |
| Other operating (expenses)/income | | (115,704) | 67,600 |
| Other gains – net | 9 | 448 | 20,983 |
| Operating profit | | 1,076,392 | 1,163,909 |
| Finance income | 10 | 401,320 | 485,178 |
| Finance expenses | 10 | (37,795) | (31,809) |
| Finance income – net | | 363,525 | 453,369 |
| Share of profit/(loss) of joint ventures | 19 | 405 | (3,516) |
| Profit before taxation | 11 | 1,440,322 | 1,613,762 |
| Income tax expense | 12 | (298,241) | (222,805) |
| Profit for the period | | 1,142,081 | 1,390,957 |

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

| | Notes | Six months ended 30 June | |
|---|---|---|---|
| | | 2026 | 2025 |
| | | RMB'000 | RMB'000 |
| | | | (Restated) |
| **Other comprehensive income for the period, net of tax** | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising on translation of foreign operations | | (55,469) | 5,151 |
| **Item that will not be reclassified subsequently to profit or loss:** | | | |
| Gain on revaluation of retirement benefit plans obligations, net of income tax effect | | 10 | 155 |
| Fair value gain on financial assets measured at fair value through other comprehensive income | | 314 | 408 |
| **Other comprehensive (expense)/income for the period, net of tax** | | (55,145) | 5,714 |
| **Total comprehensive income for the period** | | 1,086,936 | 1,396,671 |
| **Profit attributable to:** | | | |
| Equity holders of the Company | | 1,137,149 | 1,386,836 |
| Non-controlling interests | | 4,932 | 4,121 |
| **Profit for the period** | | 1,142,081 | 1,390,957 |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Company | | 1,082,004 | 1,392,550 |
| Non-controlling interests | | 4,932 | 4,121 |
| **Total comprehensive income for the period** | | 1,086,936 | 1,396,671 |
| | | RMB | RMB |
| Earnings per share for profit attributable to equity holders of the Company during the period (expressed in RMB per share) | | | |
| – Basic and diluted | 13 | 0.26 | 0.32 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

| | Notes | As at 30 June 2026 | As at 31 December 2025 | As at 1 January 2025 |
|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 |
| | | | (Restated) | (Restated) |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 16 | 4,348,491 | 4,472,813 | 4,558,606 |
| Right-of-use assets | 17 | 2,059,421 | 2,176,854 | 2,327,048 |
| Intangible assets | 18 | 198,817 | 216,728 | 182,553 |
| Investment in joint ventures | 19 | 5,816 | 5,711 | 23,651 |
| Financial assets measured at fair value through other comprehensive income ("FVTOCI") | 24 | 253,482 | 253,113 | 254,123 |
| Deferred income tax assets | 36 | 674,229 | 684,649 | 702,938 |
| **Total non-current assets** | | 7,540,256 | 7,809,868 | 8,048,919 |
| **Current assets** | | | | |
| Inventories | 23 | 446,168 | 383,312 | 536,915 |
| Notes and trade receivables | 20 | 9,475,751 | 8,183,588 | 8,505,512 |
| Prepayments and other receivables | 21 | 12,283,910 | 13,220,016 | 11,162,843 |
| Contract assets | 22(a) | 12,750,974 | 11,812,402 | 11,467,443 |
| Loans due from the ultimate holding company | 25 | 20,522,476 | 20,523,195 | 20,500,000 |
| Restricted cash | 26 | 492,230 | 523,778 | 230,148 |
| Time deposits | 27 | 14,290,100 | 13,264,563 | 9,963,265 |
| Cash and cash equivalents | 28 | 13,217,684 | 15,699,056 | 11,440,988 |
| **Total current assets** | | 83,479,293 | 83,609,910 | 73,807,114 |
| **Total assets** | | 91,019,549 | 91,419,778 | 81,856,033 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

AS AT 30 JUNE 2026

| | Notes | As at 30 June 2026 | As at 31 December 2025 | As at 1 January 2025 |
|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 |
| | | | (Restated) | (Restated) |
| **EQUITY** | | | | |
| Share capital | 29 | 4,394,024 | 4,394,024 | 4,397,881 |
| Reserves | | 27,540,712 | 27,519,929 | 27,324,514 |
| Equity attributable to equity holders of the Company | | 31,934,736 | 31,913,953 | 31,722,395 |
| Non-controlling interests | | 77,401 | 72,442 | 69,422 |
| **Total equity** | | 32,012,137 | 31,986,395 | 31,791,817 |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Lease liabilities | 31 | 102,237 | 128,908 | 252,336 |
| Loans due to fellow subsidiaries | 35 | 379,644 | 274,388 | 40,813 |
| Retirement and other supplemental benefit obligations | 32 | 1,468,922 | 1,541,295 | 1,782,034 |
| Deferred income tax liabilities | 36 | 2,005 | 1,996 | 2,627 |
| **Total non-current liabilities** | | 1,952,808 | 1,946,587 | 2,077,810 |
| **Current liabilities** | | | | |
| Notes and trade payables | 33 | 23,753,918 | 22,446,030 | 22,037,598 |
| Other payables | 34 | 3,115,672 | 2,677,188 | 2,871,845 |
| Loans due to fellow subsidiaries | 35 | 712,968 | 678,262 | 109,264 |
| Contract liabilities | 22(b) | 29,001,918 | 31,113,281 | 22,340,296 |
| Lease liabilities | 31 | 111,205 | 183,831 | 169,920 |
| Current income tax liabilities | | 358,923 | 388,204 | 457,483 |
| **Total current liabilities** | | 57,054,604 | 57,486,796 | 47,986,406 |
| **Total liabilities** | | 59,007,412 | 59,433,383 | 50,064,216 |
| **Total equity and liabilities** | | 91,019,549 | 91,419,778 | 81,856,033 |
| **Net current assets** | | 26,424,689 | 26,123,114 | 25,820,708 |
| **Total assets less current liabilities** | | 33,964,945 | 33,932,982 | 33,869,627 |

On behalf of the directors

**ZHANG Xinming**
Executive Director, President

**YIN Fengbing**
Chief Financial Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

| | Attributable to equity shareholders of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Capital reserve | Statutory surplus reserve | Specific reserve | Exchange translation reserve | Merger reserve | Retained earnings | Total | Non-controlling interests | Total equity |
| | RMB'000 (Note 29) | RMB'000 (Note 30(ii)) | RMB'000 (Note 30(i)) | RMB'000 (Note 30(iii)) | RMB'000 (Note 30(iv)) | RMB'000 (Note 30(v)) | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2026 | 4,394,024 | 9,982,367 | 2,165,982 | 215,757 | (12,212) | (22,100) | 15,018,181 | 31,741,999 | 72,442 | 31,814,441 |
| Effect of adopting merger accounting for common control combination | – | – | – | – | – | 120,000 | 51,954 | 171,954 | – | 171,954 |
| At 1 January 2026 (restated) | 4,394,024 | 9,982,367 | 2,165,982 | 215,757 | (12,212) | 97,900 | 15,070,135 | 31,913,953 | 72,442 | 31,986,395 |
| Profit for the period | – | – | – | – | – | – | 1,137,149 | 1,137,149 | 4,932 | 1,142,081 |
| Other comprehensive income: | | | | | | | | | | |
| Defined benefits obligation revaluation of actuarial gain and loss – gross | – | – | – | – | – | – | 11 | 11 | – | 11 |
| Defined benefits obligation revaluation of actuarial gain and loss – tax effect | – | – | – | – | – | – | (1) | (1) | – | (1) |
| Exchange differences arising on translation of foreign operations | – | – | – | – | (55,469) | – | – | (55,469) | – | (55,469) |
| Gain on financial assets measured at fair value through other comprehensive income | – | – | – | – | – | – | 314 | 314 | – | 314 |
| Total comprehensive income | – | – | – | – | (55,469) | – | 1,137,473 | 1,082,004 | 4,932 | 1,086,936 |
| Transactions with owners: | | | | | | | | | | |
| Final dividends for 2025 (Note 14) | – | – | – | – | – | – | (456,978) | (456,978) | – | (456,978) |
| Special dividends (Note 14) | – | – | – | – | – | – | (413,039) | (413,039) | – | (413,039) |
| Merger reserves arising from common control combination (Note 39) | – | – | – | – | – | (191,204) | – | (191,204) | – | (191,204) |
| Appropriation of specific reserve | – | – | – | 122,382 | – | – | (122,382) | – | 35 | 35 |
| Utilisation of specific reserve | – | – | – | (101,578) | – | – | 101,578 | – | (8) | (8) |
| Total transactions with owners | – | – | – | 20,804 | – | (191,204) | (890,821) | (1,061,221) | 27 | (1,061,194) |
| At 30 June 2026 | 4,394,024 | 9,982,367 | 2,165,982 | 236,561 | (67,681) | (93,304) | 15,316,787 | 31,934,736 | 77,401 | 32,012,137 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

| | Attributable to equity shareholders of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Capital reserve | Statutory surplus reserve | Specific reserve | Exchange translation reserve | Merger reserve | Retained earnings | Total | Non-controlling interests | Total equity |
| | RMB'000 (Note 29) | RMB'000 (Note 30(ii)) | RMB'000 (Note 30(i)) | RMB'000 (Note 30(iii)) | RMB'000 (Note 30(iv)) | RMB'000 (Note 30(v)) | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **At 1 January 2025** | 4,397,881 | 9,998,429 | 1,987,947 | 204,261 | 16,292 | (22,100) | 14,929,353 | 31,512,063 | 69,422 | 31,581,485 |
| Effect of adopting merger accounting for common control combination | – | – | – | – | – | 120,000 | 90,332 | 210,332 | – | 210,332 |
| **At 1 January 2025 (restated)** | 4,397,881 | 9,998,429 | 1,987,947 | 204,261 | 16,292 | 97,900 | 15,019,685 | 31,722,395 | 69,422 | 31,791,817 |
| Profit for the period | – | – | – | – | – | – | 1,386,836 | 1,386,836 | 4,121 | 1,390,957 |
| Other comprehensive income: | | | | | | | | | | |
| Defined benefits obligation revaluation of actuarial gain and loss – gross | – | – | – | – | – | – | 182 | 182 | – | 182 |
| Defined benefits obligation revaluation of actuarial gain and loss – tax effect | – | – | – | – | – | – | (27) | (27) | – | (27) |
| Exchange differences arising on translation of foreign operations | – | – | – | – | 5,151 | – | – | 5,151 | – | 5,151 |
| Gain on financial assets measured at fair value through other comprehensive income | – | – | – | – | – | – | 408 | 408 | – | 408 |
| Total comprehensive income | – | – | – | – | 5,151 | – | 1,387,399 | 1,392,550 | 4,121 | 1,396,671 |
| Transactions with owners: | | | | | | | | | | |
| Final dividends for 2024 (Note 14) | – | – | – | – | – | – | (913,985) | (913,985) | – | (913,985) |
| Appropriation of specific reserve | – | – | – | 99,345 | – | – | (99,345) | – | 35 | 35 |
| Utilisation of specific reserve | – | – | – | (91,769) | – | – | 91,769 | – | (16) | (16) |
| Repurchase of shares | (3,720) | (15,329) | – | – | – | – | – | (19,049) | – | (19,049) |
| Total transactions with owners | (3,720) | (15,329) | – | 7,576 | – | | (921,561) | (933,034) | 19 | (933,015) |
| **At 30 June 2025 (restated)** | 4,394,161 | 9,983,100 | 1,987,947 | 211,837 | 21,443 | 97,900 | 15,485,523 | 32,181,911 | 73,562 | 32,255,473 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

| | Notes | Six months ended 30 June | |
|---|---|---|---|
| | | 2026 | 2025 |
| | | RMB'000 | RMB'000 |
| | | | (Restated) |
| **Cash flows from operating activities** | | | |
| Cash (used in)/generated from operations | 38 | (901,221) | 3,102,617 |
| Income tax paid | | (319,463) | (324,551) |
| Interest received | | 261,682 | 521,868 |
| **Net cash (used in)/generated from operating activities** | | (959,002) | 3,299,934 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | (165,044) | (154,900) |
| Purchase of intangible assets | | (7,712) | (4,624) |
| Interest received on the loans to the ultimate holding company | | 162,180 | 262,429 |
| Proceeds from disposal of property, plant and equipment | | 2,644 | 1,479 |
| Acquisition of subsidiary under business combination under common control | | (191,204) | – |
| Dividend income received from financial assets measured at FVTOCI | | 681 | – |
| Placement of time deposits | | (1,025,537) | (1,387,424) |
| Loans to ultimate holding company | | (5,000,000) | (5,000,000) |
| Loans repaid by ultimate holding company | | 5,000,000 | 5,000,000 |
| **Net cash used in investing activities** | | (1,223,992) | (1,283,040) |
| **Cash flows from financing activities** | 42 | | |
| Drawdown of borrowings from fellow subsidiaries | | 165,779 | 25,241 |
| Repayment of borrowings from fellow subsidiaries | | (11,000) | (16,400) |
| Interest paid | | (16,634) | (1,810) |
| Dividends paid | | (1,121) | – |
| Payments of lease liabilities | | (106,352) | (99,337) |
| Payment on repurchase of shares purpose | | – | (27,685) |
| **Net cash generated from/(used in) financing activities** | | 30,672 | (119,991) |
| **Net (decrease)/increase in cash and cash equivalents** | | (2,152,322) | 1,896,903 |
| **Cash and cash equivalents at beginning of period** | | 15,699,056 | 11,440,988 |
| Net exchange (losses)/gains on cash and cash equivalents | | (329,050) | 504,388 |
| **Cash and cash equivalents at end of period** | 28 | 13,217,684 | 13,842,279 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026

## 1. General Information

### 1.1 Principal activities

SINOPEC Engineering (Group) Co., Ltd. (中石化煉化工程(集團)股份有限公司, the "Company") and its subsidiaries (together, the "Group") is principally engaged locally and overseas in (1) engineering, consulting and licensing, (2) EPC contracting, (3) construction and (4) equipment manufacturing in respect of oil refining, petrochemical engineering, storage and transportation etc.

