

# **ANTON 安東**

安東油田服務集團

Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)



## **2025**

## **Annual REPORT**

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# ABOUT ANTON

Anton Oilfield Services Group (Hong Kong Stock Exchange Stock Code: 3337) (“Anton” or the “Company”, together with its subsidiaries, the “Group”) is a world-leading, innovative and integrated oilfield technical services provider. The Group provides clients with a full range of products and technologies for oil and gas development, with business throughout the world’s major oil and gas production areas.

The Group is committed to in-depth development in emerging global oil and gas markets, with operations spanning over 30 countries and regions including China, the Middle East, Africa, central Asia, Southeast Asia and Latin America, forming a rapid-response global service support system. Leveraging its unique cost and technology advantages, the Group, through product and service innovation and differentiated operations, comprehensively enhances efficiency for clients’ oil and gas development and resource utilization, helping to maximize the value of their assets. The Group’s corporate culture is rooted in the traditional oriental culture, with core values centered on clients, hard work, and learning and innovation. The Group’s mission is to help others succeed, internally through employee partnership and profit sharing, and externally through win-win development with partners. The Group’s vision is to become a model of efficient and harmonious development between people and environment. In every project, the Group is committed to achieving the standard of “superior in execution” to maximize value creation for clients. In the process of development and expansion, the Group strives to promote social progress and achieve harmonious development with the society.

## BUSINESS

The company’s long-term strategic goal is to build a global leading integrated service platform company for value enhancement solutions of energy assets. Looking ahead, the Group continues to drive strategic evolution and business innovation. Guided by customer needs, we deeply extend the value of the industrial chain. Through the systematic integration and restructuring of oilfield technical services, oilfield management services, inspection services, and drilling rig services, the Group has upgraded its business matrix into three core segments: Integrated Oilfield Technical Services, Intelligent Management Services, and Energy Asset Operation Business. We are committed to improving the efficiency of industry resource development and utilization, empowering sustainable corporate development.

The Group's current business can be classified into three segments: Integrated Oilfield Technical Services, Intelligent Management Services, and Energy Asset Operation Business. The three business segments are briefly summarised as follows:

### INTEGRATED OILFIELD TECHNICAL SERVICES

Integrated oilfield technical services is a mature business segment in which the Group possesses traditional strengths. The Group has established integrated technical service capabilities covering the full life cycle of oil and gas development. With reservoir geology technology as its core driving force and through long-term on-site presence, the Group provides customers with services such as drilling, well-completion and production enhancement technologies, and is committed to assisting customers in comprehensively improving resource development efficiency and maximising the value of reservoir assets through customised services and research support. In addition, the Group's AI-enabled technologies, precise real-time monitoring and digital and intelligent efficiency enhancement technologies have been widely promoted and applied in both the PRC and overseas markets, further strengthening the Group's integrated service capabilities in the development of complex oil and gas reservoirs.

#### Drilling Technical Services

"Drilling Technical Services" provides integrated drilling and well completion turnkey services as well as specialized individual technical services, including drilling efficiency enhancement, directional drilling and mud engineering services, etc.

#### Well Completion Technical Services

"Well Completion Technical Services" provides customers with integrated completion solutions for oil and gas wells, featuring integrated services such as completion tools and technologies, sand control technologies, water control and intelligent completions, artificial lift technologies and services, and drainage and gas extraction technologies as technical specialties. Through intelligent completion products, we lead the continuous innovation of well completion processes.

#### Stimulation Technical Services

"Stimulation Technical Services" delivers a series of specialized solutions for unconventional reservoir stimulation through integrated geological-engineering approaches. The services feature mature oil and gas field stimulation technologies and services, abundant pumping equipment resources, and comprehensive well intervention and workover capabilities.

### INTELLIGENT MANAGEMENT SERVICES

Intelligent management services is a rapidly growing business segment of the Group, principally covering three areas, namely energy project management services, digital intelligence technical services, and inspection services. It provides customers with professional energy asset management services featuring full-process support and comprehensive coverage. Leveraging digital and intelligent technologies, international management expertise, as well as operation and maintenance experience and systems, the Group helps customers reduce operating costs, enhance operational efficiency and realise asset value enhancement. At present, through the successful operation of numerous projects in the Middle East, Africa and Asia, the Group has established an international energy project service network.

#### Energy Project Management Services

"Energy Project Management Services" leverages 17 years of expertise and digital-intelligent technologies, providing full-lifecycle services covering the entire spectrum of oil & gas and new energy scenarios – including operations and maintenance (O&M), supply chain, and integrated management – delivering exceptional, high-quality services on a global scale.

### Digital Intelligence Technical Services

"Digital Intelligence Technical Services" delivers intelligent on-site solutions for the energy sector, covering the full range of oil & gas and new energy scenarios with customized services and on-the-ground operations and maintenance. Having established a global support system and successfully deployed multiple projects in the Middle East market, we are committed to empowering the industry's digital and intelligent transformation.

### Inspection Services

"Inspection Services" include various technical services provided by the Group for the efficient operation of oil and gas field equipment and facilities, including inspection and repair, intelligent monitoring, and digital and intelligent management services for various equipment and facilities, so as to help customers reduce costs, ensure asset safety, achieve energy conservation and efficiency, safety and environmental protection.

## ENERGY ASSET OPERATION BUSINESS

Energy asset operation business is an emerging strategic segment that the Group is focusing on cultivating for its long-term development. It aims to deeply unlock and share asset value enhancement returns by building full-chain integrated solutions covering research, design, resource integration, project construction and operation management.

### Natural Gas and New Energy Infrastructure

"Natural Gas and New Energy Infrastructure" business focuses on areas such as natural gas processing, transmission, power generation, LNG utilization and integrated energy facilities. Through models including investment, construction, operation, leasing and resource management, it provides clients with asset appreciation solutions covering the entire lifecycle of energy infrastructure.

### Oil and Gas Resources Development

"Oil and Gas Resources Development" business leverages its advantages in geological reservoir research and technologies for production enhancement and cost reduction. Acting as a technical service operator, we develop marginal oil and gas blocks globally, helping clients maximize asset returns while sharing in the value-added benefits.

# FINANCIAL SUMMARY

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| RMB ('000)                                                                                                                        | For the year ended 31 December |             |             |             | 2025               |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------|-------------|-------------|--------------------|
|                                                                                                                                   | 2021                           | 2022        | 2023        | 2024        |                    |
| Revenue                                                                                                                           | 2,923,566                      | 3,514,912   | 4,434,798   | 4,753,934   | <b>5,571,722</b>   |
| Other gains, net                                                                                                                  | 24,919                         | 153,114     | (17,286)    | (4,673)     | <b>11,448</b>      |
| Operating costs                                                                                                                   | (2,519,006)                    | (3,002,875) | (3,816,826) | (4,091,492) | <b>(4,871,104)</b> |
| Operating profits                                                                                                                 | 429,479                        | 665,151     | 600,686     | 657,769     | <b>712,066</b>     |
| Finance costs, net                                                                                                                | (252,170)                      | (251,293)   | (195,129)   | (156,301)   | <b>(125,299)</b>   |
| Profit before income tax                                                                                                          | 176,084                        | 420,502     | 407,727     | 505,643     | <b>587,291</b>     |
| (Loss)/Profit for the year                                                                                                        | 75,350                         | 297,591     | 220,560     | 257,504     | <b>383,180</b>     |
| (Loss)/Profit attributable to:<br>Equity holders of the Company                                                                   | 72,218                         | 293,810     | 196,513     | 242,649     | <b>373,090</b>     |
| Non-controlling interests                                                                                                         | 3,132                          | 3,781       | 24,047      | 14,855      | <b>10,090</b>      |
| Dividends                                                                                                                         | –                              | –           | 0.013       | 0.025       | <b>0.037</b>       |
| (Loss)/Earnings per share attributable<br>to the equity holders of the Company<br>during the year (expressed in RMB<br>per share) |                                |             |             |             |                    |
| Basic                                                                                                                             | 0.0249                         | 0.1013      | 0.0675      | 0.0854      | <b>0.1370</b>      |
| Diluted                                                                                                                           | 0.0246                         | 0.0990      | 0.0666      | 0.0837      | <b>0.1280</b>      |

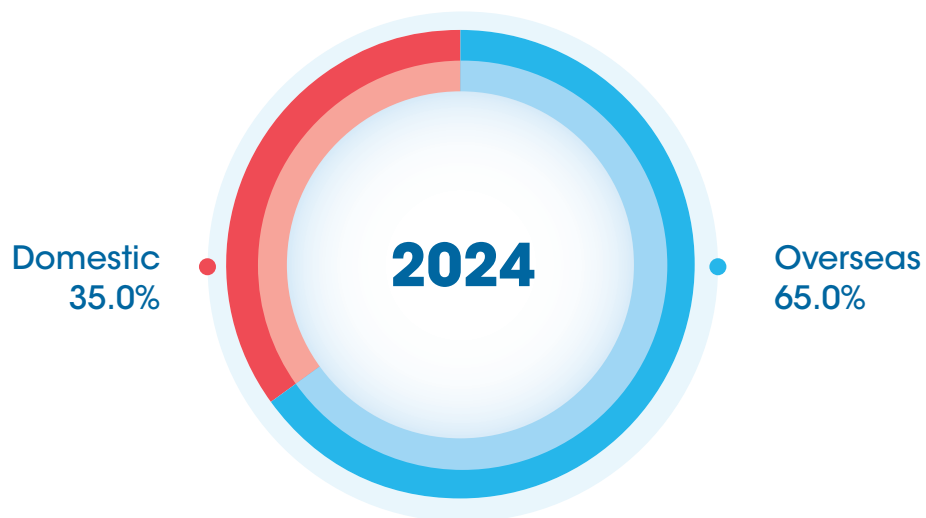
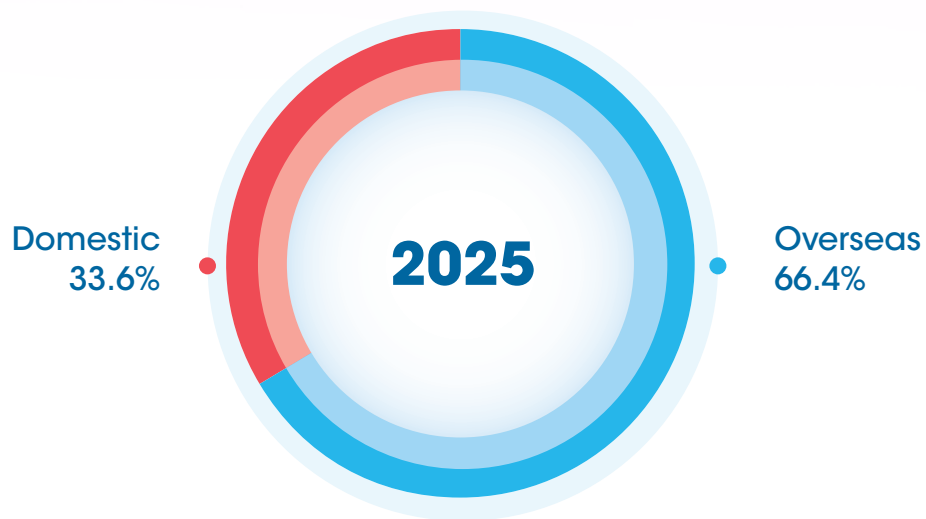
## FINANCIAL SUMMARY

