JUTAL

巨濤海洋石油服務有限公司

Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03303)

2026 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS:

- Revenue was RMB319,391,000, a 25.42% decrease from the same period in last year.
- Gross profit was RMB2,915,000, a 97.79% decrease from the same period in last year.

  For the six months ended 30 June 2026, loss attributable to owners of the Company was RMB70,862,000.

  For the six months ended 30 June 2025, profit attributable to owners of the Company was RMB56,049,000.
- Basic and diluted loss per share were RMB3.014 cents for the six months ended 30 June 2026.
- The Board recommended that no interim dividend would be declared in respect of the six months ended 30 June 2026.

The board (the "**Board**") of directors (the "**Directors**") of Jutal Offshore Oil Services Limited (the "**Company**") is pleased to present the unaudited condensed consolidated results for the six months ended 30 June 2026 of the Company and its subsidiaries (collectively referred to as the "**Group**"), together with the comparative figures for the corresponding period in 2025. The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been reviewed by the audit committee of the Company (the "**Audit Committee**"), but was not reviewed by the Company's auditor.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	**319,391**	428,270
Cost of sales and services		**(316,476)**	(296,261)
Gross profit		**2,915**	132,009
Other income	5	**30,433**	6,599
(Impairment losses)/Reversal of impairment losses on trade and other receivables		**(48)**	1,428
Impairment losses on contract assets		**(31)**	(5,925)
Administrative expenses		**(81,261)**	(59,325)
Other operating expenses	6	**(18,114)**	(8,810)
(Loss)/Profit from operations		**(66,106)**	65,976
Finance costs	7	**(6,190)**	(2,803)
Share of loss of a joint venture		**(995)**	(2)
(Loss)/Profit before tax		**(73,291)**	63,171
Income tax credit/(expense)	9	**2,429**	(7,122)
(Loss)/Profit for the period attributable to owners of the Company	10	**(70,862)**	56,049
(Loss)/Earnings per share	11	**RMB**	RMB (Restated)
Basic		**(3.014) CENTS**	2.376 CENTS
Diluted		**(3.014) CENTS**	2.348 CENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/Profit for the period	**(70,862)**	56,049
Other comprehensive income:		
Item that will be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(7,395)**	(3,812)
Share of other comprehensive income of a joint venture, net of related income tax	**30**	3
Other comprehensive expense for the period, net of tax	**(7,365)**	(3,809)
Total comprehensive (expense)/income for the period attributable to owners of the Company	**(78,227)**	52,240

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	**1,150,766**	1,063,584
Right-of-use assets		**348,989**	346,224
Interest in a joint venture		**-**	50
Goodwill		**52,444**	52,444
Intangible assets		**2,675**	3,057
Trade receivables, non-current	13	**2,332**	1,168
Deferred tax assets		**7,002**	12,870
		1,564,208	1,479,397
Current assets			
Inventories		**116,550**	90,797
Trade and bills receivables	13	**213,959**	157,579
Contract cost assets		**2,352**	5,004
Contract assets		**474,413**	426,726
Prepayments, deposits and other receivables		**178,751**	78,517
Derivative financial instruments		**14,276**	2,728
Financial assets at fair value through profit or loss		**81,394**	-
Current tax assets		**-**	339
Pledged bank deposits		**53,757**	69,044
Bank and cash balances		**641,157**	665,681
		1,776,609	1,496,415
Current liabilities			
Trade payables	14	**234,032**	236,508
Contract liabilities		**199,094**	10,897
Accruals and other payables		**126,972**	113,838
Provisions		**63,919**	128,010
Bank borrowings		**182,871**	61,986
Other borrowings		**2,520**	2,421
Deferred income		**12,402**	8,494
Lease liabilities		**7,492**	3,348
Current tax liabilities		**419**	-
		829,721	565,502
Net current assets		**946,888**	930,913
Total assets less current liabilities		**2,511,096**	2,410,310

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026

	Note	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Deferred income		**65,044**	53,919
Lease liabilities		**13,824**	9,828
Bank borrowings		**294,528**	135,194
Deferred tax liabilities		**12,007**	23,619
		385,403	222,560
NET ASSETS		**2,125,693**	2,187,750
Capital and reserves			
Share capital	15	**22,306**	19,153
Reserves		**2,103,387**	2,168,597
TOTAL EQUITY		**2,125,693**	2,187,750

NOTES:

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards effective as of 1 January 2026. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The directors anticipate that the adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

3. SEGMENT INFORMATION

The Group has two reportable segments as follows:

- Fabrication of facilities and provision of integrated services for oil and gas industries ("**oil and gas segment**").
- Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries ("**new energy and refinery and chemical segment**").