### 1.2 Organisation and reorganisation

The Company was established as a company with limited liability under the name of Sinopec Engineering Co., Ltd (中國石化集團煉化工程有限公司) in the People's Republic of China (the "PRC") on 24 July 2007 under the Company Law of the PRC. The address of the Company's registered office is 6th to 9th floor, No. 1 building, A67, Ande Road, Xicheng District, Beijing, PRC.

The directors of the Company (the "Directors") regard China Petrochemical Corporation (中國石油化工集團有限公司, "Sinopec Group") as being the ultimate holding company of the Group, which is owned and controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Pursuant to a reorganisation of engineering, consulting and licensing, EPC contracting, construction and equipment manufacturing in respect of oil refining, petrochemical engineering, storage and transportation of Sinopec Group in preparation for the primary listing (the "Listing") of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") ("the Reorganisation"), Sinopec Group transferred the equity interests of its refining and engineering entities to the Company and the Company became the holding company of the subsidiaries now comprising the Group. Subsequent to the above reorganisation transactions which were completed in April 2012, the Company was transformed into a joint stock company with limited liability and renamed as SINOPEC Engineering (Group) Co., Ltd. (中石化煉化工程(集團)股份有限公司) on 28 August 2012.

The Company has completed its listing on the Main Board of the Hong Kong Stock Exchange on 23 May 2013.

These consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

The consolidated financial statements have been approved for issue by the Board of Directors on 14 August 2026.

## 2. Basis of Preparation

The consolidated financial statements have been prepared in accordance with all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations (hereinafter collectively referred to as the "IFRS Accounting Standards") issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The 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").

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values as explained in the accounting policies set out below.

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

# 3. Material Accounting Policy Information

## 3.1 New standards, interpretations and amendments adopted from 1 January 2026

The following amendments are effective for the period beginning on or after 1 January 2026 of the Group:

| | |
|---|---|
| Amendments to IFRS 9 and IFRS 7 | Amendments to IFRS 9 and IFRS 7 |
| Annual improvements to IFRS Accounting Standards – Volume 11 | Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Statement of Cash Flows |

## 3.2 New or amended IFRS Accounting standards that have been issued but not yet effective

The following new or amended IFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Group.

**IFRS 18 Presentation and Disclosures in Financial Statement**

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosures are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's financial statements. Based on preliminary assessment, the line items presented in the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. Moreover, there will be significant new disclosures required for management-defined performance measures.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Retrospective application is required and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

## 3.3 Consolidation

**Subsidiaries**

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that the Group ceases control.

In the statement of financial position of the Company, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

# 3. Material Accounting Policy Information (Continued)

## 3.4 Foreign currency translation

**Functional currency and presentation currency**

Items included in the individual financial statements of each of the entities within the Group are measured using the currency of the primary economic environment in which the entity operates (their "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional currency.

**Transactions and balances**

Foreign currency transactions are translated into the presentation currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to loans and cash and cash equivalents and all other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within "other income – net" and "other operating (expenses)/income".

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

## 3.5 Property, plant and equipment

Property, plant and equipment, except for construction-in-progress ("CIP"), are stated at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditures that are directly attributable to the acquisition of the items, including the purchase price, import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

| | |
|---|---|
| Buildings and other facilities | 12 – 40 years |
| Machinery, transportation equipment and other equipment | 4 – 30 years |

CIP represents buildings and plant under construction and is stated at cost less accumulated impairment loss. Cost includes costs of construction of buildings, cost of plant and other direct costs. No depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to the relevant asset categories and depreciated in accordance with the policy as stated above.

The estimates of assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.6).

Gains or losses on disposals are determined by comparing the proceeds on disposal with the carrying amount and are included within "other gains – net" in the consolidated statement of profit or loss and other comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

# 3. Material Accounting Policy Information (Continued)

## 3.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life and goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment, right-of-use assets, other intangible assets and investment in joint ventures that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised at each reporting date.

## 3.7 Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statements of financial position when the Group becomes a party to the contractual provision of the financial instrument. Financial assets and financial liabilities are initially measured at fair value.

A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income. A trade receivable without a significant financing component is initially measured at the transaction price.

### (a) Classification and measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

***Financial assets: Subsequent measurement and gains and losses***

*Financial assets measured at amortised cost*

Notes and trade receivables, other receivables, loans due from the ultimate holding company, restricted cash, time deposits and cash and cash equivalents are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the profit or loss.

*Financial assets measured at FVTOCI*

They are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments and will continue to be held in the fair value reserve.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income – net" line item in profit or loss.

# 3. Material Accounting Policy Information (Continued)

## 3.7 Financial instruments (Continued)

### (b) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

### (c) Impairment of financial assets

The Group recognises loss allowances for ECL on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECL. For trade receivables and contract assets, the Group applies the simplified approach to providing for ECL prescribed by IFRS 9, which requires the use of the lifetime expected losses provision for all trade receivables. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit losses experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

***Measurement of ECL***

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost. ECL are a probability-weighted estimation of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

The Group has the following types of assets that are subject to IFRS 9's ECL model:

- notes and trade receivables
- contract assets
- cash and cash equivalents
- restricted cash
- time deposits
- loans due from the ultimate holding company
- other receivables

While cash and cash equivalents, restricted cash, time deposits and loans due from the ultimate holding company are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and contract assets with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other financial assets measured at amortised cost are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

# 3. Material Accounting Policy Information (Continued)

## 3.7 Financial instruments (Continued)

### (c) Impairment of financial assets (Continued)

***Measurement of ECL (Continued)***

The Group assesses on in particular, the following information is taken into account when assessing whether credit risk has increased significantly:

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

***Credit-impaired financial assets***

At each reporting date, the Group assesses on a forward-looking basis whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

(i) significant financial difficulty of the borrower or issuer;

(ii) a breach of contract such as a default or past due event;

(iii) the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

(iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(v) the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

### (d) Classification and measurement of financial liabilities

The Group's financial liabilities include notes and trade payables, other payables, dividends payable, loans due to a fellow subsidiaries and lease liabilities. Financial liabilities (other than lease liabilities) are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the profit or loss. Other financial liabilities (other than lease liabilities) are subsequently measured at amortised cost using the effective interest method, in the case of loans and borrowings, net of directly attributable transaction costs. Interest expense and foreign exchange gains and losses are recognised in the profit or loss.

# 3. Material Accounting Policy Information (Continued)

## 3.7 Financial instruments (Continued)

### (e) Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

### (f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions.

## 3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are expensed to relevant operating expenses when used, sold or capitalised to property, plant and equipment when installed, as appropriate, using moving weighted average method. The cost of finished goods and work-in-progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

## 3.9 Payables

Payables primarily include notes and trade payables and other payables and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 3.10 Employee benefits

### Pension obligations

The full-time employees of the Group in the PRC are covered by various government-sponsored pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

The Group also provides supplementary pension subsidies to certain employees in the PRC. Such supplementary pension subsidies are considered to be defined benefit plans as the Group is obligated to provide post-employment benefits to these employees. The liability recognised in the consolidated statement of financial position in respect of these defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised actuarial gains or losses and service costs. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method. Net interests are recognised to the profit or loss and are calculated by the discount rate, which is determined by reference to the market yields of the high-quality government bonds at the end of the reporting period, multiplied the net defined benefit liabilities or assets at each of the beginning of the reporting period. The differences between the actual return on plan assets and with the passage of time in the plan assets are recognised in other comprehensive income.

The Group has various defined contribution plans in accordance with the local conditions and practices in the municipalities and provinces in which they operate. Defined contribution plans are pension and/or other social benefit plans under which the Group pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognised as labour costs when they are due.

# 3. Material Accounting Policy Information (Continued)

## 3.10 Employee benefits (Continued)

### Other post-employment obligations

Some of the companies comprising the Group provide post-retirement medical benefits to their retired employees. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

### Termination and early retirement benefits

Termination and early retirement benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination and early retirement benefits when it is demonstrably committed to either: (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy. The specific terms vary among the terminated and early retired employees depending on various factors including position, length of service and district of the employee concerned. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present contractual or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

## 3.11 Taxation

### Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Changes in deferred income tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and deferred income tax liabilities are offset when meeting all the conditions below:

- The Group has the legally enforceable right to settle current income tax assets and current income tax liabilities; and
- The deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

# 3. Material Accounting Policy Information (Continued)

## 3.11 Taxation (Continued)

**Value-added taxation ("VAT")**

Sales of goods and provision of engineering, consulting and licensing services of the Group are subjected to VAT. VAT payable is determined by applying 13% or 6% on the taxable revenue arising from sales of goods and provision of engineering, consulting and licensing service in certain regions after offsetting deductible input VAT of the period.

Taxable revenue from construction services is subject to VAT at the rate of 9% after offsetting deductible input VAT. Certain revenue resulting from providing construction services was taxed by using applicable simple tax method, paying VAT at 3%.

## 3.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 3.13 Contract assets and contract liabilities

The contract asset is the Group's right to consideration in the exchange for services that the Group has transferred to customer. The contract assets transferred to trade receivables when receipt of the consideration is conditional only on the passage of time.

The Group expects that contract assets have the same risk characteristics as trade receivables. The ECL assessment of contract assets in accordance with the accounting policy set out in Note 3.7.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

## 3.14 Revenue recognition

The Group's revenue and other income recognition policies are as follows:

**Revenue from construction and service contracts**

According to the nature of the contracts, the stage of contract completion is based on that the customer is able to control goods in progress during the Group's performance, revenue on construction contracts is recognised based on the Group's efforts or input to the satisfaction of the performance obligation over time. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services. Variations in contract work are recognised as contract revenue to the extent that the modification has been approved by the parties to the contracts and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

**Services rendered**

Revenue for services rendered mainly includes technological development, engineering, consultation and supervision is recognised over time when services are rendered.

**Sales of products**

Revenue from sales of products is recognised when i) control of the products has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products; and ii) collectability of the related receivables is reasonably assured. No contract liability and right to the returned goods are recognised as insignificant amount of returns are expected based on previous experience.

# 3. Material Accounting Policy Information (Continued)

## 3.14 Revenue recognition (Continued)

### Dividend income

Dividend income is recognised when the right to receive payment is established.

### Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

## 3.15 Leases

### (a) The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

The Group also earns rental income from operating leases. Rental income is recognised on a straight-line basis over the term of the lease.

### (b) The Group as a lessee

***Definition of a lease and the Group as a lessee***

For any new contracts, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contracts contain an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, the Group elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

***Measurement and recognition of leases as a lessee***

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

# 3. Material Accounting Policy Information (Continued)

## 3.15 Leases (Continued)

### (b) The Group as a lessee (Continued)

***Measurement and recognition of leases as a lessee (Continued)***

The Group remeasures lease liabilities whenever:

- there are changes in lease term, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments changes due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

## 3.16 Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period.

# 4. Financial and Capital Risks Management

The Group works out general principles for overall risk management, including management of financial risks, as well as management policies covering specific areas. In considering the importance of risks, the Group identifies and evaluates risks at head office and individual subsidiary level and requires analysis and proper communication for the information collected periodically.

## 4.1 Financial risk management

The activities of the Group expose them to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Group.

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| **Financial assets** | | |
| ***Financial assets measured at amortised cost*** | | |
| Notes, trade and other receivables | 12,303,334 | 11,269,296 |
| Restricted cash | 492,230 | 523,778 |
| Time deposits | 14,290,100 | 13,264,563 |
| Cash and cash equivalents | 13,217,684 | 15,699,056 |
| Loans due from the ultimate holding company | 20,522,476 | 20,523,195 |
| | 60,825,824 | 61,279,888 |
| ***Financial assets measured at FVTOCI*** | | |
| FVTOCI investment | 253,482 | 253,113 |
| **Financial liabilities** | | |
| ***Financial liabilities measured at amortised cost*** | | |
| Notes, trade and other payables | 26,631,944 | 24,709,359 |
| Loans due to fellow subsidiaries | 1,092,612 | 952,650 |
| | 27,724,556 | 25,662,009 |
| **Other financial instruments** | | |
| Lease liabilities | 213,442 | 312,739 |

# 4. Financial and Capital Risks Management (Continued)

## 4.1 Financial risk management (Continued)

### (a) Market risk

***Foreign exchange risk***

The functional currency of the entities within the Group is RMB and most of the transactions are settled in RMB.

The Group carries out operations outside the PRC where transactions are usually denominated in the United States Dollars ("USD") which are translated into RMB at the prevailing exchange rates on the dates of the transactions.

The Group is exposed to currency risk primarily through transactions that are denominated in a foreign currency. The currency that gives rise to this risk is primarily in USD as at 30 June 2026 and 31 December 2025.

On the other hand, RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demands.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than RMB to which they relate.

| At 30 June 2026 | USD | Others |
|---|---|---|
| | RMB'000 | RMB'000 |
| Restricted cash, time deposits and cash and cash equivalents | 7,275,318 | 5,301,530 |
| Notes, trade and other receivables | 1,047,290 | 3,231,822 |
| Notes, trade and other payables | (956,340) | (5,066,991) |
| Loans due to fellow subsidiaries | (463,141) | – |
| Lease liabilities | (940) | (38,567) |
| Net exposure in RMB | 6,902,187 | 3,427,794 |

| At 31 December 2025 (Restated) | USD | Others |
|---|---|---|
| | RMB'000 | RMB'000 |
| Restricted cash, time deposits and cash and cash equivalents | 6,026,742 | 5,749,153 |
| Notes, trade and other receivables | 608,276 | 2,251,506 |
| Notes, trade and other payables | (536,797) | (4,693,036) |
| Loans due to fellow subsidiaries | (477,958) | – |
| Lease liabilities | (1,199) | (42,958) |
| Net exposure in RMB | 5,619,064 | 3,264,665 |

A 5% strengthening of RMB against the USD as at 30 June 2026 and 31 December 2025 would have changed the equity and net profit by the amounts shown below:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Decrease in equity and net profit | | |
| – USD | (258,832) | (210,715) |

A 5% weakening of RMB as at 30 June 2026 and 31 December 2025 would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next annual reporting period. The analysis is performed on the same basis at the relevant period.