### CONDENSED CONSOLIDATED FINANCIAL POSITION

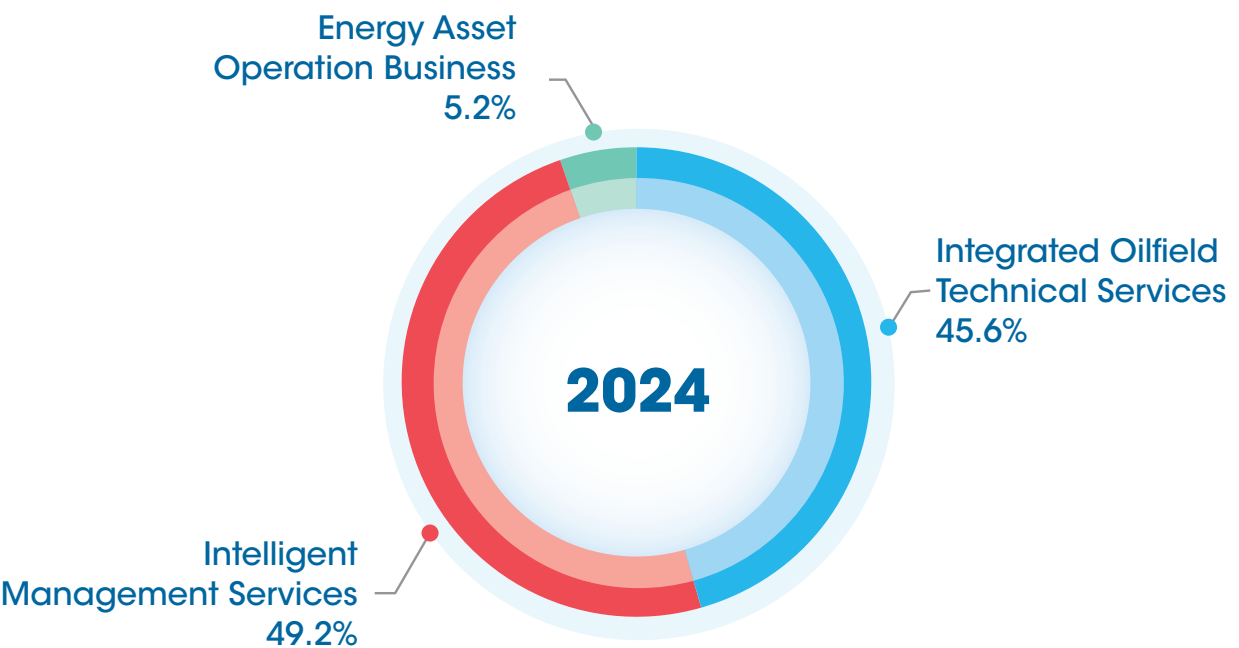
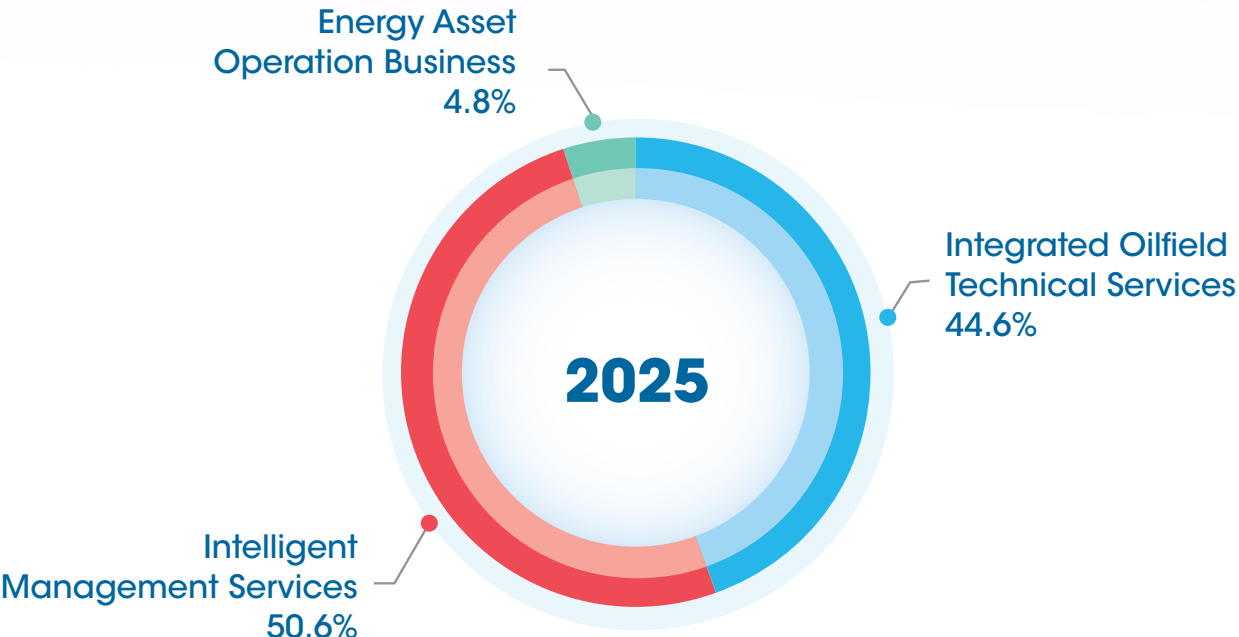
| RMB ('000)                            | For the year ended 31 December |           |           |            | 2025              |
|---------------------------------------|--------------------------------|-----------|-----------|------------|-------------------|
|                                       | 2021                           | 2022      | 2023      | 2024       |                   |
| <b>Assets</b>                         |                                |           |           |            |                   |
| Non-current assets                    | 2,709,437                      | 2,880,925 | 2,783,339 | 2,677,977  | <b>2,656,546</b>  |
| Current assets                        | 5,439,928                      | 5,101,870 | 7,023,535 | 7,540,005  | <b>8,938,785</b>  |
| Total assets                          | 8,149,365                      | 7,982,795 | 9,806,874 | 10,217,982 | <b>11,595,331</b> |
| Total equity                          | 2,828,161                      | 3,300,809 | 3,420,886 | 3,608,340  | <b>3,768,660</b>  |
| <b>Liabilities</b>                    |                                |           |           |            |                   |
| Non-current liabilities               | 996,120                        | 891,033   | 1,165,331 | 470,924    | <b>625,179</b>    |
| Current liabilities                   | 4,325,084                      | 3,790,953 | 5,220,657 | 6,138,718  | <b>7,201,492</b>  |
| Total liabilities                     | 5,321,204                      | 4,681,986 | 6,385,988 | 6,609,642  | <b>7,826,671</b>  |
| Total equity and liabilities          | 8,149,365                      | 7,982,795 | 9,806,874 | 10,217,982 | <b>11,595,331</b> |
| Net current assets                    | 1,114,844                      | 1,310,917 | 1,802,878 | 1,401,287  | <b>1,737,293</b>  |
| Total assets less current liabilities | 3,824,281                      | 4,191,842 | 4,586,217 | 4,079,264  | <b>4,393,839</b>  |

# FINANCIAL HIGHLIGHT

## REVENUE BREAKDOWN BY REGION



REVENUE BREAKDOWN BY BUSINESS CLUSTERS



# CHAIRMAN'S STATEMENT



Dear Shareholders and Friends,

It gives me great pleasure to share with you the Group's achievements in 2025 and our outlook for the future.

The year 2025 marked the foundation year of the Group's "Five-Year, Tenfold Growth" strategy. During the year, the Group further advanced its globalization, continuously upgraded its business model, and achieved sustained growth in business scale. In particular, benefiting from the Group's continued prudent financial management and Amoeba management, profit attributable to equity holders increased significantly by 53.8%, while free cash flow reached another record high. As at the end of 2025, the Group's cash on hand amounted to RMB2.6 billion. The strong cash flow performance and ample liquidity have laid a solid foundation for the Group's sustained rapid growth in the future.

In terms of markets, the Group continued to deepen its presence across its three major markets globally. Chinese market, as the Group's traditional core market, maintained stable growth. In

overseas markets, the Group adhered to the strategy of "first deepening in Iraq, then globalizing", positioning Iraq as the core foothold for its globalization strategy, and over the course of the year further deepened and consolidated its presence there, while continuing to achieve new project breakthroughs in major oilfields in southern Iraq. At the same time, the Group continued to expand in emerging global markets. During the year, it obtained market access qualifications and officially entered the Kuwait market; its oilfield technical services projects entered the new Algerian market; and its first natural gas utilization project was launched in Sarawak, Malaysia. With continuous progress in project implementation and sales breakthroughs, the Group's global market coverage and influence were further enhanced.

In terms of business development, the Group remained customer-oriented and carried out further systematic integration of its businesses, upgrading its business portfolio into three core segments: integrated oilfield technical services, intelligent management services, and energy asset operation business. These three business segments are positioned respectively as the Group's "traditional strength and stable growth business", "fast-growing business", and "newly cultivated business representing a blue ocean for future growth". Mutually supportive and advancing in synergy, they jointly form the Group's strategic framework for tiered and scalable growth.

In terms of management, the Group continued to improve its global operating system. During the year, it successively opened its new Hong Kong office, Dubai global operations center and new Beijing office, further bringing its operations closer to the business front line and providing strong support for global business expansion. At the same time, the Group optimized its human resources management system, upgraded its global talent network, and continued to iterate its digital and intelligent management systems, thereby achieving efficient globalized and digitalized management.

## CHAIRMAN'S STATEMENT

The Group has always attached great importance to shareholder interests. In 2025, while ensuring the rapid development of its business, the Group continued to enhance shareholder returns. During the year, in response to substantial share price volatility triggered by external environmental changes that were disconnected from the Group's business fundamentals, the Group decisively carried out multiple rounds of share repurchases, demonstrating through concrete actions its strong confidence in the Company's long-term value. In view of the substantial growth in net profit for the year, the strong business momentum and the Group's ample cash reserves, the Board has recommended, in accordance with the Company's dividend policy, the payment of a final dividend for the year ended 31 December 2025 equivalent to 30% of profit attributable to equity holders, amounting to approximately RMB112.0 million, representing an increase of 53.4% over the total dividend paid for 2024.

## OUTLOOK FOR 2026

Since its establishment, Anton has gone through different stages of development and faced different difficulties and challenges. We have always upheld innovation and continuous upgrading, achieving ongoing accumulation and advancement each time we overcame challenges, and have forged a development path that is increasingly stronger, more resilient and more sustainable.

At present, evolving geopolitical conflicts continue to create significant uncertainty for the global economy. We firmly believe that, amid a complex environment, risks and opportunities coexist. We will closely monitor changes in the global situation, prudently identify risks, and proactively seize opportunities. In particular, against the backdrop of turbulence in the Middle East, the potential increase in business opportunities arising from future capacity rebuilding and production enhancement in relevant countries will be a key area of focus for us in the coming year.

The year 2026 will be a year in which the Group advances its "comprehensive globalization" strategy. We will continue to optimize our global market platform network, with a focus on strengthening breakthroughs in emerging markets such as North Africa, GCC countries in the Middle East, Central Asia and Southeast Asia, so as to cultivate new business growth drivers. In Iraq, we will continue to leverage our brand, service capabilities and resource advantages to further tap into market opportunities, particularly those arising from oilfield production restoration and production enhancement, and further expand our business. China, as our traditional core market, will continue to maintain its market vitality and competitive strengths. The coordinated development of these three markets will help build a strong and sustainable market layout.

In terms of business development, the Group will remain customer-centric, deepen customer collaboration, and strive to build a sustainable industrial ecosystem. For integrated oilfield technical services, our traditional strength business, we will focus on strengthening our industrial footholds, enhancing on-site solution capabilities, and providing customers with tailored services covering the full on-site lifecycle. As intelligent management services face significant growth opportunities globally, the Group will strengthen its core design and consulting capabilities, promote differentiated development, accelerate the implementation of key AI-empowered projects, and continue to drive innovation. As for the energy asset operation business, which is a newly cultivated business, in 2026 the Group will focus on advancing the drilling work of the Dhufriyah oilfield project while simultaneously exploring project opportunities in marginal oil and gas blocks globally, so as to build new growth engines.

We will also continue to refine our partnership-based innovation and entrepreneurship mechanism, build a vibrant and agile organization, and consolidate our position as an innovation leader in the industry. At the same time, we will remain firmly committed to our green and low-carbon development strategy, integrate sustainability into our business operations, create long-term shareholder value, and contribute to sustainable social progress.

### ACKNOWLEDGEMENTS

On behalf of the Board, management and all employees, I would like to express my heartfelt gratitude to all shareholders, partners and members of the community who have supported Anton's development. Anton will continue to be technology-led and innovation-driven, creating value for customers, empowering employees and contributing to society.

*Chairman*

**Luo Lin**

28 April 2026

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. LUO Lin  
Mr. PI Zhifeng  
Mr. FAN Yonghong

### Non-executive Director

Mr. HUANG Song

### Independent Non-executive Directors

Mr. ZHANG Yongyi  
Mr. ZHU Xiaoping  
Mr. WEE Yiau Hin  
Ms. CHEN Xin

## AUDIT COMMITTEE

Mr. ZHU Xiaoping (Chairman)  
Mr. ZHANG Yongyi  
Mr. WEE Yiau Hin

## REMUNERATION COMMITTEE

Mr. WEE Yiau Hin (Chairman)  
Mr. ZHU Xiaoping  
Mr. LUO Lin

## NOMINATION COMMITTEE

Mr. ZHANG Yongyi (Chairman)  
Mr. WEE Yiau Hin  
Mr. LUO Lin

## ESG ("ENVIRONMENT, SOCIETY AND GOVERNANCE") COMMITTEE

Ms. CHEN Xin (Chairman)  
Mr. PI Zhifeng  
Mr. FAN Yonghong

## AUTHORIZED REPRESENTATIVES

Mr. LUO Lin  
Ms. Nelly AU-YEUNG

## COMPANY SECRETARY

Ms. Nelly AU-YEUNG

## COMPANY'S WEBSITE

[www.antonoil.com](http://www.antonoil.com)

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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## PRINCIPAL PLACE OF BUSINESS IN PRC

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Chaoyang District, Beijing, China 100102

## REGISTERED OFFICE

PO Box 309, Ugland House  
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Cayman Islands

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

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Suite 3204, Unit 2A  
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Gardenia Court  
Camana Bay  
Grand Cayman KY1-1110  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited  
Unit 1712-1716  
17th M Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## **AUDITORS**

Deloitte Touche Tohmatsu

## **LEGAL ADVISERS**

### **as to Hong Kong and U.S. law:**

Sidley Austin

### **as to Cayman Islands law:**

Maples and Calder

## **PRINCIPAL BANKS**

Citi Bank  
Shanghai Pudong Development Bank  
China Merchants Bank  
Industrial Bank Co., Ltd

## **STOCK CODE ON MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

3337

## **DATE OF LISTING**

14 December 2007

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

In 2025, the global economy demonstrated strong resilience amid the interplay of trade policy adjustments and geopolitical risks. The shift of monetary policies from tightening to easing across major economies provided support to energy demand. Although international oil prices exhibited volatility due to the dynamics of supply and demand, global energy consumption continued to grow steadily. The oil and gas industry achieved cost reduction and efficiency enhancement through technological innovation and improved operational management. At the same time, the dual drivers of energy security and low-carbon transition continued to reshape the global energy landscape, accelerating the optimisation of energy investment structures and creating new growth opportunities for oil and gas and energy service companies worldwide.