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

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

3. SEGMENT INFORMATION (CONT'D)

	Oil and gas segment RMB'000 (Unaudited)	New energy and refinery and chemical segment RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Six months ended 30 June 2026				
Revenue from external customers	**274,951**	**28,108**	**16,332**	**319,391**
Segment profit/(loss)	**57,099**	**(31,083)**	**(23,101)**	**2,915**
At 30 June 2026:				
Segment assets	**2,090,680**	**345,515**	**49,033**	**2,485,228**
Segment liabilities	**627,890**	**15,819**	**1,624**	**645,333**
Six months ended 30 June 2025				
Revenue from external customers	321,753	106,517	-	428,270
Segment profit/(loss)	148,396	(16,387)	-	132,009
At 31 December 2025:	(Audited)	(Audited)	(Audited)	(Audited)
Segment assets	1,805,826	363,761	12	2,169,599
Segment liabilities	457,735	44,691	3	502,429

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reconciliations of segment profit:		
Total profit of reportable segments	**2,915**	132,009
Unallocated amounts:		
Other income	**30,433**	6,599
Finance costs	**(6,190)**	(2,803)
Other corporate expenses	**(100,449)**	(72,634)
Consolidated (loss)/profit before tax for the period	**(73,291)**	63,171

4. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by business segments and timing of revenue recognition.

For the six months ended 30 June (unaudited)	Oil and gas segment		New energy and refinery and chemical segment		Others		Total	
	2026 RMB'000	2025 RMB'000	**2026 RMB'000**	2025 RMB'000	**2026 RMB'000**	2025 RMB'000	**2026 RMB'000**	2025 RMB'000
Timing of revenue recognition								
Goods and services transferred at a point in time	**19,270**	15,064	**-**	375	**-**	-	**19,270**	15,439
Goods and services transferred over time	**255,681**	306,689	**28,108**	106,142	**16,332**	-	**300,121**	412,831
Total	**274,951**	321,753	**28,108**	106,517	**16,332**	-	**319,391**	428,270

The following table provides information about trade and bills receivables, contract assets and contract liabilities from contracts with customers:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade and bills receivables	**216,291**	158,747
Contract assets	**474,413**	426,726
Contract liabilities	**199,094**	10,897

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on the Group's construction services. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for the Group's construction services, for which revenue is recognised over time.

The amount of approximately RMB5,579,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2026.

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gain on disposals of property, plant and equipment	**72**	30
Interest income on bank deposits	**3,165**	4,682
Gain on lease modification	**770**	-
Government grants recognised	**11,613**	1,819
Compensation income	**531**	23
Net gains on derivative financial instruments (note)	**13,924**	-
Net gains on financial assets at fair value through profit or loss	**350**	-
Sundry income	**8**	45
	30,433	6,599

Note:

The net gains of derivative financial instruments mainly come from the foreign exchange forward contracts entered into between the Group and banks. As the individual income contracts of the company are settled in United States dollars or Euros, the company entered into these forward contracts to hedge the exchange rate risk caused by the exchange rate fluctuation between these foreign currencies and RMB.

6. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**8,174**	270
Net losses on derivative financial instruments	**-**	5,329
Impairment losses on inventories	**2,596**	2,098
Write-off of contract assets	**5,383**	-
Impairment losses on property, plant and equipment (note)	**548**	-
Others	**1,413**	1,113
	18,114	8,810

Note:

At 30 June 2026, before impairment testing, the Group has property, plant and equipment with carrying amount of approximately RMB452,492,000 (at 30 June 2025: RMB313,959,000) located and used in the Group's Zhuhai fabrication plant which is regarded as the cash generating unit of the related property, plant and equipment (the "CGU"). The Group has assessed there is an impairment indication of the CGU and estimates the recoverable amount of the CGU on the basis of their value in use using discounted cash flow method. The rate used to discount the forecast cash flows is 12.5% (for the six months ended 30 June 2025: 12.3%). For the six months ended 30 June 2026, no impairment loss was recognised on the property, plant and equipment of the CGU (for the six months ended 30 June 2025: RMB Nil).