# 4. Financial and Capital Risks Management (Continued)

## 4.1 Financial risk management (Continued)

### (a) Market risk (Continued)

***Interest rate risk***

The Group's ordinary income and operating cash flows are substantially independent of changes in market interest rates. The interests arise from the loans due from the ultimate holding company, time deposits and loans due to fellow subsidiaries are mainly based on fixed interest rate.

***Price risk***

The Group is not exposed to equity security price risk as no equity securities were held by the Group at the end of reporting period.

### (b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from restricted cash, time deposits, cash and cash equivalent, notes, trade and other receivables, contract assets and loans due from the ultimate holding company.

In order to minimise credit risk, the Group has developed and maintained the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is based on the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For financial assets measured at amortised cost and contract assets, the exposures to credit risk are monitored such that any outstanding debtors are reviewed and followed up on an ongoing basis. In the opinion of the Directors, the Group has no significant concentration of credit risk arising from its ordinary course of business due to its large customer base. The Group does not hold any collateral from its debtors.

***Impairment assessment under ECL model***

The Group's current credit risk grading framework comprises the following categories:

| Category | Description | Basis for recognising ECL |
|---|---|---|
| Performing | The counterparty has a low risk of default and does not have any past-due amounts | 12-month ECL |
| Doubtful | There has been a significant increase in credit risk since initial recognition | Lifetime ECL – not credit-impaired |
| In default | There is evidence indicating the asset is credit-impaired | Lifetime ECL – credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery | Amount is written off |

*Trade receivables and contract assets*

As set out in Note 3.7, other than those with significant outstanding balances which are assessed under individual basis, the Group assesses ECL under IFRS 9 on trade receivables and contract assets based on provision matrix, the expected loss rates are based on the payment profile for sales as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

Based on the Group's assessment of historical credit loss experience of the existing debtors and all available forward looking information, for trade receivables and contract assets, the Group used estimated loss rates based on aging for classes with different credit risk characteristics and exposures.

# 4. Financial and Capital Risks Management (Continued)

## 4.1 Financial risk management (Continued)

### (b) Credit risk (Continued)

***Impairment assessment under ECL model (Continued)***

*Other receivables*

The Group measures the loss allowance equal to 12-month ECL of other receivables. For those balances expected to have significant increase in credit risk since initial recognition, the Group apply lifetime ECL based on aging for classes with different credit risk characteristics and exposures.

*Restricted cash, time deposits and cash and cash equivalents*

Restricted cash, time deposits and cash and cash equivalents are placed at financial institutions that have sound credit ratings assigned by international credit-rating agencies and the Group considers the credit risk to be insignificant.

*Loans due from the ultimate holding company*

The 12-month ECL calculated by the Group is not significant and there has been no significant increase in credit risk since initial recognition.

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors the cash flow forecasts of the Group in meeting its liabilities.

The table below analyses the Group's non-derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Weighted average effective interest rate | Within 1 year or on demand | 1-2 years | 2-5 years | Over 5 years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **At 30 June 2026** | | | | | | | |
| **Notes, trade and other payables** | **N/A** | **26,631,944** | **–** | **–** | **–** | **26,631,944** | **26,631,944** |
| **Loans due to fellow subsidiaries – current** | **3.73%** | **739,134** | **–** | **–** | **–** | **739,134** | **712,968** |
| **Loans due to fellow subsidiaries – non-current** | **2.35%** | **–** | **–** | **395,709** | **–** | **395,709** | **379,644** |
| **Lease liabilities** | **4.75%** | **114,486** | **42,513** | **52,662** | **24,628** | **234,289** | **213,442** |
| **Total other liabilities** | | **27,485,564** | **42,513** | **448,371** | **24,628** | **28,001,076** | **27,937,998** |

| | Weighted average effective interest rate | Within 1 year or on demand | 1-2 years | 2-5 years | Over 5 years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **At 31 December 2025 (Restated)** | | | | | | | |
| **Notes, trade and other payables** | N/A | 24,709,359 | – | – | – | 24,709,359 | 24,709,359 |
| **Loans due to fellow subsidiaries – current** | 3.87% | 704,093 | – | – | – | 704,093 | 678,262 |
| **Loans due to fellow subsidiaries – non-current** | 2.42% | – | 11,636 | 275,527 | – | 287,163 | 274,388 |
| **Lease liabilities** | 4.75% | 189,112 | 46,424 | 68,956 | 30,686 | 335,178 | 312,739 |
| **Total other liabilities** | | 25,602,564 | 58,060 | 344,483 | 30,686 | 26,035,793 | 25,974,748 |

# 4. Financial and Capital Risks Management (Continued)

## 4.2 Capital risk management

The objectives of the Group when managing capital are to safeguard the ability of the Group in continuing as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors their capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debts are calculated as total other liabilities (including notes and trade payables, other payables, loans due to fellow subsidiaries and lease liabilities, as shown in the consolidated statement of financial position) less restricted cash, time deposits and cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debts less non-controlling interests.

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Total other liabilities | 27,937,998 | 25,974,748 |
| Less: Restricted cash, time deposits and cash and cash equivalents | (28,000,014) | (29,487,397) |
| Net debts | (62,016) | (3,512,649) |
| Total equity (excluding non-controlling interests) | 31,934,736 | 31,913,953 |
| Total capital | 31,872,720 | 28,401,304 |
| Gearing ratio | N/A | N/A |

## 4.3 Fair value measurement of financial instruments

### Fair value measurements

Apart from the below mentioned, the carrying amounts of the Group's financial assets and financial liabilities as re-elected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group discloses fair value measurements of financial instruments by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The financial assets measured at fair value as at 30 June 2026 and 31 December 2025 in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

| | Level 3 |
|---|---|
| | RMB'000 |
| At 30 June 2026 | |
| Financial assets measured at FVTOCI | |
| – Unlisted equity securities, at fair value | 253,482 |
| At 31 December 2025 | |
| Financial assets measured at FVTOCI | |
| – Unlisted equity securities, at fair value | 253,113 |

# 5. Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes accounting estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

## (a) Construction contracts

Revenue from individual contracts is recognised according to progress of the project. The determination of the progress of the construction service involves judgments. According to the nature of contract, the Group recognises revenue by reference to the stage of completion of the contract activity at the end of the reporting period as measured by the proportion that the actual costs incurred relative to the estimated total costs for satisfaction of the construction services. The Group has, therefore, recognised revenue on progress confirmation over the period during which the services are rendered and transferred to customers. As at 30 June 2026, the contract assets (Note 22(a)) and contract liabilities (Note 22(b)) are RMB12,750,974,000 (31 December 2025 (restated): RMB11,812,402,000) and RMB29,001,918,000 (31 December 2025 (restated): RMB31,113,281,000) respectively.

## (b) Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment (Note 16). This estimate is based on projected wear and tear incurred during the useful life of property, plant and equipment. This could change significantly as a result of technical renovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives or residual values vary with previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. As at 30 June 2026, the carrying amount of property, plant and equipment is RMB4,348,491,000 (31 December 2025 (restated): RMB4,472,813,000).

## (c) Provision for ECL of trade receivables and contract assets

The Group determines the provision for ECL on trade receivables (Note 20) and contract assets (Note 22(a)). This estimate is based on the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions. As at 30 June 2026, the provision for impairment on trade receivables and contract assets are RMB2,274,811,000 (31 December 2025 (restated): RMB2,273,913,000) and RMB548,971,000 (31 December 2025 (restated): RMB557,631,000) respectively.

## (d) Deferred income taxes

The estimates of deferred income tax assets (Note 36) require estimates over future taxable profit and corresponding applicable income tax rates of respective periods. The change in future income tax rates and timing would affect income tax expense or benefit, as well as deferred income tax balance. The realisation of deferred income tax assets also depends on the realisation of sufficient profitability (taxable profit) of the Group. Deviation of future profitability from the estimate could result in material adjustments to the carrying amount of deferred income tax assets. Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation in the periods in which such estimates are changed. As at 30 June 2026, deferred income tax assets recognised in the consolidated statement of financial position is RMB674,229,000 (31 December 2025: RMB684,649,000).

# 5. Critical Accounting Estimates and Judgements (Continued)

## (e) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for provisions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of corporate securities which have maturity approximating to the terms of the related pension liability. Other key assumptions for pension obligations are based on current market conditions. As at 30 June 2026, the net liabilities of retirement benefit plan obligations (Note 32(b)) is RMB1,468,922,000 (31 December 2025: RMB1,541,295,000).

## (f) Financial assets measured at FVTOCI

The unlisted equity investments have been valued based on the unobservable market data of the net asset value. The Group classifies the fair value of the investments as Level 3. The fair value of the unlisted equity investment as at 30 June 2026 is RMB253,482,000 (31 December 2025: RMB253,113,000). Further details are included in Note 24 to the consolidated financial statements.

# 6. Revenue

The Group's revenue is set out below:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB' 000 | RMB' 000 |
| | | (Restated) |
| Engineering, consulting and licensing | 1,891,573 | 1,856,264 |
| EPC contracting | 23,081,047 | 19,070,130 |
| Construction | 10,489,067 | 10,492,426 |
| Equipment manufacturing | 162,684 | 200,090 |
| | 35,624,371 | 31,618,910 |

# 7. Segment Information

Management has determined the operating segments based on the reports reviewed by the Senior Management that are used to make strategic decisions.

The Senior Management considers the business from a product and service perspective, which mainly includes four reportable operating segments:

(i) Engineering, consulting and licensing – providing design, consulting, research and development, feasibility studies, compliance certification services to oil refining and chemical etc industries;

(ii) EPC contracting – providing integrated engineering, procurement, construction, maintenance and project management services to oil refining and chemical etc industries;

(iii) Construction – providing infrastructure for oil refining and chemical etc industries, oil and gas storage, pipelines transportation, construction, renovation, expansion, repair and maintenance services and large equipment lifting and transportation services in construction projects; and

(iv) Equipment manufacturing – providing design, development, manufacture and sales of equipment and spare parts for facilities including oil refining and chemical facilities.

Inter-segment sales were conducted at prices no less than cost and with terms mutually agreed among those business segments. Operating expenses of a functional unit are allocated to the relevant segment which is the predominant user of the services provided by the unit. Operating expenses of other shared services which cannot be allocated to a specific segment and corporate expenses are included as unallocated costs.

Segment assets consist primarily of property, plant and equipment, rights of use assets, intangible assets, inventories, notes and trade receivables, contract assets, prepayments and other receivables, restricted cash and cash and cash equivalents. Unallocated assets comprise items such as time deposits, part of cash and cash equivalents, loans due from the ultimate holding company, deferred income tax assets and other unallocated assets.

# 7. Segment Information (Continued)

Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to property, plant and equipment (Note 16), right-of-use assets (Note 17), intangible assets (Note 18) and other non-current assets.

The segment information provided to the Senior Management for the reportable segments is as follow:

### (i) As at and for the six months ended 30 June 2026:

The segment results for the six months ended 30 June 2026 are as follows:

| | Engineering, consulting and licensing | EPC contracting | Construction | Equipment manufacturing | Unallocated | Elimination | Total |
|---|---|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Segment revenue and results** | | | | | | | |
| Revenue from external customers | 1,891,573 | 23,081,047 | 10,489,067 | 162,684 | – | – | 35,624,371 |
| Inter-segment revenue | 136,112 | – | 1,831,681 | 90,606 | – | (2,058,399) | – |
| Segment revenue | 2,027,685 | 23,081,047 | 12,320,748 | 253,290 | – | (2,058,399) | 35,624,371 |
| **Segment results** | 299,469 | 866,773 | (57,104) | 4,221 | (36,967) | – | 1,076,392 |
| Finance income | – | – | – | – | – | – | 401,320 |
| Finance expenses | – | – | – | – | – | – | (37,795) |
| Share of profit/(loss) of joint ventures | 724 | (319) | – | – | – | – | 405 |
| Profit before taxation | | | | | | | 1,440,322 |
| Income tax expense | | | | | | | (298,241) |
| Profit for the period | | | | | | | 1,142,081 |
| **Other segment items** | | | | | | | |
| Depreciation | 193,982 | 123,703 | 184,239 | 7,314 | – | – | 509,238 |
| Amortisation | 17,157 | 5,896 | 2,570 | – | – | – | 25,623 |
| Capital expenditures | | | | | | | |
| – Property, plant and equipment | 1,513 | 22,879 | 240,470 | 1,324 | 63 | – | 266,249 |
| – Right-of-use assets | 30,892 | 4,460 | 12,720 | – | – | – | 48,072 |
| – Intangible assets | – | 5,023 | 2,689 | – | – | – | 7,712 |
| Provision/(Reversal of provision) for ECL on trade and other receivables and contract assets, net | 4,863 | 20,405 | 12,675 | (1,194) | (13,896) | – | 22,853 |

The segment assets and liabilities as at 30 June 2026 are as follows:

| | Engineering, consulting and licensing | EPC contracting | Construction | Equipment manufacturing | Elimination | Total |
|---|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Assets** | | | | | | |
| Segment assets | 10,288,265 | 41,628,926 | 21,383,928 | 748,486 | (18,500,201) | 55,549,404 |
| Investment in joint ventures | 4,830 | – | 986 | – | – | 5,816 |
| Unallocated assets | | | | | | 35,464,329 |
| **Total assets** | | | | | | 91,019,549 |
| **Liabilities** | | | | | | |
| Segment liabilities | 7,725,211 | 58,221,093 | 15,673,168 | 359,581 | (22,973,646) | 59,005,407 |
| Other unallocated liabilities | | | | | | 2,005 |
| **Total liabilities** | | | | | | 59,007,412 |