The year 2025 marked a foundational year under the Group's "Five-Year Tenfold Growth" strategy. During the year, the Group further deepened its global expansion and continuously scaled up its business operations, resulting in sustained growth in both revenue and profit. The Group's revenue increased by 17.2%, while profit attributable to equity holders increased significantly by 53.8%. The Group maintained strong cash flow performance, with free cash flow reaching RMB1,043.4 million. As at 31 December 2025, the Group's cash on hand amounted to RMB2,610.0 million. The robust cash flow and solid financial position have laid a strong foundation for the Group's future high-speed growth.

## GLOBAL MARKET EXPANSION

The Group continued to advance its global market presence. While maintaining stable growth in its core markets, the Group actively expanded into emerging markets. During the year, the Group sustained steady development in China and Iraq, while continuously expanding its business in regions including the Middle East, Southeast Asia, Central Asia and Africa, securing new project opportunities. Through continuous project execution and sales breakthroughs, the Group further enhanced its global market coverage and strengthened its market influence.

In 2025, the Group recorded new orders amounting to RMB8,109.6 million. Among these, new orders from overseas markets reached RMB5,250.6 million, accounting for 64.7% of the Group's total new orders, while new orders from the Chinese market amounted to RMB2,859.0 million, representing 35.3%. As at 31 December 2025, the Group's backlog orders amounted to RMB16,755.6 million, providing a solid foundation for the Group's continued business growth in the future.

## CONTINUOUS UPDATES OF BUSINESS MODEL

The Group is committed to building a global leading integrated service platform company for value enhancement solutions of energy assets. Building on this foundation, during the year, the Group adopted a customer-centric approach to extend the value chain and systematically consolidate and restructure its existing oilfield technical services, oilfield management services, inspection services and drilling rig services. As a result, the Group upgraded its business matrix into three core modules: Integrated Oilfield Technical Services, Intelligent Management Services, and Energy Asset Operation Business. These three modules are strategically positioned as the Group's "Traditional Advantage Base", "Rapid Growth Engine", and "Emerging Blue Ocean", respectively. They support and complement each other, collectively forming a stepwise, scalable growth framework for the Group.

The Group remains firmly customer-focused, continuously identifying client pain points and providing customized, integrated solutions and full life-cycle services. By promoting differentiated development paths, the Group steadily enhanced its comprehensive service capabilities and customer stickiness, optimized its business structure, and achieved robust and high-quality growth.

### TRANSFORMATION AND UPGRADING OF MANAGEMENT GLOBALIZATION

In 2025, the Group continued to advance its global transformation and upgraded its global operational framework. During the year, the Group commissioned its Hong Kong office, Dubai Global Operations Center, and Beijing office, bringing operations closer to business frontlines and providing strong support for global expansion. The Group further optimized its human resources management framework, comprehensively upgraded the global talent system, expanded international recruitment channels, and strengthened its global employer brand.

The Group continuously optimised its supply chain management. Through cost reduction and efficiency enhancement, strengthened strategic partnerships, and the upgrading of procurement digitalisation, procurement efficiency and cost control steadily improved throughout the year, providing strong support for the Group's efficient operations. At the same time, the Group extensively applied artificial intelligence and digital management systems across various functions, including human resources, QHSE (Quality, Health, Safety and Environment), finance and marketing management, achieving comprehensive digitalisation of management. The Group also established a central database, promoted data integration and the development of intelligent analytics capabilities, and enhanced its intelligent management service capabilities.

The Group continued to deepen the implementation of "Amoeba" management and cost control measures throughout the year, and consistently carried out full-process cash flow management across its operations, thereby enhancing capital utilisation efficiency. The Group achieved significant results in cash flow management during the year, recording net cash inflow from operating activities of RMB1,369.7 million and free cash flow of RMB1,043.4 million, both reaching record highs.

### LIFT OF SHAREHOLDER RETURNS

The Group places great importance on the interests of all shareholders and formally launched its dividend policy and share repurchase policy in 2024. Under these policies, subject to the Group recording positive profit attributable to equity holders and accumulated undistributed profits for the year, and provided that cash flow is sufficient to meet the Group's daily operational and sustainable development funding needs, the Group will make cash dividend distributions with reference to 30% of profit attributable to equity holders. In addition, where management considers that the Company's share price significantly deviates from its underlying business fundamentals, the Group may conduct share repurchases, as appropriate, using 5% to 10% of the prior year's free cash flow.

In 2025, while ensuring rapid business development, the Group continued to enhance shareholder returns. During the year, in response to significant share price volatility caused by external factors deviating from the Group's business fundamentals, the Group decisively conducted multiple rounds of share repurchases, demonstrating its strong confidence in the Company's long-term value through concrete actions. During the year, the Group repurchased 83,740,000 shares of the Company (the "**Shares**"), with a total consideration exceeding HKD85.5 million, effectively stabilising the share price and safeguarding shareholder interests. Benefiting from the growth in profit and the active implementation of share repurchases, the Group's earnings per share increased significantly by 60.4% year-on-year.

Meanwhile, given the substantial increase in net profit for the year, the strong business growth momentum and sufficient cash reserves, the Board of Directors has recommended the payment of a final dividend for the year ended 31 December 2025, with reference to 30% of profit attributable to equity holders, amounting to approximately RMB112.0 million, representing an increase of 53.4% compared to the total dividend distributed for 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

The Group is deeply committed to its sustainable development vision and strives to achieve harmonious coexistence between its operations and the environment. On the environmental front, through technological innovation, lean operational management and optimisation of service models, the Group has taken multiple measures to enhance management and operational efficiency. This has not only minimised carbon emissions from its own operations, but also empowered customers to advance green transformation, achieving collaborative carbon reduction. In fulfilling its social responsibilities, the Group has actively integrated into the development of the regions where it operates, making long-term contributions to community welfare, educational support, and disaster relief and mitigation, thereby giving back to society through concrete actions. Talent and innovation are the core drivers of sustainable development. The Group continues to advance its global talent acquisition and development system, while strengthening technological research and development, striving to drive high-quality business growth and contribute meaningfully to social progress.

In 2025, the Group achieved a number of significant milestones in sustainable development and governance practices: Selected once again for the S&P Global "Sustainability Yearbook (China Edition) 2025", demonstrating the Group's continued commitment to and achievements in ESG; For the third consecutive year in the 7th "Outstanding Management Companies in China" (中國卓越管理公司) ranking, jointly issued by Deloitte China, Singapore Bank, Hong Kong University of Science and Technology Business School, and Harvard Business Review (China Edition); Awarded the "ESG Special Recognition – Merit" under the TVB ESG Awards 2025, organised by TVB and co-organised by the Hong Kong Productivity Council; Successfully joined the APEC Energy Working Group, providing an official platform for participation in energy governance, technical exchange and cooperation across the Asia-Pacific region. In addition, the Group's subsidiaries were recognised as National "Specialized, Refined, Unique, and Innovative Little Giant". (國家級專精特新小巨人) title, among other honours, demonstrating the Group's comprehensive influence in industry practices and social responsibility.

### PERFORMANCE RESULTS

For 2025, the Group's revenue totaled approximately RMB5,571.7 million, representing an increase of approximately RMB817.8 million, or approximately 17.2%, from RMB4,753.9 million in 2024. Operating profit was approximately RMB712.1 million, representing an increase of approximately RMB54.3 million or approximately 8.2% from RMB657.8 million in 2024. Net profit was approximately RMB383.2 million, representing an increase of approximately 48.8% from RMB257.5 million in 2024. Profits attributable to equity holders of the Company was approximately RMB373.1 million, representing an increase of approximately RMB130.5 million, or approximately 53.8%, from RMB242.6 million in 2024. The net profit margin attributable to equity holders of the Company was approximately 6.7%, representing an increase of 1.6 percentage points compared with the same period in 2024.

As at 31 December 2025, the Group's accounts receivable balance was approximately RMB2,812.4 million, and the average accounts receivable turnover was 164 days, representing a decrease of 8 days as compared to 2024. The average inventory turnover was 46 days, representing an decrease of 18 days as compared to 2024. The average account payables turnover was 114 days, representing an increase of 7 days as compared to 2024. Net operating cash flow was approximately RMB1,369.7 million, representing an increase of approximately RMB44.6 million from RMB1,325.1 million in 2024. Free cash flow was approximately RMB1,043.4 million, representing an increase of approximately RMB63.7 million from RMB979.7 million in 2024.

## GEOGRAPHICAL MARKET ANALYSIS

In 2025, the Group's revenue from the overseas markets was approximately RMB3,698.2 million, representing an increase of approximately RMB607.1 million, or approximately 19.6%, from RMB3,091.1 million in 2024, accounting for approximately 66.4% of the Group's total revenue. Among the overseas markets, revenue from the Iraq market was approximately RMB3,148.8 million, representing an increase of approximately RMB547.4 million from RMB2,601.4 million in 2024, an increase of approximately 21.0%, accounting for 56.5% of the Group's overall revenue. Revenue from other overseas markets was approximately RMB549.4 million, representing an increase of approximately RMB59.7 million or approximately 12.2% from RMB489.7 million in 2024, accounting for approximately 9.9% of the Group's overall revenue. Revenue from the PRC market was approximately RMB1,873.5 million, representing an increase of approximately RMB210.7 million or approximately 12.7% from RMB1,662.8 million in 2024, accounting for approximately 33.6% of the Group's total revenue.

## BREAKDOWN OF REVENUE BY MARKET

|              | Twelve months ended 31 December |                  |               | % of the Group's total revenue Twelve months ended 31 December |             |
|--------------|---------------------------------|------------------|---------------|----------------------------------------------------------------|-------------|
|              | 2025<br>(RMB Mn)                | 2024<br>(RMB Mn) | Change<br>(%) | 2025<br>(%)                                                    | 2024<br>(%) |
| Overseas     | <b>3,698.2</b>                  | 3,091.1          | 19.6%         | <b>66.4%</b>                                                   | 65.0%       |
| Domestic     | <b>1,873.5</b>                  | 1,662.8          | 12.7%         | <b>33.6%</b>                                                   | 35.0%       |
| <b>Total</b> | <b>5,571.7</b>                  | 4,753.9          | 17.2%         | <b>100.0%</b>                                                  | 100.0%      |

## OVERSEAS MARKETS

|                | Twelve months ended 31 December |                  |               | % of the Group's total revenue Twelve months ended 31 December |             |
|----------------|---------------------------------|------------------|---------------|----------------------------------------------------------------|-------------|
|                | 2025<br>(RMB Mn)                | 2024<br>(RMB Mn) | Change<br>(%) | 2025<br>(%)                                                    | 2024<br>(%) |
| Iraq           | <b>3,148.8</b>                  | 2,601.4          | 21.0%         | <b>56.5%</b>                                                   | 54.7%       |
| Other overseas | <b>549.4</b>                    | 489.7            | 12.2%         | <b>9.9%</b>                                                    | 10.3%       |
| <b>Total</b>   | <b>3,698.2</b>                  | 3,091.1          | 19.6%         | <b>66.4%</b>                                                   | 65.0%       |

### OVERSEAS MARKETS

#### Iraq

As a developing market in which the Group continues to deepen its presence, the Group is committed to building core competitiveness in providing solutions for enhancing efficiency in oil and gas development and utilisation in Iraq. In 2025, in response to capacity expansion opportunities from major customers, the Group actively explored market potential, deployed long-term large-scale projects, and cultivated drivers for leapfrog growth. At the same time, the Group strengthened external resource construction and capability advancement, established a localised technical resource ecosystem, and ensured high-quality delivery through lean operations. During the year, the Group successfully secured a series of high-value contracts in areas such as oilfield operation and maintenance, production enhancement technologies and inspection services, laying a solid foundation for sustainable and high-quality development.

The Group's first oilfield block operating as operator — the Dhufriyah oilfield development project — successfully convened its third Joint Management Committee meeting during the year. Extensive discussions were held on key topics including the 2026 work plan, and multiple consensuses were reached. Key milestones, including the commencement of drilling of the first well, were clearly defined, significantly strengthening mutual confidence and collaboration, and laying a solid foundation for efficient oilfield development and future commercial production. This project not only serves as an important validation of the Group's international operational capabilities, but also represents a strategic foothold for driving leapfrog growth in the Middle East market. On 22 February 2026, the Group officially commenced drilling of the first well at the Dhufriyah oilfield, marking the entry of the project into a substantive operational phase.