Other than Zhuhai's CGU, the Group has an equipment located in the Group's Penglai fabrication plant. The Group has assessed there is an impairment indication of the equipment and the recoverable amounts of the equipment was estimated by using fair value less cost of disposal basis. For the six months ended 30 June 2026, no impairment loss was recognised on the equipment (for the six months ended 30 June 2025: RMB Nil).

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**3,488**	1,444
Interest on lease liabilities	**445**	490
Others	**2,257**	869
	6,190	2,803

8. DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.015 per share).

9. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – The People's Republic of China (the "**PRC**") Enterprise Income Tax		
Provision for the period	**3,315**	4,834
Under-provision in prior periods	**-**	673
	3,315	5,507
Deferred tax	**(5,744)**	1,615
	(2,429)	7,122

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits arising in Hong Kong for the periods ended 30 June 2026 and 2025.

The PRC Enterprise Income Tax has been provided on the assessable profit of the Group's subsidiaries in the PRC in accordance with the relevant PRC Enterprise Income Tax laws and regulations.

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

10. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is arrived at after (crediting)/charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses on inventories	**2,596**	2,098
Gain on disposals of property, plant and equipment	**(72)**	(30)
Directors' emoluments		
- As directors	**423**	481
- For management	**2,214**	1,501
	2,637	1,982

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/Earnings		
(Loss)/Profit attributable to owners of the Company, used in the basic and diluted (loss)/earnings per share calculation	**(70,862)**	56,049
Number of shares		(Restated)
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share (note)	**2,351,254,984**	2,358,510,476
Effect of dilutive potential ordinary shares arising from share options	**-**	28,698,375
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	**2,351,254,984**	2,387,208,851

Note:

The weighted average number of ordinary shares for the period ended 30 June 2025 has been restated to take into account the effect of the bonus element in ordinary shares issued as a result of the rights issue completed during the period ended 30 June 2026.

Basic (loss)/earnings per share attributable to owners of the Company is calculated by dividing the (loss)/profit for the period attributable to owners of the Company by the weighted average number of the ordinary shares in issue during the period.

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

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately RMB136,409,000 (six months ended 30 June 2025: RMB67,568,000).

13. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**294,552**	214,190
Allowance for doubtful debts	**(81,041)**	(81,000)
	213,511	133,190
Bills receivables	**2,780**	25,557
	216,291	158,747
Classified as:		
Trade receivables, non-current	**2,332**	1,168
Trade and bills receivables, current	**213,959**	157,579
	216,291	158,747

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

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Billed:		
0 to 30 days	**92,038**	31,242
31 to 90 days	**14,150**	48,953
91 to 365 days	**102,596**	46,445
Over 365 days	**46,916**	47,126
	255,700	173,766
Unbilled	**38,852**	40,424
	294,552	214,190

14. TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	**234,032**	236,508

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0 to 30 days	**98,156**	127,379
31 to 90 days	**27,716**	52,625
91 to 365 days	**74,901**	17,102
Over 365 days	**33,259**	39,402
	234,032	236,508

15. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 31 December 2025 (Audited) and 30 June 2026 (Unaudited)	4,000,000,000	40,000

A summary of the movements in the issued share capital of the Company is as follows:

	Notes	**Number of shares**	**Amount**	**Equivalent to amount**
			HK$'000	RMB'000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At 1 January 2025 (Audited)		2,131,598,389	21,316	19,145
Exercise of share option	(a)	886,000	9	8
At 31 December 2025 (Audited), 1 January 2026 (Audited) and 30 June 2026 (Unaudited)		2,132,484,389	21,325	19,153
Exercise of share option	(b)	803,000	8	7
Issue of shares under rights issue	(c)	355,547,898	3,555	3,146
30 June 2026 (Unaudited)		2,488,835,287	24,888	22,306

15. SHARE CAPITAL (CONT'D)

Note:

(a) Share options were exercised by option holders during the year ended 31 December 2025 to subscribe for a total of 886,000 ordinary shares of the Company at total consideration of approximately HK$425,000 (equivalent to approximately RMB387,000), of which approximately RMB8,000 was credited to share capital and the balance of approximately RMB379,000 was credited to the share premium account. Approximately RMB151,000 has been transferred from the share-based payment reserve to the share premium account.