# 7. Segment Information (Continued)

### (ii) For the six months ended 30 June 2025 and as at 31 December 2025:

The segment results for the six months ended 30 June 2025 are as follows:

| | Engineering, consulting and licensing | EPC contracting | Construction | Equipment manufacturing | Unallocated | Elimination | Total |
|---|---|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | | | | | | (Restated) |
| **Segment revenue and results** | | | | | | | |
| **Revenue from external customers** | 1,856,264 | 19,070,130 | 10,492,426 | 200,090 | – | – | 31,618,910 |
| **Inter-segment revenue** | 106,763 | – | 2,392,562 | 172,003 | – | (2,671,328) | – |
| **Segment revenue** | 1,963,027 | 19,070,130 | 12,884,988 | 372,093 | – | (2,671,328) | 31,618,910 |
| **Segment results** | 187,546 | 785,214 | 155,413 | 7,023 | 28,713 | – | 1,163,909 |
| **Finance income** | | | | | | | 485,178 |
| **Finance expenses** | | | | | | | (31,809) |
| **Share of loss of joint ventures** | (167) | (3,349) | – | – | – | – | (3,516) |
| **Profit before taxation** | | | | | | | 1,613,762 |
| **Income tax expense** | | | | | | | (222,805) |
| **Profit for the period** | | | | | | | 1,390,957 |
| **Other segment items** | | | | | | | |
| **Depreciation** | 167,138 | 128,700 | 203,273 | 6,175 | 4,415 | – | 509,701 |
| **Amortisation** | 14,567 | 5,298 | 2,128 | – | 388 | – | 22,381 |
| **Capital expenditures** | | | | | | | |
| **– Property, plant and equipment** | 9,608 | 8,936 | 107,857 | 76 | 1,209 | – | 127,686 |
| **– Right-of-use assets** | 71,118 | 11,397 | 2,097 | – | – | – | 84,612 |
| **– Intangible assets** | 788 | 2,809 | 1,027 | – | – | – | 4,624 |
| **Provision/(Reversal of provision) for ECL on trade and other receivables and contract assets, net** | 7,693 | (5,407) | (61,690) | (16,953) | (6,677) | – | (83,034) |

The segment assets and liabilities as at 31 December 2025 are as follows:

| | Engineering, consulting and licensing | EPC contracting | Construction | Equipment manufacturing | Elimination | Total |
|---|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | | | | | (Restated) |
| **Assets** | | | | | | |
| **Segment assets** | 13,740,678 | 44,438,355 | 19,018,626 | 753,300 | (20,976,104) | 56,974,855 |
| **Investment in joint ventures** | 4,406 | 319 | 986 | – | – | 5,711 |
| **Unallocated assets** | | | | | | 34,439,212 |
| **Total assets** | | | | | | 91,419,778 |
| **Liabilities** | | | | | | |
| **Segment liabilities** | 7,165,054 | 58,160,105 | 15,046,033 | 464,463 | (21,404,268) | 59,431,387 |
| **Other unallocated liabilities** | | | | | | 1,996 |
| **Total liabilities** | | | | | | 59,433,383 |

# 7. Segment Information (Continued)

**Analysis of information by geographical regions:**

The following table lists out the information about geographical regions. The geographical regions of the sales to external customers are based on the locations where the services are rendered or the places where the goods are delivered. The specific non-current assets include property, plant and equipment, right-of-use assets, intangible assets, investment in joint ventures, which the geographical regions are based on the places where the assets are located for property, plant and equipment and land use rights, the places where they are allocated to for intangible assets and the places where the business are conducted for joint ventures.

## Revenue

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | | (Restated) |
| **The PRC** | **21,527,225** | 24,194,167 |
| **Saudi Arabia** | **6,699,062** | 4,439,754 |
| **Singapore** | **–** | 295,109 |
| **Algeria** | **1,807,216** | 388,611 |
| **Other countries** | **5,590,868** | 2,301,269 |
| | **35,624,371** | 31,618,910 |

## Information about major customers

The customers accounted for more than 10% of the total revenue of the Group and revenue from them for the six months ended 30 June 2026 and 2025, the details are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| **Fellow subsidiary and its subsidiaries** | | |
| **– Customer group A** | **8,323,172** | 7,172,435 |

The revenue from the customers is derived from the segment of engineering, consulting and licensing, EPC contracting, construction and equipment manufacturing.

## Specified non-current assets

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | **RMB'000** | RMB'000 |
| | | (Restated) |
| **The PRC** | **5,699,066** | 6,261,188 |
| **Other countries** | **913,479** | 610,918 |
| | **6,612,545** | 6,872,106 |

# 7. Segment Information (Continued)

## Disaggregation of revenue from contracts with customer

The Group derives revenue from the transfer of goods and service at a point in time and over time in the following customers' segment for engineering, consulting and licensing, EPC contracting, construction and equipment manufacturing:

| | Engineering, consulting and licensing | EPC contracting | Construction | Equipment manufacturing | Total |
|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Timing of revenue recognition** | | | | | |
| **For the six months ended 30 June 2026** | | | | | |
| **– At a point in time** | **–** | **–** | **–** | **162,684** | **162,684** |
| **– Over time** | **1,891,573** | **23,081,047** | **10,489,067** | **–** | **35,461,687** |
| **Total revenue** | **1,891,573** | **23,081,047** | **10,489,067** | **162,684** | **35,624,371** |
| **For the six months ended 30 June 2025 (Restated)** | | | | | |
| **– At a point in time** | – | – | – | 200,090 | 200,090 |
| **– Over time** | 1,856,264 | 19,070,130 | 10,492,426 | – | 31,418,820 |
| **Total revenue** | 1,856,264 | 19,070,130 | 10,492,426 | 200,090 | 31,618,910 |
| **Contract revenue by categories** | | | | | |
| **For the six months ended 30 June 2026** | | | | | |
| **– Oil refining** | **427,778** | **4,269,145** | **1,087,395** | **–** | **5,784,318** |
| **– Petrochemicals** | **1,004,475** | **12,883,292** | **8,215,309** | **162,684** | **22,265,760** |
| **– New coal chemicals** | **141,291** | **2,775,936** | **184,604** | **–** | **3,101,831** |
| **– Storage and transportation and others** | **318,029** | **3,152,674** | **1,001,759** | **–** | **4,472,462** |
| **Total revenue** | **1,891,573** | **23,081,047** | **10,489,067** | **162,684** | **35,624,371** |
| **For the six months ended 30 June 2025 (Restated)** | | | | | |
| **– Oil refining** | 373,331 | 3,057,928 | 2,272,337 | 1,128 | 5,704,724 |
| **– Petrochemicals** | 998,487 | 12,260,544 | 6,430,688 | 198,508 | 19,888,227 |
| **– New coal chemicals** | 189,411 | 959,816 | 149,866 | – | 1,299,093 |
| **– Storage and transportation and others** | 295,035 | 2,791,842 | 1,639,535 | 454 | 4,726,866 |
| **Total revenue** | 1,856,264 | 19,070,130 | 10,492,426 | 200,090 | 31,618,910 |

# 8. Other Income – Net

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Operating lease rental income on property, plant and equipment | 54,291 | 54,141 |
| Write back of long outstanding payables | 2,472 | 8,908 |
| Government grants [1] | 30,035 | 25,821 |
| Others | (37,144) | 50,155 |
| | 49,654 | 139,025 |

Note:
(1) Government grants mainly represent financial subsidies from Talent Development Fund and job stabilisation subsidies etc.

# 9. Other Gains – Net

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| Gains on disposal of property, plant and equipment | 448 | 20,983 |

# 10. Finance Income and Finance Expenses

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Finance income | | |
| Interest income from the ultimate holding company | 153,001 | 247,574 |
| Interest income from the fellow subsidiaries | 56,275 | 41,994 |
| Bank interest income | 192,044 | 195,610 |
| | 401,320 | 485,178 |
| Finance expenses | | |
| Interest expenses to fellow subsidiaries | (17,980) | (3,470) |
| Interest expenses on retirement and other supplementary benefit obligation | (12,978) | (14,702) |
| Finance charges on lease liabilities | (5,701) | (9,645) |
| Other interest expense | (1,136) | (3,992) |
| | (37,795) | (31,809) |
| | 363,525 | 453,369 |

# 11. Profit before Taxation

Profit before taxation is arrived at after charging/(crediting):

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Depreciation and amortisation | | |
| – Property, plant and equipment | 380,873 | 380,358 |
| – Right of use assets | 128,365 | 129,343 |
| – Intangible assets | 25,623 | 22,381 |
| | 534,861 | 532,082 |
| Staff costs, including directors' and other key management personnels' emoluments (Note 15) | 3,184,601 | 2,906,101 |
| Retirement benefit plan contribution (including in the above mentioned staff costs) | 492,422 | 484,000 |
| Short term leases expenses | 442,936 | 304,233 |
| Provision/(Reversal of provision) for ECL on trade and other receivables and contract assets, net | 22,853 | (83,034) |
| Rental income from property, plant and equipment after relevant expenses | (46,676) | (44,685) |
| Cost of goods sold | 13,849,012 | 11,930,764 |
| Subcontracting costs | 12,157,212 | 10,705,036 |
| Research and development costs | 841,959 | 1,009,080 |
| Auditor's remuneration | | |
| – Audit service | 4,570 | 4,570 |
| Exchange losses/(gains), net | 79,470 | (87,101) |

# 12. Income Tax Expense

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Current tax | | |
| PRC enterprise income tax | 132,657 | 162,263 |
| Overseas enterprise income tax | 93,165 | 38,484 |
| Under/(Over) provision for income tax in prior periods | 62,049 | (1,692) |
| | 287,871 | 199,055 |
| Deferred income tax | | |
| Origination of temporary differences (Note 36) | 10,370 | 23,750 |
| Income tax expense | 298,241 | 222,805 |

# 12. Income Tax Expense (Continued)

According to the Corporate Income Tax Law of the PRC, the applicable income tax of the six months ended 30 June 2026 and 2025 is 25%.

According to the normal statutory PRC corporate income tax and relevant rules, for the six months ended 30 June 2026 and 2025, certain subsidiaries of the Company have been qualified as new high-tech enterprises which can enjoy 15% preferential tax rate in the related period, other members of the Group are subject to 25% income tax rate.

The tax of other countries is based on the nation's tax laws, where the relevant subsidiary of the Group operates in.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The difference between the actual income tax charge in the consolidated statement of profit or loss and other comprehensive income and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | | (Restated) |
| **Profit before tax** | **1,440,322** | 1,613,762 |
| **Taxation calculated at the statutory tax rate** | **360,081** | 403,441 |
| **Income tax effects of:** | | |
| **Preferential income tax treatments of certain companies** | **(156,876)** | (208,132) |
| **Difference in overseas profits tax rates** | **(27,007)** | (17,573) |
| **Non-deductible expenses** | **21,604** | 29,318 |
| **Income not subject to tax** | **(1,190)** | (3,516) |
| **Unrecognised tax losses** | **39,580** | 21,832 |
| **Utilisation of previously unrecognised tax losses** | **–** | (873) |
| **Under/(Over) provision for income tax in prior periods** | **62,049** | (1,692) |
| **Income tax expense** | **298,241** | 222,805 |
| **Effective income tax rate** | **20.7%** | 13.8% |

# 13. Earnings per Share

Basic earnings per share for each of the six months ended 30 June 2026 and 2025 is calculated based on the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | | (Restated) |
| **Profit attributable to equity holders of the Company (RMB'000)** | **1,137,149** | 1,386,836 |
| **Weighted average number of ordinary shares in issue** | **4,394,024,000** | 4,372,576,108 |
| **Basic earnings per share (RMB)** | **0.26** | 0.32 |

Diluted earnings per share is equal to basic earnings per share as there was no potential diluted shares outstanding for the reporting period.

# 14. Dividends

Dividends represented dividends declared by the Company during each of the six months ended 30 June 2026 and 2025.

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| 2025 final dividends of RMB0.104 (2024: RMB0.208) per ordinary share approved but not paid | 456,978 | 913,985 |
| Special dividends of RMB0.094 per ordinary share approved but not paid | 413,039 | – |
| | 870,017 | 913,985 |

Subsequent to the end of the current interim period, pursuant to a resolution passed at the board of Directors' meeting on August 14, 2026, the Directors authorised to declare the interim dividends for the six months ended 30 June 2026 of RMB0.127 (2025: RMB0.160) per share totalling RMB558,041,000 (2025: RMB703,066,000).

# 15. Employment Benefits

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Salaries, wages and bonuses | 1,903,623 | 1,731,782 |
| Retirement benefits[(1)] | 479,470 | 469,594 |
| Early retirement and supplemental pension benefit (Note 32 (b)) | | |
| – interest cost | 12,803 | 14,702 |
| Immediate recognition of actuarial gains/(losses) | 149 | (296) |
| Housing fund[(2)] | 237,763 | 225,524 |
| Welfare, medical and other expenses | 550,793 | 464,795 |
| | 3,184,601 | 2,906,101 |

Notes:

**(1) Retirement benefits**

The Group is required to make specific contributions to the state-managed retirement plan at a rate of 14% to 19% (2025: 14% to 19%) of the specified salaries of the PRC employees for the six months ended 30 June 2026. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

**(2) Housing fund**

In accordance with the PRC housing reform regulations, the Group is required to make contributions to the state-managed housing fund at rates of 12% of the specified salaries of the PRC employees. At the same time, the employees are required to make a contribution based on certain percentages. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances. The Group has no further obligations for housing benefits beyond the contributions made above.