The Group's integrated oilfield management project — the Majnoon oilfield management project — continued to operate safely and steadily during the year. The Group supported the customer in planning production increases and successfully achieving targeted output growth, while continuously assisting in upgrading oilfield infrastructure to promote green, intelligent and sustainable oilfield development. Through years of efficient operations at the Majnoon oilfield, the Group has achieved strong HSE performance, with cumulative lost-time injury-free man-hours reaching approximately 9.9 million hours, establishing a strong oilfield management brand in Iraq and across the Middle East. In light of the adjustments to the development plan for the relevant oil and gas assets by the oilfield customer, it is possible that the project will, during 2026, be handed over to a U.S. company for the subsequent development and management. The Group will actively cooperate with the customer's overall arrangements. As affected by the current situation in the Middle East, the concrete arrangement and timetable followingly of the project remains uncertain. The Group will make further announcement(s) to the market as and when the subsequent overall arrangements are further clarified.

In 2025, the Group achieved a strategic upgrade in Iraq's digitalisation and intelligentisation sector, transitioning from "infrastructure development" to "intelligent operations". The Group successfully secured multiple high-value projects, building a digital ecosystem covering the full spectrum of oilfield scenarios. On the infrastructure side, the Group won contracts such as oilfield operation monitoring system maintenance, strengthening its digital foundation. In terms of production intelligence, through automotive and intelligent building services such as OGM (Oil & Gas Management) and CPF (Central Processing Facility) station, the Group promoted lean management across production processes. In terms of data value realisation, the Group secured projects including drilling data acquisition services, enabling visualised decision-making support based on operational data. The delivery of these digital and intelligent solutions demonstrates that the Group is progressively developing core capabilities to provide end-to-end digital solutions for the oil and gas industry in Iraq.

In 2025, the Group's total new orders in the Iraq market reached approximately RMB4,221.3 million. The revenue recorded was approximately RMB3,148.8 million, up by approximately 21.0% from RMB2,601.4 million in the same period last year.

### Other Overseas Markets – Global Emerging Markets

In other overseas markets, the Group actively expanded its global footprint in emerging markets. Leveraging the radiating effect of its Dubai international platform, the Group significantly enhanced its market responsiveness through a dual-driven model of "online services + on-site visits".

In the year 2025, the Group achieved remarkable results in emerging markets such as the Middle East, Africa and Southeast Asia. During the year, the Group officially entered the Kuwait market, obtained the requisite qualification approvals and successfully secured its first project there. A number of the Group's projects, including oilfield management and oil completion services projects, have entered the bid evaluation stage. In Saudi Arabia, the Group has obtained the qualification admission process and will participate in the bidding for Saudi Arabia's first third-party invested and operated natural gas distribution infrastructure project, for which on-site survey has been completed. In the North African market, the Group achieved a breakthrough in Algeria by securing an oilfield technical services project and is actively exploring opportunities in oil and gas development projects. In the Southeast Asian market, the Group secured its first gas utilisation project in Malaysia, which has officially entered the construction stage, while subsequent project acquisition is being advanced. The Group also made progress across multiple business dimensions in markets such as Oman, injecting strong momentum into the rapid growth of the Group's global business.

In terms of brand building, the Group actively expanded its presence in global emerging markets by participating in GITEX, a leading digital technology exhibition, and by continuing to strengthen its presence at top-tier platforms such as the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC 2025) and the Egypt Petroleum Show, comprehensively expanding the international customer network. Leveraging its integrated solutions, distinctive production enhancement technologies, digital and intelligent platforms and global operating system, the Group further expanded its international network. During the year, the Group engaged in in-depth dialogues with senior government officials of multiple emerging market countries, local national oil companies, international oil companies and oilfield service companies, and entered into memoranda of understanding with a number of key strategic partners, laying a solid foundation for accelerating the development of a sustainable global business ecosystem.

In 2025, the Group's business in the emerging global oil and gas development markets continued to grow steadily, with total new orders of approximately RMB1,029.3 million. In 2025, revenue recorded from other overseas markets amounted to approximately RMB549.4 million, representing an increase of approximately 12.2% as compared with RMB489.7 million in 2024.

### DOMESTIC MARKET

In 2025, the Group continued to deepen its strategic transformation in the Chinese market and enhanced its capabilities in improving efficiency of oil and gas resource development. The Group further advanced Amoeba-based refined management and, with a focus on comprehensive solutions, accelerated the implementation of sales projects and the conversion of orders. By continuously strengthening its customer market network, the Group closely focused on oil and gas development opportunities, successfully achieving rapid breakthroughs in the execution of major projects.

During the year, the Group focused on technological breakthroughs and scenario-based project implementation in the Chinese market, achieving multiple record-setting milestones in deep subsurface exploration, offshore redevelopment and onshore production enhancement. In deep subsurface operations, the Group supported the customer's first ultra-deep well exceeding 10,000 metres by applying wide-area electromagnetic technology to realise dynamic fracture visualisation monitoring, obtaining real-time data of the deepest artificial fractures in Asia. In offshore operations, the Group delivered the first integrated project combining "ultra-short radius sidetracking and flexible sand control project" for an oil company customer in Bohai Sea, reducing the construction period by 20% and overcoming challenges in redeveloping mature wells. In onshore operations, the Group completed the first well casing external permanent optical fiber monitoring in the Southwest region. The optical fiber operations team carried out the work efficiently, completing the installation of 1,500 meters of optical fiber in just 27 hours. Meanwhile, T-ALL Inspection successfully executed challenging offshore tasks such as helium-nitrogen leak detection on the FPSO. The successful implementation of a series of "first-of-its-kind" projects demonstrates the Group's increasingly mature comprehensive service capabilities in addressing highly complex reservoirs and emerging operational scenarios.

In the digital and intelligent business segment, the Group, driven by innovation from its Artificial Intelligence Research Institute, independently developed and deployed nine intelligent digital platforms for oil and gas development, covering core scenarios such as intelligent drilling, fracturing and fibre-optic monitoring. The Group also successfully secured benchmark projects including drone inspection and smart site development, embedding integrated intelligent solutions into customers' production sites and significantly enhancing operational efficiency and safety management. At the internal governance level, the Group fully implemented the "AI-enabled management enhancement" initiative, with internal teams leading the development of 12 AI-driven management projects covering areas such as intelligent sourcing in supply chain management, ChatBI data analytics and legal contract assistants. These initiatives served more than 6,000 users during the year, significantly reducing outsourcing and cloud resource costs, and enabling the transformation from "manual-driven" operations to "intelligent automation", thereby injecting strong digital momentum into the Group's high-quality development.

In 2025, the Group secured new orders in the Chinese market of approximately RMB2,859.0 million, with a continuously optimised project mix. Revenue from the Chinese market amounted to approximately RMB1,873.5 million, representing an increase of 12.7% compared to RMB1,662.9 million in 2024.

## BUSINESS CLUSTER ANALYSIS

The Group is committed to becoming a global leading integrated service platform company for value enhancement solutions of energy assets. On this basis, during the year, with customer demand as its guide and by further extending the value chain of the industry, the Group carried out a systematic integration and restructuring of its original oilfield technical services, oilfield management services, inspection services and drilling rig services, and upgraded its business matrix into three core segments, namely integrated oilfield technical services, intelligent management services and energy asset operation business. These three business segments respectively serve as the Group's "traditional strengths cornerstone", "rapid growth engine" and "newly cultivated blue ocean". Complementing and reinforcing one another, they advance in synergy and jointly form the Group's strategic growth framework featuring progressive and scalable growth.

| Original business division                                                                                                                                                                                                                      | Current business division                                                                                                                                                                                                | Remark                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Oilfield technical services</b> <ul style="list-style-type: none"> <li>- Drilling technical services</li> <li>- Well-Completion technical services</li> <li>- Stimulation technical services</li> <li>- Asset leasing services</li> </ul> | <b>1. Integrated Oilfield Technical Services</b> <ul style="list-style-type: none"> <li>- Drilling technical services</li> <li>- Well-Completion technical services</li> <li>- Stimulation technical services</li> </ul> | The original drilling rig services merged into drilling technical services                                                                 |
| <b>2. Oilfield management services</b> <ul style="list-style-type: none"> <li>- Integrated oilfield management services</li> <li>- Oilfield operation and maintenance services</li> </ul>                                                       | <b>2. Intelligent Management Services</b> <ul style="list-style-type: none"> <li>- Energy project management services</li> <li>- Digital intelligence technical services</li> <li>- Inspection services</li> </ul>       | The original oilfield management services<br>Adjusted from the original stimulation technical services<br>The original inspection services |
| <b>3. Inspection services</b><br><b>4. Drilling rig services</b>                                                                                                                                                                                | <b>3. Energy Asset Operation Business</b> <ul style="list-style-type: none"> <li>- Natural gas and new energy infrastructure</li> <li>- Oil and gas resources development</li> </ul>                                     | The original asset leasing services adjusted to this sector<br>New business sector                                                         |

The segment data of 2024 have been represented accordingly to enable a like-for-like comparison.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, revenue from the Group's integrated oilfield technical services amounted to RMB2,483.3 million, representing an increase of approximately 14.6% as compared with 2024 and accounting for 44.6% of the Group's revenue for 2025; revenue from intelligent management services amounted to RMB2,820.4 million, representing an increase of approximately 20.6% as compared with 2024 and accounting for 50.6% of the Group's revenue for 2025; and revenue from energy asset operation business amounted to RMB268.0 million, representing an increase of approximately 8.2% as compared with 2024 and accounting for 4.8% of the Group's revenue for 2025.

### REVENUE BREAKDOWN BY CLUSTER

|                                        | Twelve months ended 31 December |                  |               | % of the Group's total revenue Twelve months ended 31 December |             |
|----------------------------------------|---------------------------------|------------------|---------------|----------------------------------------------------------------|-------------|
|                                        | 2025<br>(RMB Mn)                | 2024<br>(RMB Mn) | Change<br>(%) | 2025<br>(%)                                                    | 2024<br>(%) |
| Integrated Oilfield Technical Services | <b>2,483.3</b>                  | 2,167.1          | 14.6%         | <b>44.6%</b>                                                   | 45.6%       |
| Intelligent Management Services        | <b>2,820.4</b>                  | 2,339.0          | 20.6%         | <b>50.6%</b>                                                   | 49.2%       |
| Energy Asset Operation Business        | <b>268.0</b>                    | 247.8            | 8.2%          | <b>4.8%</b>                                                    | 5.2%        |
| Total                                  | <b>5,571.7</b>                  | 4,753.9          | 17.2%         | <b>100.0%</b>                                                  | 100.0%      |

### INTEGRATED OILFIELD TECHNICAL SERVICES

Integrated oilfield technical services is a mature business segment in which the Group possesses traditional strengths. The Group has established integrated technical service capabilities covering the full life cycle of oil and gas development. With reservoir geology technology as its core driving force and through long-term on-site presence, the Group provides customers with services such as drilling, well-completion and production enhancement technologies, and is committed to assisting customers in comprehensively improving resource development efficiency and maximising the value of reservoir assets through customised services and research support. In addition, the Group's AI-enabled technologies, precise real-time monitoring and digital and intelligent efficiency enhancement technologies have been widely promoted and applied in both the PRC and overseas markets, further strengthening the Group's integrated service capabilities in the development of complex oil and gas reservoirs.

In 2025, revenue from the integrated oilfield technical services cluster was approximately RMB2,483.3 million, representing an increase of approximately 14.6% from RMB2,167.1 million for the same period last year.

Business analysis of each product line of the integrated oilfield technical service cluster:

- 1) Drilling technical services: This product line recorded revenue of approximately RMB679.0 million in 2025, representing an increase of approximately 14.0% compared to RMB595.6 million for the same period last year.
- 2) Well completion technical services: This product line recorded revenue of approximately RMB577.2 million in 2025, representing an increase of approximately 24.2% compared to RMB464.6 million for the same period last year.
- 3) Stimulation technical services: This product line recorded revenue of approximately RMB1,227.1 million in 2025, representing an increase of approximately 10.8% from RMB1,107.1 million for the same period last year.

EBITDA of the integrated oilfield technical services cluster decreased by 2.6% to RMB662.7 million in 2025 from RMB680.5 million in 2024, with an EBITDA margin of 26.7%, a decrease 4.7 percentage points from 31.4% for the same period last year, mainly due to the rise of cost of raw materials.

### INTELLIGENT MANAGEMENT SERVICES

Intelligent management services is a rapidly growing business segment of the Group, principally covering three areas, namely energy project management services, digital intelligence technical services, and inspection services. It provides customers with professional energy asset management services featuring full-process support and comprehensive coverage. Leveraging digital and intelligent technologies, international management expertise, as well as operation and maintenance experience and systems, the Group helps customers reduce operating costs, enhance operational efficiency and realise asset value enhancement. At present, through the successful operation of numerous projects in the Middle East, Africa and Asia, the Group has established an international energy project service network.