(b) Share options were exercised by option holders during the period ended 30 June 2026 to subscribe for a total of 803,000 ordinary shares of the Company at total consideration of approximately HK$385,000 (equivalent to approximately RMB348,000), of which approximately RMB7,000 was credited to share capital and the balance of approximately RMB341,000 was credited to the share premium account. Approximately RMB137,000 has been transferred from the share-based payment reserve to the share premium account.

(c) On 6 February 2026, the Company proposed to implement the rights issue on the basis of one rights share for every six existing shares at the subscription price of HK$0.16 per rights share, by issuing up to 355,547,898 rights shares, to the qualifying shareholders of the Company (the "Rights Issue"). The Rights Issue was completed on 19 March 2026. The gross proceeds from the Rights Issue were approximately HK$56,888,000 (equivalent to approximately RMB50,334,000), of which approximately HK$3,555,000 (equivalent to approximately RMB3,146,000) was credited to share capital account and the balance of approximately HK$53,076,000 (equivalent to approximately RMB46,962,000) was credited to share premium account.

16. SHARE AWARD SCHEME

The Company has adopted a new share award scheme (the "Scheme") pursuant to a resolution passed on 18 March 2024 which constituted by a Trust Deed between the Company and Tricor Trust (Hong Kong) Limited (the "Trustee"), in which eligible participant may be selected by the Board of Directors to participate. Pursuant to the Scheme, shares of the Company will be purchased on the Hong Kong Stock Exchange, by the Trustee of the trusts declared in the trust deed.

On the grant of the share awards, the relevant number of shares may be transferred from the Trustee who holds the shares for the benefit of the selected employees. A grantee shall not have any interest or rights (including the right to receive dividends) in the shares prior to the vesting of the shares.

For the six months ended 30 June 2026, the Trustee purchased an aggregate of 70,148,000 shares at prices ranging from HK$0.49 to HK$0.61 per share at a total consideration of approximately HK$40,103,000 (equivalent to approximately RMB35,346,000) on the Hong Kong Stock Exchange for the purpose of the Scheme.

For the six months ended 30 June 2026, 55,000,000 award shares were granted to selected eligible participants.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share award reserve. The fair value of the related award shares were HK$23,375,000 (equivalent to approximately RMB20,654,000). For the six months ended 30 June 2026, share award expense of HK$2,922,000 (equivalent to approximately RMB2,582,000) was recognised in profit or loss under "administrative expense" (for the six months ended 30 June 2025: no share award expense was recognised in profit or loss under "administrative expense").

17. CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities as at 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

1. REVIEWS

As a comprehensive equipment manufacturer and service provider operating across the energy and chemical sectors, the Group has built up extensive experience and a proven performance record in large-scale module fabrication, as well as in the construction of offshore engineering and energy equipment. In recent years, the Group has been proactively driving its strategic transformation towards EPC (engineering, procurement, and construction) turnkey contracting. To this end, it has assembled a dedicated professional team and established a design and management centre in Shanghai. From the fourth quarter of 2025 through the first half of 2026, the Group successively won bids for a number of EPC projects, including offshore oil and gas engineering and the fabrication of topside modules for floating production units, with an aggregate contract amount of approximately RMB3.8 billion, achieving a historic breakthrough for the Group.

In alignment with its business transformation and leveraging practical project experience, the Group has enhanced the development of its large-scale EPC project management system. Functions have been clearly defined across key dimensions, including design, supply chain, and construction, with management responsibilities and standards duly implemented. Workflows have been streamlined, and the Group has actively adapted to the EPC business mindset and operating model. Concurrently, the Group has accelerated talent development, rolled out an integrated management system, and intensified training efforts to strengthen its large-scale manufacturing capabilities, thereby meeting project requirements and supporting the strategic development of its EPC business.