# 16.Property, Plant and Equipment

| | Buildings and other facilities | Machinery, transportation equipment and other equipment | Construction-in-progress | Total |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **At 1 January 2025 (Restated)** | | | | |
| Cost | 3,972,964 | 6,599,285 | 598,808 | 11,171,057 |
| Accumulated depreciation and impairment | (2,090,533) | (4,521,918) | – | (6,612,451) |
| Net book amount | 1,882,431 | 2,077,367 | 598,808 | 4,558,606 |
| **Six months ended 30 June 2025** | | | | |
| Opening net book amount (Restated) | 1,882,431 | 2,077,367 | 598,808 | 4,558,606 |
| Transfers | 146 | 193,520 | (193,666) | – |
| Additions | – | 134 | 127,552 | 127,686 |
| Depreciation | (57,707) | (322,651) | – | (380,358) |
| Disposals | – | (2,371) | – | (2,371) |
| Closing net book amount | 1,824,870 | 1,945,999 | 532,694 | 4,303,563 |
| **At 30 June 2025 (Restated)** | | | | |
| Cost | 3,973,110 | 6,699,102 | 532,694 | 11,204,906 |
| Accumulated depreciation and impairment | (2,148,240) | (4,753,103) | – | (6,901,343) |
| Net book amount | 1,824,870 | 1,945,999 | 532,694 | 4,303,563 |
| **At 1 January 2026 (Restated)** | | | | |
| Cost | 3,743,889 | 7,052,962 | 670,449 | 11,467,300 |
| Accumulated depreciation and impairment | (1,997,817) | (4,996,670) | – | (6,994,487) |
| Net book amount | 1,746,072 | 2,056,292 | 670,449 | 4,472,813 |
| **Six months ended 30 June 2026** | | | | |
| Opening net book amount (Restated) | 1,746,072 | 2,056,292 | 670,449 | 4,472,813 |
| Transfers | 452 | 145,574 | (146,026) | – |
| Additions | – | – | 266,249 | 266,249 |
| Depreciation | (58,223) | (322,650) | – | (380,873) |
| Disposals | – | (6,108) | (3,590) | (9,698) |
| Closing net book amount | 1,688,301 | 1,873,108 | 787,082 | 4,348,491 |
| **At 30 June 2026** | | | | |
| Cost | 3,744,341 | 6,954,400 | 787,082 | 11,485,823 |
| Accumulated depreciation and impairment | (2,056,040) | (5,081,292) | – | (7,137,332) |
| Net book amount | 1,688,301 | 1,873,108 | 787,082 | 4,348,491 |

Depreciation expense recognised is analysed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| Cost of sales | 323,547 | 350,743 |
| Selling and marking expenses | 113 | 121 |
| Administrative expenses | 32,954 | 9,057 |
| Research and development costs | 24,259 | 20,437 |
| | 380,873 | 380,358 |

## 17. Right-of-use Assets

The Group leases assets including buildings and other facilities, machinery, transportation equipment and other equipment and land use right. Information about leases for which the Group is a lessee is presented below:

| | Buildings and other facilities | Machinery, transportation equipment and other equipment | Land use right | Total |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance at 1 January 2025 | 408,264 | 14,803 | 1,903,981 | 2,327,048 |
| Additions | 83,854 | 758 | – | 84,612 |
| Depreciation for the period | (99,233) | (2,867) | (27,243) | (129,343) |
| Modification | (1,373) | (4,779) | – | (6,152) |
| Balance at 30 June 2025 | 391,512 | 7,915 | 1,876,738 | 2,276,165 |
| Balance at 1 January 2026 | 303,375 | 8,196 | 1,865,283 | 2,176,854 |
| Additions | 43,959 | 4,113 | – | 48,072 |
| Depreciation for the period | (97,001) | (3,937) | (27,427) | (128,365) |
| Modification | (37,140) | – | – | (37,140) |
| Balance at 30 June 2026 | 213,193 | 8,372 | 1,837,856 | 2,059,421 |

Depreciation recognised is analysed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| Cost of sales | 61,687 | 63,189 |
| Administrative expenses | 32,585 | 32,724 |
| Research and development costs | 34,093 | 33,430 |
| | 128,365 | 129,343 |

# 18.Intangible Assets

| | Patent | Computer software | Total |
|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 |
| **At 1 January 2025** | | | |
| Cost | 509,508 | 676,922 | 1,186,430 |
| Accumulated amortisation | (482,149) | (521,728) | (1,003,877) |
| Net book amount | 27,359 | 155,194 | 182,553 |
| **Six months ended 30 June 2025** | | | |
| Opening net book amount | 27,359 | 155,194 | 182,553 |
| Additions | – | 4,624 | 4,624 |
| Amortisation | (1,481) | (20,900) | (22,381) |
| Closing net book amount | 25,878 | 138,918 | 164,796 |
| **At 30 June 2025** | | | |
| Cost | 509,508 | 681,452 | 1,190,960 |
| Accumulated amortisation | (483,630) | (542,534) | (1,026,164) |
| Net book amount | 25,878 | 138,918 | 164,796 |
| **At 1 January 2026** | | | |
| Cost | **510,349** | **754,885** | **1,265,234** |
| Accumulated amortisation | **(485,119)** | **(563,387)** | **(1,048,506)** |
| Net book amount | **25,230** | **191,498** | **216,728** |
| **Six months ended 30 June 2026** | | | |
| Opening net book amount | **25,230** | **191,498** | **216,728** |
| Additions | **–** | **7,712** | **7,712** |
| Amortisation | **(12,666)** | **(12,957)** | **(25,623)** |
| Closing net book amount | **12,564** | **186,253** | **198,817** |
| **At 30 June 2026** | | | |
| Cost | **510,349** | **762,597** | **1,272,946** |
| Accumulated amortisation | **(497,785)** | **(576,344)** | **(1,074,129)** |
| Net book amount | **12,564** | **186,253** | **198,817** |

Amortisation recognised is analysed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Cost of sales | **7,389** | 6,982 |
| Administrative expenses | **14,422** | 12,180 |
| Research and development costs | **3,812** | 3,219 |
| | **25,623** | 22,381 |

# 19. Investment in Joint Ventures

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| Beginning of the period | 5,711 | 23,651 |
| Share of total comprehensive income | 405 | (3,516) |
| Dividend received from joint venture | (300) | – |
| End of the period | 5,816 | 20,135 |

The Group's joint ventures, are unlisted and established in a form of limited company, are as follows:

| Name | Establishment/ Place of incorporation | Registered and fully paid capital | Interest held by the Group | Principal activities and place of operations |
|---|---|---|---|---|
| Hainan Great Wall Machinery Engineering Co., Ltd. (海南長城機械工程有限公司)[1] | The PRC | RMB3,000,000 (2025: RMB3,000,000) | 50% (2025: 50%) | Technical development, sales of equipment/ The PRC |
| Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Contracting Company (卡塔尼 — 上海工程(沙特)工程設計與建築公司)[2] | Saudi Arabia | SAR10,000,000 (2025: SAR10,000,000) | 49% (2025: 49%) | Providing EPC contracting/Saudi Arabia |
| NAMPEC Transportation and Engineering Co., Ltd. (南榮石化運輸工有限公司) | Thailand | THB49,000,000 (2025: THB49,000,000) | 49% (2025: 49%) | Transportation/Thailand |

The above joint ventures are accounted for by using the equity method.

Set out below are the summarised financial information for the joint ventures which are accounted for using the equity accounting method and significant to the Group.

**(1) Hainan Great Wall Machinery Engineering Co., Ltd.**

The aggregated assets and liabilities of Hainan Great Wall Machinery Engineering Co., Ltd., are as follows:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Current assets | 18,993 | 28,738 |
| Non-current assets | 492 | 573 |
| Total assets | 19,485 | 29,311 |
| Current liabilities | 9,826 | 20,499 |
| Total liabilities | 9,826 | 20,499 |
| Equity | 9,659 | 8,812 |
| Share of equity by the Group (50%) (2025: 50%) | 4,830 | 4,406 |

The Group's share of the results of Hainan Great Wall Machinery Engineering Co. Ltd. are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| Revenue | 12,708 | – |
| Profit/(Loss) and total comprehensive income for the period | 1,447 | (333) |
| Share of total comprehensive expense (50%) (2025:50%) | 724 | (167) |
| Dividend received by the Group | 300 | – |

# 19. Investment in Joint Ventures (Continued)

**(2) Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Contracting Company**

Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Contracting Company was incorporated in 2024.

The aggregated assets and liabilities of Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Contracting Company, are as follows:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Current assets | 13,051 | 18,393 |
| Non-current assets | 11,575 | 12,385 |
| Total assets | 24,626 | 30,778 |
| Current liabilities | 388 | – |
| Non-current liabilities | 29,382 | 30,207 |
| Total liabilities | 29,770 | 30,207 |
| Equity | (5,144) | 571 |
| Share of equity by the Group (49%) (2025: 49%) | (2,521) | 279 |

The Group's share of the results of Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Contracting Company are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| Revenue | – | – |
| Loss and total comprehensive expense for the period | (5,715) | (6,835) |
| Share of total comprehensive income (49%) (2025:49%) | (2,800) | (3,349) |

There are no material contingent liabilities and commitments relating to the Group's interests in the joint ventures and no material contingent liabilities and commitments of the joint ventures themselves.

# 20. Notes and Trade Receivables

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Trade receivables | | |
| Fellow subsidiaries | 1,541,687 | 2,096,489 |
| Joint ventures of fellow subsidiaries | 187,832 | 224,763 |
| Associates of fellow subsidiaries | 317,014 | 247,268 |
| Joint ventures | 3,386 | 3,386 |
| Third parties | 9,136,564 | 7,318,333 |
| | 11,186,483 | 9,890,239 |
| Less: ECL allowance for impairment | (2,274,811) | (2,273,913) |
| Trade receivables – net | 8,911,672 | 7,616,326 |
| Notes receivables | 564,079 | 567,262 |
| Notes and trade receivables – net | 9,475,751 | 8,183,588 |

The carrying amounts of the Group's notes and trade receivables as at 30 June 2026 and 31 December 2025 approximate their fair values.

All notes receivable of the Group are bank's acceptance bills and commercial's acceptance bills and usually collected within six months from the date of issue.

The Group usually provides customers with a credit period between 15 and 180 days. For the settlement of trade receivables from provision of services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management. The Group does not hold any collateral as security.

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

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Within 1 year | 8,917,436 | 7,649,982 |
| Between 1 and 2 years | 315,416 | 267,758 |
| Between 2 and 3 years | 116,851 | 126,520 |
| Between 3 and 4 years | 77,682 | 83,495 |
| Between 4 and 5 years | 23,586 | 25,525 |
| Over 5 years | 24,780 | 30,308 |
| | 9,475,751 | 8,183,588 |

# 20. Notes and Trade Receivables (Continued)

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

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | | (Restated) |
| At the beginning of the period | 2,273,913 | 2,309,841 |
| ECL allowance | 81,856 | 57,280 |
| Receivables written off as uncollectible | (21) | – |
| Reversal | (80,937) | (136,174) |
| At the end of the period | 2,274,811 | 2,230,947 |

During the Period, the Group has performed an individual assessment on those trade debtors with significant outstanding balances, some trade receivables has provided full ECL allowance in light of the severe financial difficulty and long default payment record, this led to a significant change in the ECL allowance on trade receivables.

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

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| RMB | 6,877,295 | 7,099,704 |
| USD | 981,264 | 451,900 |
| SAR | 841,337 | 366,983 |
| KWD | 41,573 | 42,896 |
| Others | 734,282 | 222,105 |
| | 9,475,751 | 8,183,588 |

# 21. Prepayments and Other Receivables

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| **Prepayments** | | |
| Prepayments to fellow subsidiaries | 303,703 | 645,684 |
| Prepayments to joint ventures of fellow subsidiaries | 3,152 | 54 |
| Prepayments to associates of fellow subsidiaries | 6,947 | 4,965 |
| Prepayments to joint ventures | – | 8,616 |
| Prepayments for construction services | 1,529,771 | 1,636,218 |
| Prepayments for materials and equipment | 5,145,839 | 5,742,415 |
| Prepayments for labour costs | 256,274 | 266,567 |
| Prepayments for rent | 11,502 | 16,231 |
| Others | 344,343 | 243,597 |
| | 7,601,531 | 8,564,347 |
| **Other receivables** | | |
| Amounts due from fellow subsidiaries(1) | 126,116 | 277,101 |
| Amounts due from joint ventures of fellow subsidiaries(1) | 150,766 | 147,045 |
| Amounts due from associates of fellow subsidiaries(1) | 327,256 | 306,433 |
| Interests receivable | 119,694 | 133,055 |
| Petty cash funds | 2,019 | 1,286 |
| Other guarantee deposits and deposits | 253,186 | 142,611 |
| Payment in advance on construction project | 1,639,830 | 1,846,258 |
| Maintenance funds | 59,615 | 64,866 |
| Prepaid and value-added tax credit | 1,199,593 | 917,072 |
| Prepaid income tax | 655,203 | 652,888 |
| Others | 267,977 | 268,000 |
| | 4,801,255 | 4,756,615 |
| Less: ECL allowance for impairment | (118,876) | (100,946) |
| Prepayments and other receivables – net | 12,283,910 | 13,220,016 |

(1) The amounts due from related parties are unsecured, interest free and repayable on demand.

The carrying amounts of the Group's prepayments and other receivables as at 30 June 2026 and 31 December 2025 approximate their fair values.

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

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | | (Restated) |
| At the beginning of the period | 100,946 | 120,497 |
| ECL allowance | 23,198 | 8,935 |
| Reversal | (5,268) | (25,824) |
| At the end of the period | 118,876 | 103,608 |

# 22. Contract Assets and Contract Liabilities

## (a) Contract assets

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's construction contracts include payment schedules which require progress payments over the construction period once certain specified milestones are reached. The Group requires customers to pay deposits, normally 10% of total contract sum, as part of its credit risk management policies. While progress billings in excess of revenue recognised based on performance progress is presented as contract liabilities. The Group also agrees to have 1 to 3 years retention period for, normally 5% of the contract value. This amount is included in contract assets until the end of retention period as the Group's entitlement to this final payment is conditional on the Group's satisfactory work.

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Contract assets arising from construction contracts, net of ECL provision | 12,750,974 | 11,812,402 |

The movements of ECL allowance on contract assets are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| At the beginning of the period | 557,631 | 548,208 |
| ECL allowance | 16,387 | 32,532 |
| Reversal | (25,047) | (18,272) |
| At the end of the period | 548,971 | 562,468 |

## (b) Contract liabilities

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Contract liabilities arising from construction contracts | 29,001,918 | 31,113,281 |

Note:
When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract until the revenue recognised on the project exceeds the amount of the deposit.