Among the business segments under intelligent management services, energy project management services develops with the goal of becoming a global leading professional energy asset management service company, it provides customers with diversified services accompanying the entire life cycle of assets, including oilfield operation and maintenance, engineering maintenance, supply chain services, design and consultancy, human resources and integrated management. Its service scope covers multiple scenarios, including upstream and downstream oil and gas development equipment and facilities, power stations, ports and terminals, as well as new energy projects. Leveraging on digital and intelligent technologies, international operation and maintenance experience and systems, together with 17 years of professional service experience and outstanding delivery capabilities, it provides customers with high-quality global services. The Group's oilfield management business has established a strong reputation and brand presence in the Middle East and African markets, and has also identified extensive business opportunities in markets such as Central Asia and Southeast Asia, with global replication currently being advanced.

## MANAGEMENT DISCUSSION AND ANALYSIS

Digital intelligence technical services is committed to becoming the world's most execution-oriented global provider of on-site intelligent solutions for the energy industry. Rooted in all scenarios of oil and gas field development and deeply engaged in operational sites, it provides customised solutions covering the full range of scenarios together with accompanying on-site implementation services, making full-scenario digital and intelligent oil and gas projects more economical, faster and more efficient. The Group's digital and intelligent technology services cover digital and intelligent transformation solutions across the oil and gas and broader energy sectors, including digital and intelligent services for oil and gas engineering, digital and intelligent services for stations and plants, smart security services, digital and intelligent services for new energy, as well as specialised AI products and services. It has also established a global support system and service bases to realise on-site implementation and long-term operation and maintenance, thereby continuously empowering the digital and intelligent transformation of oilfields. This business segment has already successfully delivered and implemented a number of projects in the Middle East market.

Inspection services has developed into a comprehensive service provider with leading scale and technology in China's natural gas sector, with market coverage spanning major domestic gas fields as well as overseas markets in the Middle East, Central Asia and Southeast Asia. It provides asset integrity management services covering a wide range of upstream, midstream and downstream scenarios of various scales, including oil and gas stations, pipeline networks, refining and chemical facilities, and storage and transportation facilities. At the same time, it is vigorously expanding into the emerging fields of "dual-carbon technical services" and "smart inspection", leveraging AI and big data technologies to help customers achieve energy conservation, efficiency enhancement, safety and environmental protection. As the first asset securitisation project under the Group's multi-entity operation strategy, the Group will steadily advance this project subject to business development and market conditions, with a view to further unlocking the value of the business.

In 2025, the Group's intelligent management services continued to achieve steady growth, with revenue of approximately RMB2,820.4 million, representing an increase of approximately 20.6% as compared to RMB2,339.0 million for the same period last year.

Business analysis of each product line of the intelligent management services cluster:

- 1) Energy project management services: During the reporting period, the energy project management services product line recorded revenue of approximately RMB2,197.8 million up by approximately 18.9% from RMB1,848.0 million in 2024.
- 2) Digital intelligence technical services: During the reporting period, the digital intelligence technical services product line recorded revenue of approximately RMB138.6 million, an increase of approximately 95.1 % from RMB71.1 million in 2024.
- 3) Inspection services: During the reporting period, the inspection services product line recorded revenue of approximately RMB484.0 million up by approximately 15.3 % from RMB419.8 million in 2024.

EBITDA of the intelligent management services cluster increased by approximately 25.3%, from RMB576.7 million in 2024 to approximately RMB722.4 million in 2025, with an EBITDA margin of 25.6%, an increase of 0.9 percentage points from 2024.

*(Note: Due to factors such as intra-group affiliated services, there is certain differences in scope between the disclosure data for inspection services as a group business product line and the inspection business data of T-All Inspection as an independent legal entity that is in preparation for a spin off and separate listing.)*

## ENERGY ASSET OPERATION BUSINESS

Energy asset operation business is an emerging strategic segment that the Group is focusing on cultivating for its long-term development. It aims to deeply unlock and share asset value enhancement returns by building full-chain integrated solutions covering research, design, resource integration, project construction and operation management.

Within this business segment, natural gas and energy infrastructure services provides customers with asset value enhancement solutions for energy infrastructure projects. Such solutions are adaptable to eight core application scenarios of energy assets, including natural gas processing, natural gas transmission, gas-fired power generation, LNG production and utilisation, flexible oil and gas production scenarios, flexible engineering equipment utilisation scenarios, oilfield new energy transition scenarios (such as photovoltaic and energy storage assets), and integrated energy facility utilisation scenarios (such as the construction and use of water treatment plants and other integrated energy facilities). It offers six principal business models, including BOO, BOT, BT, flexible leasing, EPC+ and natural gas resource processing and offtake, and is committed to helping customers' to achieve cost reduction and optimize their assets, efficiency enhancement and value enhancement throughout the entire process. This business segment has been operating in a mature manner in the southwest PRC market for many years and has also achieved a breakthrough in the Sarawak market in Malaysia. It is currently presented with extensive opportunities in the global market.

The oil and gas resource development business focuses on leveraging the Group's synergistic strengths in geological and reservoir research, production enhancement and cost reduction technologies, as well as efficient oilfield management. Acting as a technical service operator, the Group seeks development opportunities in marginal oil and gas blocks around the world, so as to efficiently explore and develop oil and gas resources, assist customers in maximising asset returns and share in the value enhancement returns of such resources at the same time. The Group's Dhufriyah oilfield development project in the Iraq market is the first oilfield block project led and developed by the Group as operator. The drilling of the first well of the project officially commenced on 22 February 2026, and the work relating to the workover and well testing of an existing well had also been commenced, with the project currently progressing smoothly as scheduled.

In 2025, revenue from the energy asset operation business segment amounted to RMB268.0 million, representing an increase of 8.2% from RMB247.8 million for the corresponding period of last year.

Analysis of the business lines under the energy asset operation business segment:

- 1) Natural gas and new energy infrastructure: During the reporting period, this product line recorded revenue of RMB268.0 million, representing an increase of 8.2% from RMB247.8 million in 2024.
- 2) Oil and gas resources development: During the reporting period, this product line recorded no revenue tentatively. The first oilfield block developed by the Group as an operator – the Dhufriyah oilfield had kicked off the drilling of its first well on 22 February 2026 and also started the workover and testing of an old well. The project is progressing smoothly currently according to its development plan.

EBITDA of the energy asset operation business segment decreased from RMB211.3 million in 2024 to RMB199.8 million in 2025, representing a decrease of 5.4%. The EBITDA margin was 74.6%, representing a decrease of 10.7 percentage points from 2024, mainly due to the rise of cost of the materials.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ALIGNMENT OF STRATEGIC RESOURCES

In 2025, the Group continued to curb new capital expenditure, abided strictly with its “asset-light” business model and maintained “cash flow” focus. Capital expenditure for 2025 was approximately RMB207.7 million, representing an increase of approximately RMB21.4 million from RMB186.3 million in 2024.

### ALIGNMENT OF INVESTMENT

In 2025, the Group primarily made supplementary investments in support of equipment deployed on ongoing projects.

### ALIGNMENT OF RESEARCH AND DEVELOPMENT (“R&D”)

In 2025, the Group adhered to independent innovation as its core driver, strengthened its capabilities in reservoir enhancement, precision engineering technologies and digital intelligence, accurately identified customer pain points in key scenarios relating to oil and gas resource development and natural gas utilisation, and actively advanced technological innovation as well as the upgrading of its products and services, thereby building a distinctive technology matrix covering the entire industry chain and consolidating its strategically leading position in industry technology. In 2025, the Group’s research and development expenses amounted to RMB117.0 million, representing an increase of 1.1% from RMB115.7 million for the corresponding period of last year. The principal scientific research achievements included:

- invention patent for a toe-end sliding sleeve and a method for controlling the opening of a sliding sleeve
- invention patent for a suspension packer
- invention patent for a self-balancing packer
- invention patent for a connection device for connecting a photoelectric composite cable and a tractor, and a geological information acquisition device
- invention patent for a probe, device, method and electronic equipment for defect detection
- invention patent for modified cementing slurry and its preparation method and application

## ALIGNMENT OF HUMAN RESOURCES

In 2025, in alignment with the Group's global operations and business transformation demand, the Group continued to upgrade of its human resources management system and organisational capabilities. Positive progress was achieved in multiple areas, including global office support, system development, talent recruitment, training and development, and organisational effectiveness enhancement, thereby further strengthening the talent foundation for the Group's global development.

During the year, the Group continuously enhanced its global office support capabilities through the establishment and commencement of operation of the Hong Kong office, the Dubai Global Operations Centre, the new Beijing office and the Kuwait logistics base, thereby strengthening its support capabilities for globalised operations. Meanwhile, the Group continued to optimise its organisational structure and allocation of management functions, and advanced the adjustment of key business platforms and regional integration. It also enhanced the online management of processes, information sharing and resource allocation efficiency through the establishment and promotion of a digital and intelligent human resources platform.

In terms of system development, the Group benchmarked against industry best practices and comprehensively revised and issued twenty-one human resources policies, continuously improving their global applicability and compliance. The Group also progressively established a clearly tiered and regionally coordinated human resources policy framework, providing institutional support for localised management across regions and globally coordinated operations.

In respect of talent attraction and development, the Group continued to enhance its global employer branding system. Through collaboration with LinkedIn, the Group implemented talent solutions, expanded international recruitment channels, unified its employer value proposition and strengthened recruitment enablement mechanisms, thereby continuously improving its global talent attraction capabilities. During the year, the Group successfully launched its first global "Ant Training Camp", completing localised training programmes for employees in China and Iraq, and adopting a fully English-based intensive training model, effectively promoting cross-regional talent development and cultural integration. Meanwhile, the Group initiated a special project on rank compliance for non-Chinese employees, further improving the grading system and career development pathways for international employees.

In addition, the Group continued to strengthen the development of key talent teams, including the introduction of senior management talent, the advancement of localisation strategies in Iraq, the upgrading of its partnership programme and the enhancement of management mechanisms for senior technical professionals. The Group also implemented a dedicated initiative for the promotion of young talent, promoting over 200 employees aged 30 and below during the year, thereby continuously enhancing organisational vitality and professional capabilities and providing strong talent support for the Group's long-term stable development.

As at 31 December 2025, the total number of employees of the Group was 6,792, representing an increase of 38 as compared to 31 December 2024, of which 4,533 were overseas employees, accounting for 66.7% of the Group's total employees.

### OUTLOOK

In 2026, evolving geopolitical conflicts are expected to bring greater uncertainty to global economic growth. In response to this complex environment, the Group will closely monitor global developments and actively identify and capture the risks and opportunities arising therefrom. In particular, amid ongoing instability in the Middle East, the potential increase in business opportunities arising from future capacity reconstruction and production enhancement in relevant countries will be a key focus for the Group in the coming year. The Group will continue to pursue its vision of becoming a “global leading integrated service platform company for energy asset value enhancement solutions”, steadily advancing its globalisation strategy, continuously optimising its distributed solutions, and enhancing its value chain layout. Through building a platform-based ecosystem, deepening integrated service innovation, and expanding its global market network, the Group will continue to promote green development and innovation-driven growth, laying a solid foundation for long-term sustainable growth.

In terms of market development, the Group will continue to optimise its global market platform network, with a focus on strengthening breakthroughs in global emerging markets, including North Africa, new markets in the Middle East, Central Asia and Southeast Asia, as well as the development of regional customer pipelines. The Group will continue to cultivate new business growth drivers, achieve scaled breakthroughs in order acquisition, build regions for long-term growth and advance market diversification. In the Iraq market, the current conflict situation in the Middle East has caused certain disruptions to the market. The Group is closely focusing on new opportunities arising from the market’s need for rapid resumption and ramp-up of production once the conflict subsides. Leveraging the brand recognition, service capabilities and resource advantages that already established in this market, the Group will continue to explore market opportunities in depth and further expand its market presence. In the domestic market, the Group will continue to promote lean operation and management in order to maintain market vitality and competitive advantages. The Group will closely monitor potential incremental development opportunities arising from countries’ increasing emphasis on energy security amid global geopolitical conflicts, while also actively pursuing new project opportunities from oil and gas companies in wind, solar, power and energy storage under the energy transition trend. Overall, the Group will further optimise market lead management, conduct systematic market research around its core industries, define priority market directions and optimise its global market presence. At the same time, it will strengthen the evaluation of major projects and end-to-end management of market-side information, so as to support breakthrough growth and the sustainable development of its business.