The construction of the Quay#2 at the Group's Zhuhai site was completed in May 2026, followed by the finalisation of completion acceptance inspections in July 2026, and the quay operating permit was obtained. The Group is currently in the process of applying for and undergoing review of the requisite subsequent certificates, and is advancing the relevant formalities to enable the quay's fully operation. Zhuhai Quay#2 has a 50,000-tonne general berth. Once operational, it will substantially bolster the Group's competitive edge at the Zhuhai site in offshore oil and gas equipment manufacturing, module transportation, and international logistics services, thereby supporting the Group's global market expansion and enabling the provision of more efficient services to its clients.

In addition to the new quay, the Group also carried out various upgrades and enhancements to its site facilities during the first half of the year, including the construction of new workshops and skidway facilities, as well as the installation of large-capacity crane equipment, to improve its manufacturing capabilities for large modular equipment such as offshore wind power converter stations, integrate and innovate production processes, and enhance operational efficiency.

Due to the deferral of construction schedules for certain projects on hand as a result of client-related factors, and the fact that the Group's EPC projects were in the preliminary design and procurement stages during the first half of the year, the workload at the Group's construction site was materially insufficient. Looking ahead to the second half of the year, as ongoing projects are expected to progressively enter peak operational stages, a marked increase in workload is anticipated.

Revenue

Compared with the corresponding period of last year, the workload of the Group's construction sites decreased remarkably. The Group recorded a revenue of approximately RMB319,391,000 in the first half of 2026, representing a decrease of RMB108,879,000 or 25.42% as compared with the corresponding period of last year. Among them, revenue from the fabrication of facilities and provision of integrated services for oil and gas industries decreased by RMB46,802,000 or 14.55%, revenue from the fabrication of facilities and provision of integrated services for new energy and refining and chemical industries decreased by RMB78,409,000 or 73.61%, and other revenue increased by RMB16,332,000 or 100% as compared with the corresponding period of last year.

The table below sets out the analysis of revenue by business segment categories for the six months ended 30 June 2024, 2025 and 2026:

		For the six months ended 30 June					
	Product/service	**2026**		2025		2024	
		RMB'000	**Percentage of total revenue%**	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %
1.	**Fabrication of facilities and provision of integrated services for oil and gas industries**	**274,951**	**86**	321,753	75	1,281,731	100
2.	**Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries**	**28,108**	**9**	106,517	25	2,226	0
3.	**Others**	**16,332**	**5**	0	0	299	0
	Total	**319,391**	**100**	428,270	100	1,284,256	100

Cost of Sales and Services

During the reporting period, cost of sales and services of the Group amounted to approximately RMB316,476,000, representing an increase of approximately RMB20,215,000 or 6.82% compared with that of the corresponding period of last year. Cost of sales and services comprised direct costs and manufacturing overheads. Direct costs in the current period amounted to approximately RMB222,403,000, representing approximately 70.27% of total cost of sales and services, and an increase of approximately RMB25,132,000 or 12.74% from approximately RMB197,271,000 of the corresponding period of last year. The Group calculates the cost of sales and services of projects on an order-by-order basis. Since the composition of cost differs for each project, the composition of cost of sales and services also varies accordingly. Manufacturing overheads in the current reporting period was approximately RMB94,073,000, representing a decrease of approximately RMB4,917,000 or 4.97% when compared with approximately RMB98,990,000 of the corresponding period of last year.

Gross Profit

During the reporting period, the total amount of gross profit of the Group amounted to approximately RMB2,915,000, representing a decrease of approximately RMB129,094,000 or 97.79% from approximately RMB132,009,000 in the corresponding period of last year. The overall gross profit margin decreased to 0.91% from 30.82% of the corresponding period of last year. Changes in business structure resulted in various changes in the gross profit margin of different business segments during the current period.

The table below sets out the analysis of gross profit by business segment for the six months ended 30 June 2024, 2025 and 2026:

Product/service	For the six months ended 30 June								
	2026			2025			2024		
	RMB ’000	**Gross profit margin %**	**Percentage of total gross profit**	RMB ’000	Gross profit margin %	Percentage of total gross profit	RMB ’000	Gross profit margin %	Percentage of total gross profit
1. Fabrication of facilities and provision of integrated services for oil and gas industries	**57,099**	**21**	**1959**	148,396	46	112	363,510	28	100
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	**(31,083)**	**(111)**	**(1066)**	(16,387)	(15)	(12)	4,428	199	0
3. Others	**(23,101)**	**(141)**	**(793)**	0	0	0	(437)	(146)	0
Total	**2,915**		**100**	132,009		100	367,501		100

Other Income

Other income of the Group for the first half of 2026 amounted to approximately RMB30,433,000 mainly comprising net gains on derivative financial instruments, government grants recognised and interest income on bank deposits.