Unsatisfied performance obligation:

The Group has signed construction contracts with a number of clients to provide construction services for a certain period of time in the future. These contracts normally constitute a single performance obligation as a whole. As at 30 June 2026, part of the construction projects of the Group was still in the process, and the total transaction price apportioned to the unsatisfied performance obligation was RMB220,137,151,000 (31 December 2025: RMB203,850,350,000), typically around five to eight years from the date of deposits received, the amount of which was related to the progress of the performance of each construction contract and will be recognised as revenue in accordance with the percentage of work performed in the future.

# 23. Inventories

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Construction materials | 261,006 | 213,413 |
| Turnover materials | 211,979 | 197,043 |
| Goods in transit | 1,032 | 705 |
| | 474,017 | 411,161 |
| Provision for impairment on inventories | (27,849) | (27,849) |
| Inventories, net | 446,168 | 383,312 |

For the six months ended 30 June 2026 and 2025, the cost of inventories recognised as expense and included in cost of sales amounted to RMB13,849,012,000 and RMB11,930,764,000 respectively.

# 24.Financial Assets Measured at Fair Value through Other Comprehensive Income

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Unlisted equity shares | 253,482 | 253,113 |

Financial assets measured at FVTOCI is analysed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| Beginning of financial period | 253,113 | 254,123 |
| Fair value gain | 369 | 480 |
| End of financial period | 253,482 | 254,603 |

These financial assets measured at FVTOCI are mainly invested in Sinopec Carbon Industry Technology Co., Ltd.. It classified as non-current as the management expects to realise these financial assets beyond 12 months after the reporting period.

The financial asset measured at FVTOCI is classified as Level 3 of the fair value hierarchy, based on the unobservable inputs of the net asset value. The lower the net asset value, the lower the fair value.

# 25. Loans due from the Ultimate Holding Company

Loans due from the ultimate holding company are unsecured, repayable within one year and interest bearings as follows:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| Loans due from the ultimate holding company | 1.50% to 7.00% | 1.50% to 7.00% |

# 26. Restricted Cash

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| **Restricted cash** | | |
| – RMB | 466,599 | 523,778 |
| – EUR | 25,631 | – |
| | 492,230 | 523,778 |

Restricted cash mainly represented bank deposits for guarantees and deposit for migrant workers' salaries.

As at 30 June 2026 and 31 December 2025, the weighted average effective interest rates per annum on restricted cash with maturities ranging from one to twelve months was determined in accordance with the interest rate per annum of bank current account.

The maximum exposure to credit risk approximates to carrying amounts of the Group's restricted cash at the end of the respective reporting periods.

# 27. Time Deposits

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| **Time deposits with maturity over three months:** | | |
| **Time deposits in banks** | 12,150,775 | 11,010,341 |
| **Time deposits in fellow subsidiaries** | 2,139,325 | 2,254,222 |
| | 14,290,100 | 13,264,563 |

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| **Denominated in:** | | |
| – RMB | 10,976,000 | 11,609,780 |
| – USD | 3,044,679 | 1,335,886 |
| – MYR | 269,421 | 258,058 |
| – EUR | – | 60,839 |
| | 14,290,100 | 13,264,563 |

The fellow subsidiaries are Sinopec Finance Co., Ltd. and Sinopec Century Bright Capital Investment Limited.

The effective interest rates per annum on time deposits, with maturities of three months to three years (31 December 2025: three months to three years), are approximately 1.00% to 3.78% as at 30 June 2026 (31 December 2025: 1.10% to 4.17%).

The maximum exposure to credit risk approximates to carrying amounts of the Group's time deposits at the end of the respective reporting periods.

# 28. Cash and Cash Equivalents

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Cash at bank and in hand | | |
| – time deposits with maturity within three months | 2,242,364 | 4,449,760 |
| – bank balances | 6,796,595 | 6,374,620 |
| | 9,038,959 | 10,824,380 |
| Deposits in fellow subsidiaries | | |
| – time deposits with maturity within three months | 1,712,501 | 2,770,519 |
| – bank balances | 2,466,224 | 2,104,157 |
| | 4,178,725 | 4,874,676 |
| | 13,217,684 | 15,699,056 |

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Denominated in: | | |
| – RMB | 3,980,567 | 5,577,944 |
| – USD | 4,230,639 | 4,690,856 |
| – SAR | 1,028,270 | 1,206,786 |
| – EUR | 2,176,059 | 2,788,738 |
| – KWD | 13,484 | 12,048 |
| – THB | 16,315 | 39,639 |
| – MYR | 44,476 | 63,561 |
| – Others | 1,727,874 | 1,319,484 |
| | 13,217,684 | 15,699,056 |

The fellow subsidiaries are Sinopec Finance Co., Ltd. and Sinopec Century Bright Capital Investment Limited.

As at 30 June 2026 and 31 December 2025, the weighted average effective interest rates per annum on cash at bank are determined in accordance with the interest rate per annum of bank current account.

The effective interest rates per annum on fellow subsidiaries deposits less than three months, with maturities of seven days to three months (31 December 2025: seven days to three months), are approximately 0.98% to 3.63% as at 30 June 2026 (31 December 2025: 1.05% to 4.40%).

The effective interest rates per annum on bank deposits less than three months, with maturities of seven days to three months (2025: seven days to three months), are approximately 0.19% to 15.00% as at 30 June 2026 (2025: 0.18% to 18.00%).

The maximum exposure to credit risk approximates the carrying amounts of cash and cash equivalents at the end of the respective reporting periods.

# 29. Share Capital

| | As at 30 June 2026 | | As at 31 December 2025 | |
|---|---|---|---|---|
| | Number of shares | Share capital | Number of shares | Share capital |
| | | RMB'000 | | RMB'000 |
| **Registered, issued and fully paid** | | | | |
| – Domestic shares of RMB1.00 each[1] | 2,747,220,000 | 2,747,220 | 2,967,200,000 | 2,967,200 |
| – H Shares of RMB1.00 each | 1,646,804,000 | 1,646,804 | 1,426,824,000 | 1,426,824 |
| | 4,394,024,000 | 4,394,024 | 4,394,024,000 | 4,394,024 |

(1) The 2,747,220,000 domestic shares comprise as follows:
(a) 2,687,876,000 shares are held by Sinopec Group; and
(b) 59,344,000 shares are held by SAMC (a fellow subsidiary).

Where the Company had repurchased the Company's listed securities, the information should be disclosed. None of the Company and the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

Pursuant to the announcement dated 12 February 2026, the Company was granted an approval in relation to the listing of and permission to deal in the H Shares converted from 219,980,000 Domestic Shares.

# 30. Reserves

## (i) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, it is required to appropriate 10% of its net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of PRC, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such a reserve reaches 50% of the respective companies registered capital, any further appropriation is optional. The reserve must be made before distribution of dividends to shareholders.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of registered capital. The statutory surplus reserve is non-distributable.

## (ii) Capital reserve

Capital reserve arising from event-driven revaluation represented reserve recognised due to the revaluation arising from the Reorganisation, being the excess of fair value over carrying value net of the deferred income tax liabilities. Apart from the above mentioned event-driven revaluation, capital reserve included transactions with holding company such as assets transferred from/ to Sinopec Group and also the share premium account.

## (iii) Specific reserve

Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC, the Group is required to set aside an amount to a safety fund for its engineering and construction contracting business. The fund can be used for improvements of safety at the worksite and is not available for distribution to shareholders. Upon incurring qualifying safety expenditures, an equivalent amount is transferred from safety fund to retained earnings.

## (iv) Exchange translation reserve

Exchange translation reserve represents exchange differences arising on the translation of financial statements of foreign operations and is treated according to accounting policies Note 3.4.

## (v) Merger reserve

The merger reserve of the Group represents the difference between the nominal value of the aggregate share capital of subsidiaries acquired pursuant to the business combinations under common control completed in prior year over the nominal value of the share capital of the Company issued in exchange.

# 31. Lease Liabilities

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Total minimum lease payments: | | |
| Due within one year | 114,486 | 189,112 |
| Due in the second to fifth years | 95,175 | 115,380 |
| Due after the fifth year | 24,628 | 30,686 |
| | 234,289 | 335,178 |
| Future finance charges on leases liabilities | (20,847) | (22,439) |
| Present value of leases liabilities | 213,442 | 312,739 |
| Present value of minimum lease payments: | | |
| Due within one year | 111,205 | 183,831 |
| Due in the second to fifth years | 83,696 | 102,535 |
| Due after the fifth year | 18,541 | 26,373 |
| | 213,442 | 312,739 |
| Less: | | |
| Portion due within one year included under current liabilities | (111,205) | (183,831) |
| Portion due after one year included under non-current liabilities | 102,237 | 128,908 |

During the six months ended 30 June 2026, the Group entered into a number of lease agreements for usage of residential properties, office and equipment for 1 to 20 years (31 December 2025: 1 to 10 years). On lease commencement, the Group recognised right-of-use assets and lease liabilities amounting to RMB48,072,000 (six months ended 30 June 2025: RMB84,612,000).

During the six months ended 30 June 2026, the total cash outflows for the leases are RMB468,215,000 (six months ended 30 June 2025: RMB366,344,000).

## Details of the lease activities

As at 30 June 2026, the Group has entered into leases for office and staff quarter.

| Types of right-of-use assets | Financial statements items of right-of-use assets included in | Number of leases | Range of remaining lease term |
|---|---|---|---|
| Office and staff quarter | Building and other facilities | 132<br>(2025: 140) | 1 to 20 years<br>(2025: 1 to 10 years) |
| Land use rights in PRC | Land use rights | 129<br>(2025: 131) | 18 to 57 years<br>(2025: 18 to 57 years) |

The Group considered that no extension option or termination option would be exercised at the lease commencement date.

# 32. Retirement and Other Supplemental Benefit Obligations

## (a) State-managed retirement plan

For the six months ended 30 June 2026, the Chinese employees of the Group participate in employee social security plans organised and administrated by the PRC government authority. The PRC companies are required to contribute from 14% to 19%, (2025: 14% to 19%) depending on the applicable legal regulations, of salaries, wages and bonuses to the state-managed retirement plans. The obligation of these PRC companies with respect to the state-managed retirement plans is to make the specified contributions (Note 15(1)).

The total costs charged to the consolidated statement of profit or loss and other comprehensive income during the six months ended 30 June 2026 and 2025 are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| **Contributions to state-managed retirement plan** | **479,470** | 469,594 |

## (b) Group employee retirement benefit plans

The Group has implemented a retirement benefit plan to employees in the PRC who were retired or approved to participate in early retirement in subsequent years on or before 30 June 2012. Such supplementary pension subsidies are considered to be defined benefit plans as the Group is obligated to provide post-employment benefits to these employees.

According to the plans, such employees after retirement can enjoy retirement pension, welfare allowance, part of medical expenses claim, living expenses and insurance and housing fund and other benefits. The employees' lifetime is guaranteed by the plans.

The exposure to actuarial risks of the Group's retirement benefit plans include: discount rate risk and benefit growth rate risk.

The Group is not obligated to provide post-employment benefits to incumbent employees.

The most recent actuarial valuation as at 30 June 2026 was performed by an independent qualified actuarial firm: Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch. The present value, related current service cost and past service cost of the Group's retirement benefit plan obligation are prepared by qualified actuary using the projected unit credit actuarial cost method.

### (i) Discount rates adopted (per annum):

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| **Retirement with honours benefit plan** | **1.25%** | 1.50% |
| **Retirement benefit plan** | **1.75%** | 1.75% |
| **Early retirement benefit plan** | **1.25%** | 1.50% |

### (ii) Benefit growth rates (per annum):

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| **Retirement with honours benefit plan** | **0.80%** | 0.80% |
| **Retirement benefit plan** | **1.70%** | 1.70% |
| **Early retirement benefit plan** | **0.80%** | 0.80% |

# 32. Retirement and Other Supplemental Benefit Obligations (Continued)

## (b) Group employee retirement benefit plans (Continued)

### (iii) Duration:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| Retirement with honours benefit plan | 4.0 years | 4.0 years |
| Retirement benefit plan | 12.0 years | 12.0 years |
| Early retirement benefit plan | 3.0 years | 4.0 years |

The below sensitivity analysis details how the Group's retirement benefit plan obligation as at the reporting date would have increased/(decreased) as a result of 0.25% reasonably possible increase or decrease assessed by management in each of the significant actuarial assumptions:

| | As at 30 June 2026 Increase/(decrease) in retirement benefit plan obligation | | As at 31 December 2025 Increase/(decrease) in retirement benefit plan obligation | |
|---|---|---|---|---|
| | Increase in assumption | Decrease in assumption | Increase in assumption | Decrease in assumption |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Discount rates | (30,595) | 31,789 | (31,950) | 33,195 |
| Benefit growth rates | 27,223 | (29,290) | 28,424 | (30,580) |

The above sensitivity analysis is based on a change in an actuarial assumption while holding all other actuarial assumptions constant. Also, it is based on the assumption that changes in actuarial assumptions are not correlated.