In terms of products and services, the Group will continue to uphold a customer-centric approach, deepen customer collaboration mechanisms and build a sustainable industrial ecosystem. For integrated oilfield technical services, being the Group’s traditional strengths segment, the Group will focus on building industry strongholds and enhancing on-site solution capabilities, so as to provide customers with customised on-site services throughout the full life cycle, and this segment is expected to maintain steady growth in 2026. Intelligent management services are facing significant growth opportunities globally and are developing rapidly. In particular, the energy project management services segment reflects extensive business opportunities across multiple markets, including the Middle East, Southeast Asia and North Africa. The Group will strengthen its core capabilities in design and consultancy, promote differentiated development, accelerate the implementation and application of key AI-empowered projects, and define the direction of core technology breakthroughs for the segment while continuing innovation. For energy asset operation business, as an emerging segment under strategic cultivation, the Group will in 2026 focus on advancing the smooth progression of its first oil and gas development project, namely the Dhufriyah oilfield project, while concurrently exploring project opportunities in marginal oil and gas blocks worldwide, with a view to creating new growth poles.

In terms of management, the Group will deepen the guidance of early indicators and its multi-entity operating model, continue to refine amoeba-based cost control, and build an agile and efficient operating system. The Group will comprehensively upgrade its talent strategy by stimulating organisational vitality through structural optimisation and incentive mechanisms, with a focus on introducing leading talents and high-calibre talent capable of breaking into new circles, strengthening the development of localised core leadership, and reinforcing its employer brand to support global business expansion. The Group will implement a cash flow-oriented operating philosophy, optimise its global treasury management system and expand diversified financing channels, so as to provide safe and efficient financial support for its steady growth. At the same time, it will accelerate digital and intelligent transformation, deepen the application of the human resources platform to drive precise decision-making, promote the upgrading of the supply chain management system, obtain global competitive resources through the procurement e-commerce platform, and focus on launching key AI-empowered management products to build future-oriented core competitive barriers.

The Group will continue to iterate its partnership-based innovation and entrepreneurship mechanism and is committed to building a highly dynamic and agile organisation, thereby consolidating its position as an innovation leader in the industry through the deepening of its entrepreneurial culture. Meanwhile, the Group will steadfastly implement its green and low-carbon development strategy, deeply integrate the concept of sustainable development into its business operations, and strive to create long-term value for shareholders while promoting sustainable social progress.

## FINANCIAL REVIEW

### Revenue

The Group's revenue for 2025 was approximately RMB5,571.7 million, representing an increase of approximately RMB817.8 million, or approximately 17.2%, from RMB4,753.9 million for the same period of 2024, mainly attributable to the Group's continued expansion of its global business and the efficient execution of its backlog orders.

### Costs of Sales

Cost of sales increased by 18.7% from RMB3,350.9 million for the corresponding period in 2024 to approximately RMB3,978.0 million in 2025, mainly attributable to the corresponding increase in costs as a result of revenue growth.

### Other Gains, Net

During the year, the Group's other gains net increased by approximately RMB11.4 million from RMB-4.7 million in 2024 to RMB16.1 million in 2025, mainly due to the increase in government grants and subsidies and gains arising from changes in the fair value of financial assets.

### Impairment Losses under Expected Credit Loss Model, Net of Reversal

Impairment losses under expected credit loss model, net of reversal increased approximately 26.3 million from approximately RMB61.3 million in 2024 to RMB87.6 million in 2025, mainly attributable to the increase of revenue scale, which led to the increase of impairment losses scale according to the Expected Credit Loss Model

### Selling Expenses

Selling expenses amounted to approximately RMB275.5 million in 2025, representing an increase of RMB35.1 million, or 14.6%, from RMB240.4 million for the corresponding period in 2024, mainly attributable to the increase in related expenses brought about by the continued expansion of the Group's global business.

### Administrative Expenses

Administrative expenses amounted to approximately RMB395.9 million in 2025, representing an increase of RMB89.2 million, or 29.1%, from RMB306.7 million for the corresponding period in 2024, mainly attributable to the increase in related expenses arising from measures taken to support the development of the Group's global business, including the placement of management personnel closer to frontline operations.

### R&D Expenses

R&D expenses for 2025 were approximately RMB117.0 million, representing an increase of approximately RMB1.3 million, or 1.1% from RMB115.7 million in 2024.

### Sales Taxes and Surcharges

Sales taxes and surcharges were approximately RMB17.1 million in 2025, representing an increase of approximately RMB0.5 million, or 3.0%, from RMB16.6 million in 2024.

### Operating Profit

The Group's operating profit amounted to approximately RMB712.0 million in 2025, representing an increase of RMB54.2 million, or 8.2%, from RMB657.8 million for the corresponding period in 2024. The operating profit margin for 2025 was 12.8%, representing a decrease of 1.0 percentage points from 13.8% for the corresponding period in 2024.

### Net Financing Costs

Net finance costs amounted to approximately RMB125.3 million in 2025, representing a decrease of RMB31.0 million, or 19.8%, from RMB156.3 million for the corresponding period in 2024, mainly due to the reduction in finance costs following the Group's repayment of its U.S. dollar bonds in January 2025.

### Income Tax Expense

Income tax expense amounted to approximately RMB204.1 million in 2025, representing a decrease of RMB44.0 million, or 17.7%, from RMB248.1 million for the corresponding period in 2024.

### Profit for the Period

The Group's net profit amounted to approximately RMB383.2 million in 2025, representing an increase of RMB125.7 million, or 48.8%, from RMB257.5 million for the corresponding period in 2024, primarily attributable to the growth in the Group's revenue and gross profit, together with the decrease in finance costs.

### Profit Attributable to Equity Holders of the Company

Profit attributable to the equity holders of the Company amounted to approximately RMB373.1 million in 2025, representing an increase of RMB130.5 million, or 53.8%, from RMB242.6 million for the corresponding period in 2024, primarily attributable to the growth of the Group's revenue and gross profit along with its global business expanding, and the large decrease in finance costs after the Group fully repaid its U.S. dollar bond in January 2025.

### Trade and Notes Receivable

As at 31 December 2025, the net carrying amount of the Group's trade receivables and bills receivable amounted to approximately RMB2,812.4 million, representing an increase of RMB483.7 million from 31 December 2024. The average trade receivables turnover days of the Group in 2025 were 164 days, representing a decrease of 8 days as compared with the corresponding period in 2024.

### Inventories

As at 31 December 2025, the Group's inventories amounted to approximately RMB645.3 million, representing a decrease of approximately RMB126.1 million as compared to 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity and Capital Resources

As at 31 December 2025, the Group's cash and bank deposits were approximately RMB3,183.9 million (including restricted bank deposits, cash and cash equivalents), representing an increase of RMB622.8 million as compared to 31 December 2024.

As at 31 December 2025, the Group's outstanding short-term borrowings was RMB1,214.7 million. RMB1,229 million of the credit line granted to the Group by the PRC domestic banks has not been used.

As at 31 December 2025, the Group's gearing ratio was 56.0%, representing an increase of 0.9 percentage points from the gearing ratio of 55.1% as at 31 December 2024. The calculation of the gearing ratio is based on total borrowings divided by total capital. Total borrowings include borrowings, bonds, lease liabilities, and trade and notes payable (as shown in the consolidated statement of financial position). Total capital is calculated based on equity (as shown in the consolidated statement of financial position) plus total borrowings.

As at 31 December 2025, the equity attributable to equity holders of the Company amounted to approximately RMB3,681.8 million, representing an increase of approximately RMB183.8 million from RMB3,498.0 million as at 31 December 2024.

### Significant Investments

During the twelve months ended 31 December 2025, the Group did not hold any significant investments.

### Material Acquisition and Disposal of subsidiaries, Associates, and Joint Ventures

During the twelve months ended 31 December 2025, the Group had no material acquisitions or disposals of subsidiaries, associates, or joint ventures.

### Currency Risk

The Group conducts its business mainly in RMB and USD, and some of its imports and exports are settled in foreign currencies. The Group considers that the currency risk associated with the Group's settlement amounts denominated in foreign currencies is immaterial. The Group's currency risk mainly arises from its foreign currency deposits and long-term bonds and trade receivables denominated in foreign currencies. Fluctuations in the exchange rate of RMB against USD may adversely affect the Group's operating results and financial position.

The Group does not currently have a foreign currency hedging policy. However, the management of the Company has been monitoring foreign exchange risks and will consider hedging significant foreign currency exposure should the need arise.

### Cash Flow from Operating Activities

For the twelve months ended 31 December 2025, the Group's cash flow from operating activities was a net inflow of approximately RMB1,369.7 million, representing an increase of approximately RMB44.6 million as compared to the same period of 2024.

### Capital Expenditure and Investment

For the twelve months ended 31 December 2025, the Group's capital expenditure was approximately RMB207.7 million, representing an increase of approximately RMB21.4 million from the capital expenditure of RMB186.3 million in 2024.

### Contractual Obligations

The Group's contractual obligations mainly consist of its capital commitments. As at 31 December 2025, the Group's capital commitments (but not yet provisioned in the consolidated statement of financial position) amounted to approximately RMB116.4 million.

### Contingent Liabilities

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

### Pledge of Assets

As at 31 December 2025, the Group's assets pledged for banking facilities were buildings and equipment with a net book value of approximately RMB75.9 million, right-of-use assets with a net book value of approximately RMB5.2 million, trade receivables with a net book value of approximately RMB536.7 million and the restricted bank deposits of RMB20.0 million.

### Off-Book Arrangements

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

# DIRECTORS' REPORT

The Board of the Company is pleased to present the Directors' Report together with the audited financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group provides comprehensive technology services for oil and gas resource development.

The Group's performance analysis based on segments is set out on Note 5.

## RESULTS OF OPERATIONS

The financial results of the Group for 2025 are set out on pages 78 to 166 of this Annual Report.

## FIVE YEAR FINANCIAL SUMMARY

The five year financial summary of the Group is set out on pages 5 to 6 in the section headed "Financial Summary" of this Annual Report.

## FINAL DIVIDEND

At the Board meeting held on 29 March 2026, the Board recommended the payment of a final dividend of RMB0.037 per Share for the year ended 31 December 2025, with the total amount of RMB112 million (2024: RMB73 million).

As at 31 December 2025, there was no arrangement pursuant to which the Shareholders waived or agreed to waive their dividends.

## BUSINESS REVIEW

### Overview

The fair review of the Group's business is detailed in the Management Discussion and Analysis on pages 14 to 33 of this Annual Report. The discussion constitutes a part of this Director's Report.

### Principal Risks and Uncertainties

The Group provides oil and gas fields technical services, the main market risk and uncertainties come from the fluctuation of oil and gas price and oil and gas development activities. The Board of the Company pays close attention to the market condition and will change the Group's market strategy according to the market changes to ensure a stable business development of the Group.

The Group's business may also be affected by geopolitical developments in the Middle East; should geopolitical conflicts in the region continue to escalate, this could pose potential risks to the Group's business operations in the Middle Eastern market.

### Business Outlook

The business outlook of the Group is detailed in the Management Discussion and Analysis on pages 14 to 33 of this Annual Report. The discussion constitutes a part of this Director's Report.

### Key Performance Indicators

The key performance indicators are detailed in the financial review set out in the Management Discussion and Analysis on pages 29 to 33 of this Annual Report. This discussion constitutes a part of this Directors' Report.

### Environmental Policies and Performance and Compliance with Laws and Regulations

Matters in relation to Environmental Policies and Performance and Compliance with Laws and Regulations, please refer to the "2025 Sustainability Report" which would be published separately by the Group at a later time. The discussion constitutes a part of this Director's Report.

### Relationships with Employees

Please refer to the "2025 Sustainability Report", which will be published separately thereafter by the Group. The discussion constitutes a part of this Director's Report.

### Relationships with Customers and Suppliers

The Group's major customers are PRC and international oil companies. The Group aims to provide its customer with high quality services as well as low costs and high efficiency. Target of the Group is to make oil and gas development much easier through the services it provides. The Group has formed a long-term strategic partnership with its main customers.

The Group's suppliers are mainly equipment, tools and chemicals providers of the oil and gas industry. The Group keeps good communication with those providers and formed close cooperation for the production and delivery according to the Group's business needs as well as lowering material costs according to long-term cooperation and batch purchases.

For details regarding relationships with customers and suppliers, please refer to the "2025 Sustainability Report", which will be published separately thereafter by the Group. The discussions constitutes a part of this Director's Report.

## DIRECTORS' REPORT

### MAJOR CUSTOMERS AND SUPPLIERS

The largest customer and the five largest customers of the Group accounted for approximately 29.3% and 64.1% respectively of the Group's revenues for the year ended 31 December 2025.

For the year ended 31 December 2025, the total amount of purchases made by the Group from the largest supplier and its five largest suppliers accounted for approximately 3.2% and 12.1% respectively of the total purchases for the year. As far as the Company is aware, none of the Directors, their associates and shareholders who are interested in more than 5% of the share capital of the Company has any interest in the five largest suppliers and customers.

### SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 35 to the consolidated financial statements.

### PROPERTIES, PLANT AND EQUIPMENT

Additions to the property, plant and equipment of the Group for the year ended 31 December 2025 totaled RMB231.9 million. Details of movements are shown under Note 6 to the consolidated financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in Note 14 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

There is no provision regarding pre-emptive right under the Articles of Association of the Company and the Cayman Islands laws, which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## PURCHASE, SALE, OR REDEMPTION OF THE LISTED SECURITIES

For twelve months ended 31 December 2025, the Company bought back a total of 83,740,000 Shares on the Stock Exchange at an aggregate consideration of HK\$85,453,163.6 before deducting expenses. The shares, repurchased shall be cancelled, of which 24,210,000 Shares were cancelled on 30 May 2025 and 49,176,000 Shares were cancelled on 27 November 2025. The repurchases were effected for the enhancement of the net asset value per share of the Company. As at 31 December 2025, the total number of issued Shares was 2,888,261,855.

Details of Share purchases are as follows:

| Month         | Number of Shares bought back | Buy-back price per Share (HKD) |        | Total consideration (before expenses) (HKD) |
|---------------|------------------------------|--------------------------------|--------|---------------------------------------------|
|               |                              | Highest                        | Lowest |                                             |
| April 2025    | 17,042,000                   | 1.00                           | 0.85   | 15,980,982.60                               |
| August 2025   | 2,100,000                    | 1.37                           | 1.35   | 2,865,240.00                                |
| October 2025  | 31,592,000                   | 1.20                           | 1.05   | 35,917,556.60                               |
| November 2025 | 15,484,000                   | 1.07                           | 0.98   | 15,995,977.40                               |
| December 2025 | 17,522,000                   | 0.91                           | 0.77   | 14,693,407.00                               |
| <b>Total</b>  | <b>83,740,000</b>            |                                |        | <b>85,453,163.60</b>                        |

During the twelve months ended 31 December 2025, the Company, through the Restricted Stock Incentive Scheme trustee, purchased an aggregate of 101,140,000 Shares on the secondary market for the purpose of the Restricted Stock Incentive Scheme, representing 3.5% of the total number of issued Shares as at the date of this annual report.

The Company's USD150,000,000 8.75% senior notes due 2025 were fully repaid on 24 January 2025. For details, please refer to the announcement of the Company dated 24 January 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period.

## DIRECTORS' REPORT

### RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 December 2025 are set out in Notes 15 and 36 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution amounted to RMB1,003.4 million.

### BOND AND SENIOR NOTES

Details of the bonds and senior notes are set out in Note 16 to the consolidated financial statements.

### EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company disclosed in this Directors' Report on pages 43 to 46 and Note 14 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year.

### DIRECTORS

The members of the Board during the year and up to the date of this Annual Report are:

#### Executive Directors

|                  |                              |
|------------------|------------------------------|
| Mr. Luo Lin      | (appointed on 3 August 2007) |
| Mr. Pi Zhifeng   | (appointed on 25 March 2015) |
| Mr. Fan Yonghong | (appointed on 16 April 2019) |

#### Non-executive Director

|                |                                 |
|----------------|---------------------------------|
| Mr. Huang Song | (appointed on 31 December 2020) |
|----------------|---------------------------------|

#### Independent Non-executive Directors

|                  |                                 |
|------------------|---------------------------------|
| Mr. Zhang Yongyi | (appointed on 17 November 2007) |
| Mr. Zhu Xiaoping | (appointed on 17 November 2007) |
| Mr. Wee Yiau Hin | (appointed on 19 April 2017)    |
| Ms. Chen Xin     | (appointed on 27 December 2024) |

The biographical details of the Directors and senior management are set out under the section headed "Profiles of Directors and Senior Management" of this Annual Report.

In accordance with Article 130 of the Articles of Association, one-third of the Directors shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. In accordance with the letters of appointment for three of the Independent Non-executive Directors, namely Mr. Zhang Yongyi, Mr. Zhu Xiaoping and Mr. WEE Yaw Hin, they shall retire and being eligible, will offer themselves for re-election at the annual general meeting of the Company.

### **DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT**

Mr. Luo Lin, being the Executive Director, has renewed his service contract with the Company for a term of three years commencing from 27 May 2025, which may be terminated by not less than three months' notice in writing served by either party on the other.

Mr. Pi Zhifeng, being the Executive Director, has renewed his service agreement with the Company for a term of three years commencing from 23 May 2024, which may be terminated by not less than three months' notice in writing served by either party on the other.

Mr. Fan Yonghong, being the Executive Director, has renewed his service agreement with the Company for a term of three years commencing from 27 May 2025, which may be terminated by not less than three months' notice in writing served by either party on the other.

Mr. Huang Song, being the Non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 31 December 2023, which may be terminated by not less than three months' notice in writing served by either party on the other.

Mr. Zhang Yongyi and Mr. Zhu Xiaoping, being the Independent Non-executive Directors, has renewed their letter of appointment with the Company for a term of one year commencing from 9 January 2026, which may be terminated by not less than three months' notice in writing served by either party on the other.

Mr. WEE Yaw Hin, being the Independent Non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 19 April 2026, which may be terminated by not less than three months' notice in writing served by either party on the other.

Ms. Chen Xin, being the Independent Non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 27 December 2024, which may be terminated by not less than three months' notice in writing served by either party on the other.

Save as disclosed above, no Director for re-election at the annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation other than the normal statutory compensation.

## DIRECTORS' REPORT

### DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

There was no transactions, arrangements or contract of significance connected to the business of the Group to which the Company, its subsidiaries, or its holding company or any of its fellow subsidiaries was a party and in which any Director and the Director's connected party had a direct or indirect material interest, subsisting at the end of the year or at any time during the year.

### PERMITTED INDEMNITY PROVISION

During the financial year, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors. The permitted indemnity provisions are provided for in the Company's Articles of Association in respect of potential losses and liability associated with legal proceedings that may be brought against such Directors and the payment of any sum primarily due from the Company that may be liable by the Directors.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or exited during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors and their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) had an interest in any business which competes or may compete with the business in which the Group is engaged during the year.

Pro Development Holdings Corp. is beneficially controlled by Mr. Luo Lin, the Executive Director.

Pro Development Holdings Corp. and the Executive Directors have provided the Company with an annual confirmation in respect of the compliance with non-competition undertaking given by them.

The Independent Non-executive Directors have also reviewed the compliance by Pro Development Holdings Corp. and the Executive Directors with the Non-competition Undertaking during the year. The Independent Non-executive Directors have confirmed that, as far as they can ascertain, there is no breach by Pro Development Holdings Corp. and the Executive Directors of the non-competition undertaking given by them.

### REMUNERATION OF DIRECTORS

In compliance with the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Listing Rules, the Company has established a remuneration committee (the "Remuneration Committee") to make recommendations to the Board on the Company's policy and structure for all the Directors' remuneration. The Director's remuneration structure may include a director's fee, a fixed salary, share options and performance bonus. The Directors' remuneration is determined by the Board with reference to the Directors' duties and responsibilities, the recommendations of the Remuneration Committee and the performance and results of the Group. Details of the remuneration of the Directors are set out in Note 37 to the consolidated financial statements of this Annual Report.

## CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the Independent Non-executive Directors and considers all the Independent Non-executive Directors, namely Mr. Zhang Yongyi, Mr. Zhu Xiaoping, Mr. WEE Yaw Hin and Ms. Chen Xin to be independent.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules were as follows:

### Long positions in ordinary shares of HK\$0.10 each:

| Name of Director | Note | Capacity                                              | Number of ordinary shares held | Approximate percentage of shareholding |
|------------------|------|-------------------------------------------------------|--------------------------------|----------------------------------------|
| LUO Lin          | 1, 2 | Founder of a discretionary trust and beneficial owner | 756,537,408                    | 26.19%                                 |
| PI Zhifeng       | 2    | Beneficial owner                                      | 5,928,000                      | 0.21%                                  |
| FAN Yonghong     | 2    | Beneficial owner                                      | 29,750,000                     | 1.03%                                  |
| ZHANG Yongyi     | 2    | Beneficial owner                                      | 3,490,000                      | 0.12%                                  |
| ZHU Xiaoping     | 2    | Beneficial owner                                      | 1,675,000                      | 0.06%                                  |
| WEE Yaw Hin      | 2    | Beneficial owner                                      | 3,050,000                      | 0.11%                                  |
| Huang Song       | 2    | Beneficial owner                                      | 2,250,000                      | 0.08%                                  |

1. Pro Development Holdings Corp. is a company wholly-owned by Avalon Assets Limited and holds 664,140,740 Shares; Butterfield Trust (Asia) Limited ("Butterfield") holds 100% equity interest in Avalon Assets Limited. Butterfield is a trustee of the Loles Trust. Mr. LUO Lin is the founder of Loles Trust, of which Mr. LUO Lin and his family are the beneficiaries. Under the Securities and Futures Ordinance, Butterfield and Avalon Assets Limited are deemed to be interested in the shares held by Pro Development Holdings Corp.
2. These share includes the share options granted to each director pursuant to the Company's Share Option Scheme ("Share Option Scheme") as well as the shares granted to each directors pursuant to the Company's Restricted Share Award Scheme ("Restricted Share Award Scheme"). Details of such options and restricted shares of each director were disclosed in the following section headed "SHARE OPTION SCHEME" and "RESTRICTED SHARE AWARD SCHEME".
3. The calculation is based on the total number of 2,888,261,855 Shares in issue as at 31 December 2025.

Save as disclosed above, at no time during the year ended 31 December 2025, the Directors and chief executive (including their spouses and children under the age of 18 years) had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company, its particular undertakings or its associated corporations as required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, so far was known to any Director or the chief executive, the substantial shareholders, other than the Directors or the chief executive of the Company, who had an interest or short position in the shares or the underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

### Long positions in the shares or underlying shares of the Company:

| Name of Substantial Shareholders             | Notes | Capacity                           | Long/Short Position | Number of Ordinary Shares Held | Approximate Percentage of Shareholding |
|----------------------------------------------|-------|------------------------------------|---------------------|--------------------------------|----------------------------------------|
| Butterfield Trust (Asia) Limited             | 1     | Trustee                            | Long Position       | 664,140,740                    | 22.99%                                 |
| Avalon Assets Limited                        | 1     | Interest of controlled corporation | Long Position       | 664,140,740                    | 22.99%                                 |
| Pro Development Holdings Corp.               | 1     | Beneficiary Owner                  | Long Position       | 664,140,740                    | 22.99%                                 |
| China Oil HBP Science & Technology Co., Ltd. | 2     | Interest of controlled corporation | Long Position       | 193,766,678                    | 6.71%                                  |
| Hong Kong Huihua Global Technology Limited   | 2     | Beneficial owner                   | Long Position       | 193,766,678                    | 6.71%                                  |
| BOCI Trustee (Hong Kong) Limited             | 3     | Trustee                            | Long Position       | 190,533,256                    | 6.60%                                  |

Notes:

- Pro Development Holdings Corp. is a company wholly-owned by Avalon Assets Limited and holds 664,140,740 Shares; Butterfield Trust (Asia) Limited ("Butterfield") holds 100% equity interest in Avalon Assets Limited. Butterfield is a trustee of the Loles Trust. Mr. LUO Lin is the founder of Loles Trust, of which Mr. LUO Lin and his family are the beneficiaries. Under the Securities and Futures Ordinance, Butterfield and Avalon Assets Limited are deemed to be interested in the shares held by Pro Development Holdings Corp.
- Hong Kong Huihua Global Technology Limited, which is a company wholly-owned by China Oil HBP Science & Technology Co., Ltd. and holds 193,766,678 shares. By virtue of the SFO, China Oil HBP Science & Technology Co., Ltd. is deemed to be interested in the shares held by Hong Kong Huihua Global Technology Limited.
- BOCI Trustee (Hong Kong) Limited ("BOCI") serves as the trustee of the Restricted Share Award Scheme. According to the disclosure of interest form filed by BOCI on 17 December 2025 in relation to the relevant event on 15 December 2025, BOCI held 190,533,256 shares of the Company.
- The calculation is based on the total number of 2,888,261,855 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, so far was known to the Directors, no other persons (other than the Directors or the chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## SHARE OPTION SCHEME

The existing share option scheme of the Company (the "Share Option Scheme") was adopted by the Company at the annual general meeting of the Company held on 26 May 2017. For the year ended 31 December 2025, no new share option has been granted. The purpose of the Share Option Scheme is to grant option to the eligible participants in recognition and acknowledgement of their contributions made or to be made to the Group. Under the Share Option Scheme, the Board may offer to grant an option to any director or employee, or any advisor, consultant, suppliers, customers or agents.

The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time.

The maximum number of shares available for issue under options which may be granted under the Share Option Scheme or other share option scheme adopted by the Company must not in aggregate exceed 10% of the shares in issue as at the date of approval of the share option Scheme limit (i.e. 26 May 2017), being 266,006,925 shares.

As at 1 January 2025 and 31 December 2025, the total number of options available for grant under the Share Option Scheme were 78,643,333 shares and 152,567,333 shares, respectively. As at 31 December 2025, the total number of shares available for issue under the Share Option Scheme was 113,439,592 shares, representing 3.93% of the issued share capital of the Company. The Share Option Scheme does not include sub-limits for service providers.