Administrative and Other Operating Expenses

Administrative and other operating expenses in aggregate increased by approximately 45.85% or RMB31,240,000 compared with the corresponding period last year to approximately RMB99,375,000, Among them, the administrative expenses increased by RMB21,936,000, primarily resulting from the increase in the accrued employee compensation and depreciation expenses in this period, and other operating expenses increased by RMB9,304,000 as compared with the corresponding period of last year, mainly due to the increase in exchange losses in this period.

Finance Costs

During the reporting period, the finance costs of the Group amounted to approximately RMB6,190,000 which was mainly comprised of interest expenses from bank borrowings of approximately RMB3,488,000, bank charges and other costs of approximately RMB2,702,000.

Loss for the Period Attributable to Owners of the Company

In the first half of 2026, loss attributable to owners of the Company amounted to approximately RMB70,862,000, basic and diluted loss per share was approximately RMB3.014 cents.

Liquidity and Financial Resources

As at 30 June 2026, the balance of working funds (cash on hand and bank deposits) of the Group amounted to approximately RMB641,157,000 (31 December 2025: RMB665,681,000). During the said period, net cash outflows from operating activities amounted to approximately RMB148,214,000, net cash outflows from investing activities amounted to approximately RMB159,792,000, and net cash inflows from financing activities amounted to approximately RMB291,517,000.

As at 30 June 2026, the Group had approximately RMB 1,945,007,000 (31 December 2025: RMB460,066,000) of available undrawn banking facilities. Available undrawn banking facilities include bank borrowings, letters of credit, etc.

As at 30 June 2026, the Group had obtained bank guarantees under performance bonds for construction contracts of approximately RMB 287,993,000 (31 December 2025: RMB305,164,000).

Capital Structure

As at 30 June 2026, the share capital of the Company comprises2,488,835,287 ordinary shares (31 December 2025: 2,132,484,389 ordinary shares).

As at 30 June 2026, the net assets of the Group amounted to approximately RMB2,125,693,000 (31 December 2025: RMB2,187,750,000), which comprises non-current assets of approximately RMB1,564,208,000 (31 December 2025: RMB1,479,397,000), net current assets of approximately RMB946,888,000 (31 December 2025: RMB930,913,000) and non-current liabilities of approximately RMB385,403,000 (31 December 2025: RMB222,560,000).

Significant Investment

In the first half of this year, the construction of the Quay#2 at Zhuhai Site was completed, with a total estimated investment of approximately RMB 250 million. In light of market conditions and its future development plans, the Group is currently undertaking further construction works at the Zhuhai site, including workshops and skidways, among other ancillary facilities.

Apart from the above, the Group has no other significant investment for the six months ended 30 June 2026.

Foreign Exchange Risk

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

Assets Pledged by the Group

As at 30 June 2026, approximately RMB 53,757,000 (31 December 2025: RMB69,044,000) of the bank deposits of the Group were pledged as security deposits for bank borrowings, the issuance of performance bonds, letter of credits and bank acceptance, etc.

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

Capital Management

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

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

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

The gearing ratios of the Group as at 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
Total borrowings	**479,919**	199,601
Lease liabilities	**21,316**	13,176
Total equity	**2,125,693**	2,187,750
Gearing ratio	**23.58%**	9.73%

The increase in gearing ratio in the reporting period was mainly due to the increase in bank borrowings. The Group adjusts the amount of bank loan facilities from time to time to meet the Group's working capital needs.

Employees and Remuneration Policy

As at 30 June 2026, the Group had total 1,891 employees (31 December 2025: 1,859), of which 904 (31 December 2025: 807) were management and technical staff, and 987 (31 December 2025: 1,052) were technicians.

The Group encourages staff to build long-term service, and strives to create a fair and open competition environment, committed to develop talents with management experience, professional skills and dedication. The Group determines the remuneration and incentives of employees with reference to the prevailing industry practice, and based on their position, duties and performance. The Group contributes to social security funds, including pension fund, medical, unemployment and industrial accident insurances, and housing provident fund for employees in the PRC, and contributes to mandatory provident fund for employees in Hong Kong according to applicable laws and regulations.