### (iv) Mortality: Average life expectancy of residents in the PRC.

### (v) Benefit costs paid to the retirees are assumed to continue until the death of the retirees.

# 32. Retirement and Other Supplemental Benefit Obligations (Continued)

## (b) Group employee retirement benefit plans (Continued)

The total costs of retirement benefit plans in the consolidated statement of profit or loss and other comprehensive income are as follows:

| | Retirement with honours benefit plan | Retirement benefit plan | Early retirement benefit plan | Total |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **For the six months ended 30 June 2025** | | | | |
| **Service cost:** | | | | |
| **Net interest expenses** | 87 | 14,360 | 255 | 14,702 |
| **Immediate recognition of actuarial losses** | – | – | (296) | (296) |
| **Benefit cost recognised in profit or loss** | 87 | 14,360 | (41) | 14,406 |
| **Revaluation of net benefit obligation liabilities** | | | | |
| **Actuarial revaluation of economic assumptions change** | (6) | – | – | (6) |
| **Actuarial revaluation of other assumptions change** | (111) | (65) | – | (176) |
| **Benefit cost recognised in other comprehensive income** | (117) | (65) | – | (182) |
| **Total benefit cost recognised in the consolidated statement of profit or loss and other comprehensive income** | (30) | 14,295 | (41) | 14,224 |
| **For the six months ended 30 June 2026** | | | | |
| **Service cost:** | | | | |
| **Net interest expenses** | **88** | **12,429** | **286** | **12,803** |
| **Immediate recognition of actuarial losses** | **–** | **–** | **149** | **149** |
| **Benefit cost recognised in profit or loss** | **88** | **12,429** | **435** | **12,952** |
| **Revaluation of net benefit obligation liabilities** | | | | |
| **Actuarial revaluation of economic assumptions change** | **89** | **–** | **–** | **89** |
| **Actuarial revaluation of other assumptions change** | **(7)** | **(97)** | **–** | **(104)** |
| **Benefit cost recognised in other comprehensive income** | **82** | **(97)** | **–** | **(15)** |
| **Total benefit cost recognised in the consolidated statement of profit or loss and other comprehensive income** | **170** | **12,332** | **435** | **12,937** |

The Group's benefit plans do not include incumbent employees. No current service cost of each benefit plan incurred during each financial period. Meanwhile, the Group's benefit plans do not provide reserve of plan assets, therefore, there is no reserve of earnings from plan assets during each financial year.

Service cost and net interest expenses are recognised in employment benefits, part of the administrative expenses and finance expenses of the consolidated statement of profit or loss and other comprehensive income. Revaluation of net liabilities of benefit obligation is recognised as other comprehensive income in the consolidated statement of profit or loss and other comprehensive income.

As at the end of each reporting period, no assets reserve is under the Group's benefit plans. The net liabilities of retirement benefit plan obligations are recognised in the consolidated statement of financial position as follows:

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | **RMB'000** | RMB'000 |
| **Net liabilities of retirement benefit plan obligation** | **1,468,922** | 1,541,295 |

# 32. Retirement and Other Supplemental Benefit Obligations (Continued)

## (b) Group employee retirement benefit plans (Continued)

The movement of retirement benefit plan obligation as follows:

| | Retirement with honours benefit plan | Retirement benefit plan | Early retirement benefit plan | Total |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2025 | 15,620 | 1,706,250 | 60,164 | 1,782,034 |
| Net interest expenses | 87 | 14,360 | 255 | 14,702 |
| Immediate recognition of actuarial losses | – | – | (296) | (296) |
| Revaluation gain/(loss): | | | | |
| Actuarial revaluation of economic assumptions change | (6) | – | – | (6) |
| Actuarial revaluation of other assumptions change | (111) | (65) | – | (176) |
| Direct benefit paid by the Group | (2,711) | (72,499) | (12,564) | (87,774) |
| At 30 June 2025 | 12,879 | 1,648,046 | 47,559 | 1,708,484 |
| At 1 January 2026 | **13,202** | **1,482,311** | **45,782** | **1,541,295** |
| Net interest expenses | **88** | **12,429** | **286** | **12,803** |
| Immediate recognition of actuarial losses | **–** | **–** | **149** | **149** |
| Revaluation gain/(loss): | | | | |
| Actuarial revaluation of economic assumptions change | **89** | **–** | **–** | **89** |
| Actuarial revaluation of other assumptions change | **(7)** | **(97)** | **–** | **(104)** |
| Direct benefit paid by the Group | **(2,452)** | **(72,936)** | **(9,922)** | **(85,310)** |
| At 30 June 2026 | **10,920** | **1,421,707** | **36,295** | **1,468,922** |

The Group has no reserve of retirement benefit plan assets, no capital injection of retirement benefit plan assets is established and no future contribution is arranged.

# 33. Notes and Trade Payables

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Trade payables | | |
| – Fellow subsidiaries | **230,009** | 79,564 |
| – Associates of fellow subsidiaries | **18,173** | 2,397 |
| – Joint ventures of fellow subsidiaries | **3,261** | 14 |
| – Joint ventures | **947** | 947 |
| – Third parties | **22,977,927** | 21,794,548 |
| | **23,230,317** | 21,877,470 |
| Notes payables | **523,601** | 568,560 |
| Notes and trade payables | **23,753,918** | 22,446,030 |

The carrying amounts of the Group's notes and trade payables as at 30 June 2026 and 31 December 2025 approximate their fair values.

# 33. Notes and Trade Payables (Continued)

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

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Within 1 year | 23,753,140 | 22,445,252 |
| Over 3 years | 778 | 778 |
| | 23,753,918 | 22,446,030 |

The carrying amounts of notes and trade payables are denominated in the following currencies:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| RMB | 18,748,440 | 18,265,390 |
| USD | 641,501 | 217,243 |
| SAR | 2,785,203 | 2,454,280 |
| KWD | 37,621 | 39,847 |
| MYR | 10,412 | 12,772 |
| AED | 134,721 | 25,516 |
| THB | 6,220 | 32,826 |
| Others | 1,389,800 | 1,398,156 |
| | 23,753,918 | 22,446,030 |

# 34. Other Payables

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| | | (Restated) |
| Salaries payables | 166,635 | 188,080 |
| Dividend payable | 843,494 | 1,121 |
| Other taxation payables | 237,646 | 413,859 |
| Deposits and guarantee deposits payables | 169,532 | 181,259 |
| Advanced payables | 1,055,261 | 1,081,798 |
| Rent, property management and maintenance payables | 65,650 | 70,545 |
| Contracts payables | 154,372 | 280,690 |
| Amounts due to fellow subsidiaries(1) | 208,210 | 264,774 |
| Amounts due to associates of fellow subsidiaries(1) | 4,065 | 3,164 |
| Interest payables | 1,717 | 1,774 |
| Others | 209,090 | 190,124 |
| Total other payables | 3,115,672 | 2,677,188 |

Note:

(1) Amounts due to related parties are unsecured, interest free and repayable on demand.

The carrying amounts of the Group's other payables as at 30 June 2026 and 31 December 2025 approximate their fair values.

# 35. Loans Due to Fellow Subsidiaries

Loans due to fellow subsidiaries are unsecured. Current portion is repayable within one year and non-current portion is repayable within three years and interest bearing at 1.75% to 4.57% (31 December 2025: 2.11% to 4.57%) per annum. The fellow subsidiaries are Sinopec Century Bright Capital Investment Limited and Sinopec Finance Co., Ltd.

# 36. Deferred Income Tax

Deferred income tax assets recognised:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Deferred income tax assets | 674,229 | 684,649 |

Deferred income tax liabilities recognised:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Deferred income tax liabilities | 2,005 | 1,996 |

The gross movement on the deferred income tax account is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| At the beginning of the period | 682,653 | 700,311 |
| Tax charged to other comprehensive income for the period | (59) | (99) |
| Tax charged to profit or loss for the period (Note 12) | (10,370) | (23,750) |
| At the end of the period | 672,224 | 676,462 |

The movement in deferred income tax assets and liabilities during the six months ended 30 June 2026 and 2025 is as follows:

## Deferred income tax assets/liabilities

| | Provision for retirement and other supplemental benefit obligation | Provision for impairment on assets | Others | Total |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2025 | 269,409 | 426,088 | 4,814 | 700,311 |
| Credited/(Charged) to profit or loss | (11,020) | (13,531) | 801 | (23,750) |
| Tax charged to other comprehensive income for the period | (27) | – | (72) | (99) |
| At 30 June 2025 | 258,362 | 412,557 | 5,543 | 676,462 |
| At 1 January 2026 | 243,702 | 431,831 | 7,120 | 682,653 |
| Credited/(Charged) to profit or loss | (11,684) | 407 | 907 | (10,370) |
| Tax charged to other comprehensive income for the period | (4) | – | (55) | (59) |
| At 30 June 2026 | 232,014 | 432,238 | 7,972 | 672,224 |

# 36. Deferred Income Tax (Continued)

## Deferred income tax assets not recognised

Deferred income tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related income tax benefits through the future taxable profits is probable. In accordance with the PRC tax law applicable to those companies in their respective jurisdictions, tax losses may be carried forward against future taxable income. Deferred income tax assets not recognised in the Group is as follows:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Tax losses for which no deferred income tax asset was recognised | 805,488 | 1,487,363 |

No deferred income tax asset has been recognised due to the unpredictability of future profit streams. The unrecognized tax losses with expiry dates and would be expired in five years.

# 37. Commitments

## (a) Capital commitments

Capital commitments for the purchase of property, plant and equipment and acquisition of equity interest of an entity outstanding as at 30 June 2026 and 31 December 2025 not provided for in the consolidated financial statements are as follows:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Contracted but not provided for | | |
| – Property, plant and equipment | 145,826 | 161,486 |
| – Equity interest of an entity | – | 191,204 |
| | 145,826 | 352,690 |

## (b) Operating leasing commitments

At the reporting date, the lease commitments for short-term leases are as follows:

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Less than 1 year | 43,254 | 48,692 |

As at 30 June 2026 and 31 December 2025, the Group leases a number of residential properties, offices and equipment with a lease period of 6 to 12 months, which are qualified to be accounted for under short-term lease exemption under IFRS 16.

# 38. Cash (Used in)/Generated from Operations

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | | (Restated) |
| **Profit before taxation** | **1,440,322** | 1,613,762 |
| **Adjustments for:** | | |
| **Provision/(Reversal of provision) for ECL on trade and other receivables and contract assets, net** | **22,853** | (83,034) |
| **Depreciation of property, plant and equipment** | **380,873** | 380,358 |
| **Depreciation of right-of-use assets** | **128,365** | 129,343 |
| **Amortisation of intangible assets** | **25,623** | 22,381 |
| **Gains on disposal of property, plant and equipment** | **(448)** | (20,983) |
| **Interest income** | **(401,320)** | (485,178) |
| **Interest expense** | **37,795** | 31,809 |
| **Exchange losses/(gains), net** | **79,470** | (87,101) |
| **Share of (profit)/loss of joint ventures** | **(405)** | 3,516 |
| **Dividend income from financial assets measured at FVTOCI** | **(381)** | – |
| **Cash flows from operating activities before changes in working capital** | **1,712,747** | 1,504,873 |
| **Changes in working capital:** | | |
| Inventories | **(62,855)** | (66,488) |
| Contract assets | **(942,108)** | (2,612,800) |
| Contract liabilities | **(2,111,363)** | 3,962,815 |
| Notes, trade and other receivables | **(395,601)** | (532,063) |
| Notes, trade and other payables | **866,411** | 935,998 |
| Restricted cash | **31,548** | (89,718) |
| **Cash (used in)/generated from operations** | **(901,221)** | 3,102,617 |

# 39.Business Combinations under Common Control

On 23 December 2025, SNEI, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Pipeline Storage and Transportation Asset, pursuant to which, SNEI agreed to acquire the 100% equity interests in East China Pipeline Design and Research Institute ("East China Pipeline") held by Pipeline Storage and Transportation Asset and the consideration for the acquisition was RMB191,204,309.07. The transaction of acquisition was completed on 1 January 2026.

The ultimate parent of the Company and Pipeline Storage and Transportation Asset is China Petrochemical Corporation ("Sinopec Group") and the aforesaid transactions are regarded as business combinations under common control.

The Group adopts merger accounting for common control combinations in respect of the acquisition of East China Pipeline during the six months ended 30 June 2026.

No significant adjustments were made to the net assets and net results of the above entities as a result of the common control combination to achieve consistency of accounting policies.

Statements of adjustments for business combinations under common control occurred during the six months ended 30 June 2026 on the Group's financial position as at 30 June 2026, 31 December 2025 and 1 January 2025 and the results for the six months ended 30 June 2026 and 2025 are summarised as follows:

| | The Group excluding East China Pipeline | East China Pipeline | Adjustments | The Group including East China Pipeline |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Period ended 30 June 2026** | | | | |
| Revenue | 35,574,312 | 50,059 | – | 35,624,371 |
| Profit before taxation | 1,434,869 | 5,453 | – | 1,440,322 |
| Income tax expense | (297,809) | (432) | – | (298,241) |
| Profit for the period | 1,137,060 | 5,021 | – | 1,142,081 |
| **As at 30 June 2026** | | | | |
| Non-current assets | 7,710,768 | 1,441 | (171,953) | 7,540,256 |
| Current assets | 83,258,181 | 221,112 | – | 83,479,293 |
| Total assets | 90,968,949 | 222,553 | (171,953) | 91,019,549 |
| Current liabilities | (57,009,025) | (45,579) | – | (57,054,604) |
| Non-current liabilities | (1,952,808) | – | – | (1,952,808) |
| Total liabilities | (58,961,833) | (45,579) | – | (59,007,412) |
| **NET ASSETS** | 32,007,116 | 176,974 | (171,953) | 32,012,137 |
| Equity | | | | |
| Share capital | 4,394,024 | 120,000 | (120,000) | 4,394,024 |
| Reserves | 27,535,691 | 56,974 | (51,953) | 27,540,712 |
| Equity attributable to equity holders of the Company | 31,929,715 | 176,974 | (171,953) | 31,934,736 |
| Non-controlling interest | 77,401 | – | – | 77,401 |
| **TOTAL EQUITY** | 32,007,116 | 176,974 | (171,953) | 32,012,137 |

# 39. Business Combinations under Common Control (Continued)

| | The Group excluding East China Pipeline | East China Pipeline | Adjustments | The Group including East China Pipeline |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Six months ended 30 June 2025** | | | | |
| Revenue | 31,558,914 | 59,996 | – | 31,618,910 |
| Profit before taxation | 1,609,334 | 4,428 | – | 1,613,762 |
| Income tax expense | (221,693) | (1,112) | – | (222,805) |
| Profit for the period | 1,387,641 | 3,316 | – | 1,390,957 |
| **As at 31 December 2025** | | | | |
| Non-current assets | 7,809,636 | 232 | – | 7,809,868 |
| Current assets | 83,408,216 | 201,694 | – | 83,609,910 |
| Total assets | 91,217,852 | 201,926 | – | 91,419,778 |
| Current liabilities | (57,456,824) | (29,972) | – | (57,486,796) |
| Non-current liabilities | (1,946,587) | – | – | (1,946,587) |
| Total liabilities | (59,403,411) | (29,972) | – | (59,433,383) |
| **NET ASSETS** | 31,814,441 | 171,954 | – | 31,986,395 |
| Equity | | | | |
| Share capital | 4,394,024 | 120,000 | (120,000) | 4,394,024 |
| Reserves | 27,347,975 | 51,954 | 120,000 | 27,519,929 |
| Equity attributable to equity holders of the Company | 31,741,999 | 171,954 | – | 31,913,953 |
| Non-controlling interest | 72,442 | – | – | 72,442 |
| **TOTAL EQUITY** | 31,814,441 | 171,954 | – | 31,986,395 |
| **As at 1 January 2025** | | | | |
| Non-current assets | 8,047,601 | 1,318 | – | 8,048,919 |
| Current assets | 73,465,738 | 341,376 | – | 73,807,114 |
| Total assets | 81,513,339 | 342,694 | – | 81,856,033 |
| Current liabilities | (47,854,044) | (132,362) | – | (47,986,406) |
| Non-current liabilities | (2,077,810) | – | – | (2,077,810) |
| Total liabilities | (49,931,854) | (132,362) | – | (50,064,216) |
| **NET ASSETS** | 31,581,485 | 210,332 | – | 31,791,817 |
| Equity | | | | |
| Share capital | 4,397,881 | 120,000 | (120,000) | 4,397,881 |
| Reserves | 27,114,182 | 90,332 | 120,000 | 27,324,514 |
| Equity attributable to equity holders of the Company | 31,512,063 | 210,332 | – | 31,722,395 |
| Non-controlling interest | 69,422 | – | – | 69,422 |
| **TOTAL EQUITY** | 31,581,485 | 210,332 | – | 31,791,817 |

# 40. Contingencies

The Group has been named in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provisions have been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgments and the legal advice. No provision has been made for pending lawsuits when the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable.

# 41. Significant Related Party Transactions and Balances

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to control or common control. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

In addition to the related party information shown elsewhere in this report, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2026 and 2025 and balances as at 30 June 2026 and 31 December 2025.

The transactions with related parties are carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

### (a) Significant related party transactions and six months end balances arising with the Sinopec Group, fellow subsidiaries, joint ventures of fellow subsidiaries, associates of fellow subsidiaries and joint ventures:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB' 000 | RMB' 000 |
| | | (Restated) |
| Construction and services provided to | | |
| – Joint ventures of fellow subsidiaries | 1,025,854 | 715,577 |
| – Associates of fellow subsidiaries | 4,477,518 | 2,169,798 |
| – Fellow subsidiaries | 9,009,334 | 7,660,795 |
| | 14,512,706 | 10,546,170 |
| Construction and services received from | | |
| – Ultimate holding company | 4,391 | 6,054 |
| – Joint ventures of fellow subsidiaries | 32 | 208 |
| – Associates of fellow subsidiaries | 18,020 | 198 |
| – Fellow subsidiaries | 1,294,567 | 876,726 |
| – Joint ventures | 7,625 | – |
| | 1,324,635 | 883,186 |
| Technology research and development provided to | | |
| – Fellow subsidiaries | 56,916 | 167,727 |
| General services provided to | | |
| – Joint ventures of fellow subsidiaries | – | 125 |
| – Fellow subsidiaries | 1,272 | 1,998 |
| | 1,272 | 2,123 |
| General services received from | | |
| – Fellow subsidiaries | 24,776 | 27,220 |
| Interest income on loans | | |
| – Ultimate holding company | 153,001 | 247,574 |
| Interest expense on borrowings | | |
| – Fellow subsidiaries | 17,980 | 3,470 |
| Expenses in relation to settlement and other financial services | | |
| – Fellow subsidiaries | 1,499 | 1,333 |
| Deposit interest income from fellow subsidiaries | 56,275 | 41,994 |

| | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| | RMB' 000 | RMB' 000 |
| Deposits and time deposits placed in fellow subsidiaries | 6,318,050 | 7,128,898 |

# 41.Significant Related Party Transactions and Balances (Continued)

## (a) Significant related party transactions and six months end balances arising with the Sinopec Group, fellow subsidiaries, joint ventures of fellow subsidiaries, associates of fellow subsidiaries and joint ventures: (Continued)

The majority of these significant related party transactions with Sinopec Group and fellow subsidiaries also constitute continuing connected transactions as defined under Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

Apart from transactions with Sinopec Group, fellow subsidiaries, joint ventures of fellow subsidiaries, associates of fellow subsidiaries and joint ventures, the Group has transactions with other state-owned enterprises including but not limited to the following:

– Sales and purchases of goods and services;

– Purchases of assets;

– Lease of assets; and

– Bank deposits and borrowings.

In the ordinary course of business, the Group sells goods and services to, and purchase goods and services from other state-owned enterprises based on terms as set out in the underlying agreements, market price or actual cost incurred, or as mutually agreed.

In the ordinary course of business, the Group places deposits and loans mainly in state-owned financial institutions. The deposits and loans are in accordance with terms as set out in the respective agreement, and the interest rates are set at prevailing market rates.

Apart from the disclosure of loans due from the ultimate holding company in Note 25, trade receivables, prepayments and other receivables are unsecured, interest free and repayable on demand.

## (b) Key management personnel remuneration

Key management includes directors and other key management personnel to the Board of Directors. The compensation paid or payable to key management for employee services is shown below:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| **Fee** | **300** | 317 |
| **Basic salaries, other allowances and benefits-in-kind** | **1,406** | 2,859 |
| **Discretionary bonus[(i)]** | **4,075** | 9,929 |
| **Contributions to pension plans** | **512** | 970 |
| | **6,293** | 14,075 |

Note:
(i) The Group determines and pays discretionary bonus based on the actual financial results and performance of employee.

# 42. Reconciliations of Liabilities Arising from Financing Activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

| | Loans due to fellow subsidiaries – current | Loans due to fellow subsidiaries – non-current | Lease liabilities | Dividend payable (including in other payable) | Total |
|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2025 | 109,264 | 40,813 | 422,256 | – | 572,333 |
| *Cash-flow:* | | | | | |
| – Drawdown | – | 25,241 | – | – | 25,241 |
| – Capital element of lease rentals paid | – | – | (89,692) | – | (89,692) |
| – Interest element of lease rentals paid | – | – | (9,645) | – | (9,645) |
| – Interest paid | (2,533) | (937) | – | – | (3,470) |
| – Repayment of loans due to fellow subsidiaries | – | (16,400) | – | – | (16,400) |
| *Non-cash:* | | | | | |
| – Entered into new lease | – | – | 69,937 | – | 69,937 |
| – Interest expenses on lease liabilities | – | – | 9,645 | – | 9,645 |
| – Interest expenses on loans | 2,533 | 937 | – | – | 3,470 |
| – Modification | – | – | (9,551) | – | (9,551) |
| – Dividend declared | – | – | – | 885,803 | 885,803 |
| – Exchange difference | (453) | – | (403) | – | (856) |
| At 30 June 2025 | 108,811 | 49,654 | 392,547 | 885,803 | 1,436,815 |
| **At 1 January 2026** | **678,262** | **274,388** | **312,739** | **1,121** | **1,266,510** |
| *Cash-flow:* | | | | | |
| – Drawdown | **44,853** | **120,926** | **–** | **–** | **165,779** |
| – Capital element of lease rentals paid | **–** | **–** | **(100,651)** | **–** | **(100,651)** |
| – Interest element of lease rentals paid | **–** | **–** | **(5,701)** | **–** | **(5,701)** |
| – Dividend paid | **–** | **–** | **–** | **(1,121)** | **(1,121)** |
| – Interest paid | **(13,714)** | **(4,266)** | **–** | **–** | **(17,980)** |
| – Repayment of loans due to fellow subsidiaries | **(4,000)** | **(7,000)** | **–** | **–** | **(11,000)** |
| *Non-cash:* | | | | | |
| – Entered into new lease | **–** | **–** | **39,382** | **–** | **39,382** |
| – Interest expenses on lease liabilities | **–** | **–** | **5,701** | **–** | **5,701** |
| – Interest expenses on loans | **13,714** | **4,266** | **–** | **–** | **17,980** |
| – Modification | **–** | **–** | **(37,193)** | **–** | **(37,193)** |
| – Dividend declared | **–** | **–** | **–** | **843,494** | **843,494** |
| – Exchange difference | **(14,817)** | **–** | **(835)** | **–** | **(15,652)** |
| – Within 1 year or on demand | **8,670** | **(8,670)** | **–** | **–** | **–** |
| **At 30 June 2026** | **712,968** | **379,644** | **213,442** | **843,494** | **2,149,548** |

# 43. Particulars of Principal Subsidiaries

As at 30 June 2026 and 31 December 2025, the Company has direct and indirect interests in the following principal subsidiaries:

| Name | Establishment/ Place of incorporation and type of legal entity | Registered and fully paid capital | Effective interest held | | Principal activities and place of operation |
|---|---|---|---|---|---|
| | | | Direct held | Indirect held | |
| | | RMB'000 | | | |
| SEI (中國石化工程建設有限公司) | The PRC/Limited liability company | 500,000 | 100% | – | Engineering contracting, engineering and consulting/ The PRC |
| LPEC (中石化洛陽工程有限公司) | The PRC/Limited liability company | 500,000 | – | 100% | Engineering contracting, engineering and consulting/ The PRC |
| SSEC (中石化上海工程有限公司) | The PRC/Limited liability company | 500,000 | 100% | – | Engineering contracting, engineering and consulting/ The PRC |
| SNEC (中石化寧波工程有限公司) | The PRC/Limited liability company | 500,000 | 100% | – | Engineering contracting, design, equipment manufacturing/ The PRC |
| SNEI (中石化南京工程有限公司) | The PRC/Limited liability company | 556,005 | 100% | – | Engineering contracting, design/The PRC |
| FCC (中石化第四建設有限公司) | The PRC/Limited liability company | 350,000 | 100% | – | Engineering contracting/ The PRC |
| SFCC (中石化第五建設有限公司) | The PRC/Limited liability company | 350,000 | 100% | – | Engineering contracting/ The PRC |
| TCC (中石化第十建設有限公司) | The PRC/Limited liability company | 350,000 | 100% | – | Engineering contracting/ The PRC |
| Sinopec Guangzhou Engineering Co., Ltd. (中石化廣州工程有限公司) | The PRC/Limited liability company | 300,000 | 100% | – | Engineering contracting, engineering and consulting/ The PRC |
| Ningbo Institute (中石化寧波技術研究院有限公司) | The PRC/Limited liability company | 10,000 | 100% | – | Technical services/The PRC |
| Sinopec Heavy Lifting and Transportation Co., Ltd. (中石化重型起重運輸工程有限責任公司) | The PRC/Limited liability company | 500,000 | 100% | – | Engineering contracting technical service, equipment selling and leasing/The PRC |
| Sinopec Engineering Group Saudi Arabia Co., Ltd. (中石化煉化工程(集團)股份有限公司沙特公司) | Saudi Arabia/Limited liability company | 33,558 (SAR18,000,000) | 100% | – | Engineering contracting/ Saudi Arabia |
| Sinopec Engineering Group America, L.L.C (中石化煉化工程(集團)股份有限公司美國公司) | United States/Limited liability company | 3,075 (USD500,000) | 100% | – | Engineering contracting, engineering and consulting/ United States |
| Sinopec Energy Management Co., Ltd. (中石化節能技術服務有限公司) | The PRC/Limited liability company | 500,000 | 100% | – | Technical service, contractual energy management and engineering research/The PRC |
| SINOPEC Engineering Group Malaysia SDN BHD (中石化煉化工程(集團)股份有限公司馬來西亞公司) | Malaysia/Limited liability company | 5,158 (MYR360,700) | 100% | – | Engineering contracting/ Malaysia |
| Sinopec Shanghai Pharmaceutical Industry Designing Institute Co., Ltd. (中石化上海醫藥工業設計研究院有限公司) | The PRC/Limited liability company | 8,000 | – | 100% | Medicine, pesticide, chemical research/The PRC |

# 43. Particulars of Principal Subsidiaries (Continued)

| Name | Establishment/ Place of incorporation and type of legal entity | Registered and fully paid capital | Effective interest held | | Principal activities and place of operation |
|---|---|---|---|---|---|
| | | | Direct held | Indirect held | |
| | | RMB'000 | | | |
| Shanghai Petrochemical Machine Manufacturing Co., Ltd. (上海石化機械製造有限公司) | The PRC/Limited liability company | 133,640 | – | 100% | Petrochemical equipment manufacturing/The PRC |
| Ningbo Tianyi Equipment Technology Co., Ltd. (寧波天翼裝備技術有限公司) | The PRC/Limited liability company | 60,000 | – | 100% | Petrochemical equipment design, manufacturing and installation/ The PRC |
| Ningbo Tianyi Petrochemical Heavy Equipment Manufacturing Co., Ltd. (寧波天翼石化重型設備製造有限公司) | The PRC/Limited liability company | 60,000 | – | 97% | Petrochemical equipment manufacturing and installation/ The PRC |
| SINOPEC Engineering Group (Thailand) Co., Ltd. (中石化煉化工程(集團)股份有限公司泰國公司) | Thailand/Limited liability company | 356 (THB2,000,000) | – | 100% | Engineering contracting/ Thailand |
| Shanghai KSD Bulk Solids Engineering Co., Ltd. (上海金申德粉體工程有限公司) | The PRC/Limited liability company | 5,500 | – | 51% | Powder engineering services/ The PRC |
| East China Pipeline Design and Research Institute (華東管道設計研究院有限公司) | The PRC/Limited liability company | 120,000 | – | 100% | Engineering and consulting/ The PRC |

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, results in particulars of excessive length.

# 44. Comparative Figures

Certain comparative figures have been reclassified to conform the current period's presentation of the consolidated financial statements.

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