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

2. FUTURE OUTLOOK

In the second half of the year, the Group's ongoing projects are expected to progressively enter peak operational phases**,** and the site will experience intensive construction activities. To this end, the Group will further strengthen project management and operations, enhance the overall planning and allocation of production resources, prudently manage funds, refine its talent teams, implement performance appraisals. and allocate project cost control objectives to individual project teams and departments, thereby ensuring effective cost management.

With regard to its market development strategy, the Group will continue to focus on key potential projects, with a clear focus on its market positioning and target clients. In alignment with emerging market trends, the Group will pursue the strategic expansion of overseas regional markets, while maintaining close follow-up to potential opportunities in the domestic offshore wind power equipment manufacturing sector.

The Group will continue to advance the enhancement and development of its digital management systems, establish mechanisms for routine system maintenance and data quality control, and conduct tiered operational training for employees to ensure the stable operation of systems. It will also promote data integration across various systems, streamline data flows, eliminate information silos, and achieve data synchronization across engineering, procurement, and production processes, thereby improving digital utilization rates and data quality.

In the second half of the year, the Group will, as scheduled, complete the commissioning of the new skidway and the completion of the new workshop at its sites, as well as the delivery, inspection, installation, and commissioning of newly procured equipment, along with employee training on operational skills, thereby solidifying the production foundation. Leveraging its existing EPC capabilities, the Group will actively seek external collaboration to win more project orders.

The Group will implement a range of measures to enhance production efficiency and increase site capacity. In line with project construction requirements, it will balance construction manpower, raise the professional competency of its personnel, undertake advance planning and process anticipation, and resolve issues in a timely manner to ensure that all projects are completed on schedule.

The Group will also establish a dedicated team to oversee the organization and management of technological innovation initiatives, monitor domestic and international industry technology developments, engage in technical communications with various collaborative partners, and drive research on innovation-related subjects across the Group's projects.

Upholding an attitude of innovation, openness, and diligent learning, the Group advocates continuous learning and improvement to enhance organisational competitiveness and promote the development of corporate culture.

In October 2025, the Group's wholly-owned subsidiary, Penglai Jutal Offshore Engineering Heavy Industry Co., Ltd. (**"Penglai Jutal**"), formally submitted a written application to the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") for removal from the Specially Designated Nationals and Blocked Persons List ("**SDN List**"). Penglai Jutal and its professional legal counsel have responded to relevant inquiries from the U.S. Department of State and are awaiting further feedback.

DIRECTORS REPORT AND CORPORATE GOVERNANCE

INTERIM DIVIDEND

The Board does not recommend a payment of interim dividend for the six months ended 30 June 2026.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as the share options granted to the Directors under the share option scheme of the Company in previous years and the award shares granted under the share award plan of the Company, at no time during the period, the Directors and chief executive (including their spouse and children under 18 years of age) had any other interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company, its specified undertakings and its other associated corporations required to be disclosed pursuant to the Securities and Futures Ordinance (Cap.571) and the Hong Kong Companies Ordinance (Cap.622).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Company had adopted the Corporate Governance Code (the "**Corporate Governance Code**") introduced in Appendix C1 of the Listing Rules by the Stock Exchange to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders.

In the opinion of the directors, the Company has complied with the Corporate Governance Code for the period ended 30 June 2026, save for the deviations from the code provisions as follows:

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

The Company provides Mr. Tang Hui with monthly updates during their tenure, instead of all board members, because he is responsible for overseeing the financial affairs of the Company. Other Directors have accessed to the monthly updates as well. The reason for such deviation from the Corporate Governance Code is to enhance the Company's efficiency. Directors also received reports from the management on the operation and financial position of the Company at relevant board meetings.

DIRECTORS' SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process, risk management and internal control system of the Group, and to make proposals to the Board as to appointment, renewal and resignation of the Company's external auditor and the related remuneration and appointment terms. The Audit Committee has reviewed the unaudited interim financial information of the Group for the period ended 30 June 2026 and is of the opinion that such information complies with the applicable accounting standards, and the Listing Rules and legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 28 August 2026

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