The total number of shares issued and which may fall to be issued upon exercise of the options granted pursuant to the Share Option Scheme to an eligible participant in any 12-month period shall not exceed 1% of the number of shares in issue as at the date of grant unless approved by the shareholders in general meeting.

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be determined by the Board provided that it shall not be less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average of closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a share. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. The Board shall have absolute discretion in determining the conditions for the grant of any options, including vesting conditions, performance targets or clawback mechanism.

As at 31 December 2025, the remaining life of the Share Option Scheme was approximately two years and five months.

## DIRECTORS' REPORT

As at 31 December 2025, the Directors individually and other employees in aggregate of the Company had the following interests in options to subscribe for shares of the Company under the Share Option Scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company of HK\$0.10 each. Details of the movements in the number of share options during the year ended 31 December 2025 under the Share Option Scheme are as follows:

| Grantees         | Date of grant of share options | Exercise period of share options | Exercise price per share: HK\$ | Notes    | Number of share options as at 1 January 2025 | Number of share options granted during the period | Number of share options exercised during the period | Number of share options cancelled during the period | Number of share options lapsed during the period | Number of share options as at 31 December 2025 |
|------------------|--------------------------------|----------------------------------|--------------------------------|----------|----------------------------------------------|---------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|------------------------------------------------|
| <b>Directors</b> |                                |                                  |                                |          |                                              |                                                   |                                                     |                                                     |                                                  |                                                |
| LUO Lin          | 7 January 2019                 | 7 January 2020 to 6 January 2025 | 0.790                          | 1,3      | 784,922                                      | -                                                 | -                                                   | -                                                   | 784,922                                          | -                                              |
|                  |                                |                                  |                                | Subtotal | 784,922                                      | -                                                 | -                                                   | -                                                   | 784,922                                          | -                                              |
| PI Zhifeng       | 7 January 2019                 | 7 January 2020 to 6 January 2025 | 0.790                          | 1,3      | 2,600,000                                    | -                                                 | -                                                   | -                                                   | 2,600,000                                        | -                                              |
|                  |                                |                                  |                                | Subtotal | 2,600,000                                    | -                                                 | -                                                   | -                                                   | 2,600,000                                        | -                                              |
| FAN Yonghong     | 7 January 2019                 | 7 January 2020 to 6 January 2025 | 0.790                          | 1,3      | 4,020,000                                    | -                                                 | -                                                   | -                                                   | 4,020,000                                        | -                                              |
|                  |                                |                                  |                                | Subtotal | 4,020,000                                    | -                                                 | -                                                   | -                                                   | 4,020,000                                        | -                                              |
| ZHANG Yongyi     | 7 January 2019                 | 7 January 2020 to 6 January 2025 | 0.790                          | 2,3      | 700,000                                      | -                                                 | -                                                   | -                                                   | 700,000                                          | -                                              |
|                  |                                |                                  |                                | Subtotal | 700,000                                      | -                                                 | -                                                   | -                                                   | 700,000                                          | -                                              |
| ZHU Xiaoping     | 7 January 2019                 | 7 January 2020 to 6 January 2025 | 0.790                          | 2,3      | 700,000                                      | -                                                 | -                                                   | -                                                   | 700,000                                          | -                                              |
|                  |                                |                                  |                                | Subtotal | 700,000                                      | -                                                 | -                                                   | -                                                   | 700,000                                          | -                                              |

| Grantees               | Date of grant of share options | Exercise period of share options | Exercise price per share: HK\$ | Notes | Number of share options as at 1 January 2025 | Number of share options granted during the period | Number of share options exercised during the period | Number of share options cancelled during the period | Number of share options lapsed during the period | Number of share options as at 31 December 2025 |
|------------------------|--------------------------------|----------------------------------|--------------------------------|-------|----------------------------------------------|---------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|------------------------------------------------|
| WEE Yiau Hin           | 7 January 2019                 | 7 January 2020 to 6 January 2025 | 0.790                          | 2,3   | 700,000                                      | -                                                 | -                                                   | -                                                   | 700,000                                          | -                                              |
| Subtotal               |                                |                                  |                                |       | 700,000                                      | -                                                 | -                                                   | -                                                   | 700,000                                          | -                                              |
| Employees in aggregate | 7 January 2019                 | 7 January 2020 to 6 January 2025 | 0.790                          | 1,3   | 64,419,078                                   | -                                                 | -                                                   | -                                                   | 64,419,078                                       | -                                              |
|                        | 1 April 2020                   | 1 April 2021 to 31 March 2026    | 0.495                          | 1,4   | 113,439,592                                  | -                                                 | -                                                   | -                                                   | -                                                | 113,439,592                                    |
| Subtotal               |                                |                                  |                                |       | 177,858,670                                  | -                                                 | -                                                   | -                                                   | 64,419,078                                       | 113,439,592                                    |
| Total                  |                                |                                  |                                |       | 187,363,592                                  | -                                                 | -                                                   | -                                                   | 73,924,000                                       | 113,439,592                                    |

Notes:

1. The option period for the share options granted above commences on the date of grant and ends on the last day of seventy-two months counting respectively from the said date. The grantees are vested with, and entitled to exercise up to one-third of their share options during the option period commencing from each of the first, second and third anniversary of the date of grant.
2. The option period for the share options granted above commences on the date of grant and ends on the last day of seventy-two months counting respectively from the said date. The grantees are vested with, and entitled to exercise up to 50% of their share options during the option period commencing from each of the first and second anniversary of the date of grant.
3. The closing price of the Company's shares listed on the Stock Exchange immediately before the date on which the options were granted was HK\$0.84.\*
4. The closing price of the Company's shares listed on the Stock Exchange immediately before the date on which the options were granted was HK\$0.495.\*

\* Source from website of the Stock Exchange

### RESTRICTED SHARE AWARD SCHEME

On 30 December 2019, the Board has resolved to adopt the Restricted Share Award Scheme ("Scheme"), under which the total number of shares that may be granted may not exceed 10% of the current total number of Shares in issue, and the Scheme will be implemented by purchasing shares on the secondary market. The Scheme will be valid and effective for a period of ten years from the approval date of the Scheme and all eligible participants are entitled to participate in the Scheme. During the reporting period, over 100 employees in key positions including Directors were granted restricted shares. As of 31 December 2025, the remaining life of the Restricted Share Award Scheme was approximately 4 years.

As the shares acquired by the Company under the Scheme have reached the Scheme Limit, the Board resolved on 18 July 2024 to cancel the unused existing Scheme Limit and refresh the scheme mandate limit of the Scheme to 10% of the number of Shares of the Company in issue as of the date of the resolution (the "Refreshed Scheme Limit"). Based on 3,006,569,855 Shares in issue as at the date of the Board's resolution, the Refreshed Scheme Limit represents 300,656,985 Shares that the Board may grant to Eligible Participants of the Scheme. Besides the above mentioned refreshed scheme limit, the terms and conditions of the Schemes remain unchanged.

As at 1 January 2025 and 31 December 2025, 216,590,985 shares and 167,220,985 shares were share awards available for future grant under the Scheme respectively.

### Objectives

The objective for setting up various employee stock ownership plans was to (i) establish a partnership mechanism through employee shareholding in the Company to encourage employees to participate in the operation and management of the Company, so as to optimize its corporate governance structure and create a new form of partnership platform; (ii) align the interests of employees with that of the shareholders so as to form a entrepreneurship and sharing culture atmosphere, encourage employees to participate in building a common community, create value, share achievements, actively promote the growth and development of the Company and achieve an ultimate win-win target for the Company, employees and investors.

### Participant of the Scheme

The Scheme is a part of the Company's employee share schemes. Under the Scheme, the Company will evaluate the performance of the talents based on their contribution or potential contribution to the Company's business development and growth, and determine any Eligible Participant as an Awarded Participant from time to time at its sole discretion.

## ADMINISTRATION

The Restricted Share Award Scheme is subject to the administration of the Board in accordance with the rules of the Scheme (the "Scheme Rules"). The Board shall have absolute discretion in determining the conditions for the grant of any Awarded Shares, including vesting conditions, performance targets or clawback mechanism.

## VESTING AND LAPSE

Save for the acceptance fee of HK\$1.00 payable by the Selected Employee to the Company for the acceptance of the Awarded Shares, the Awarded Shares granted to the Selected Employees under the Scheme to date have been granted at no considerations. Under the Scheme, the Awarded Shares will be transferred to the Selected Employees upon the satisfaction of the vesting conditions.

Unless otherwise determined by the Board at its sole discretion, the relevant Awarded Shares held by the Trustee in the Trust on behalf of the Selected Employees shall not vest in the Scheme Participants in the following circumstances: (i) the Scheme Participant ceases to be a Scheme Participant for any reason; or (ii) as otherwise provided for in the Scheme Rules. Upon the occurrence of any of the above circumstances, any Awarded Shares granted but not vested in Scheme Participants will be returned to the Trust in accordance with the Scheme Rules.

There is no maximum number of Awarded Shares that may be granted to Selected Employees under the Scheme. Notwithstanding the absence of such restrictions, the Board will comply with the requirements of Chapter 17 of the Listing Rules by ensuring that, unless approved by the shareholders, the maximum number of Awarded Shares granted to Selected Employees in any twelve-month period shall not exceed 1% of the Company's total issued share capital on the date of grant.

As at 31 December 2025, there were 190,533,256 shares held in trust under the Scheme (excluding shares vested but not yet transferred to awardees).

The following table summarises the movement in the Company's Awarded Shares which were granted under the Scheme during the reporting period. Save as stated below, during the year ended 31 December 2025, there were no Award Shares granted, vested or lapsed under the Restricted Share Award Scheme.

| Name of Participant | Date of Grant    | Note | Number of Awarded shares | Granted but unvested as at 1 January 2025 | Number of shares vested during the reporting period | Number of shares lapsed during the reporting period | Granted but unvested as at 31 December 2025 | Closing price of shares on the Hong Kong Stock Exchange before the date of grant (HK\$) | Fair value at the date of grant (HK\$) | Weighted average price on the day immediately prior to the date of vesting (HK\$) |
|---------------------|------------------|------|--------------------------|-------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------|
| <b>Directors</b>    |                  |      |                          |                                           |                                                     |                                                     |                                             |                                                                                         |                                        |                                                                                   |
| LUO Lin             | 1 January 2021   | 1,3  | 8,800,000                | -                                         | -                                                   | -                                                   | -                                           | 0.435                                                                                   | 0.435                                  | -                                                                                 |
|                     | 15 July 2022     | 1,3  | 7,100,000                | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                     | 22 November 2023 | 1    | 7,100,000                | 4,733,333                                 | 2,366,667                                           | -                                                   | 2,366,667                                   | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                     | 16 December 2024 | 1    | 7,100,000                | 7,100,000                                 | 2,366,667                                           | -                                                   | 4,733,333                                   | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                     | 19 May 2025      | 1    | 4,200,000                | -                                         | -                                                   | -                                                   | 4,200,000                                   | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal            |                  |      | 34,300,000               | 11,833,333                                | 4,733,334                                           | -                                                   | 11,300,000                                  | /                                                                                       | /                                      | /                                                                                 |

## DIRECTORS' REPORT

| Name of Participant | Date of Grant    | Note | Number of Awarded shares | Granted but unvested as at 1 January 2025 | Number of shares vested during the reporting period | Number of shares lapsed during the reporting period | Granted but unvested as at 31 December 2025 | Closing price of shares on the Hong Kong Stock Exchange before the date of grant (HK\$) | Fair value at the date of grant (HK\$) | Weighted average price on the day immediately prior to the date of vesting (HK\$) |
|---------------------|------------------|------|--------------------------|-------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------|
| PI Zhifeng          | 1 January 2021   | 1,3  | 2,800,000                | -                                         | -                                                   | -                                                   | -                                           | 0.435                                                                                   | 0.435                                  | -                                                                                 |
|                     | 15 July 2022     | 1,3  | 2,200,000                | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                     | 22 November 2023 | 1    | 2,200,000                | 1,466,667                                 | 733,333                                             | -                                                   | 733,333                                     | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                     | 16 December 2024 | 1    | 2,600,000                | 2,600,000                                 | 866,667                                             | -                                                   | 1,733,333                                   | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                     | 19 May 2025      | 1    | 1,650,000                | -                                         | -                                                   | -                                                   | 1,650,000                                   | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal            |                  |      | 11,450,000               | 4,066,667                                 | 1,600,000                                           | -                                                   | 4,116,666                                   | /                                                                                       | /                                      | /                                                                                 |
| FAN Yonghong        | 1 January 2021   | 1,3  | 5,600,000                | -                                         | -                                                   | -                                                   | -                                           | 0.435                                                                                   | 0.435                                  | -                                                                                 |
|                     | 15 July 2022     | 1,3  | 4,500,000                | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                     | 22 November 2023 | 1    | 4,500,000                | 3,000,000                                 | 1,500,000                                           | -                                                   | 1,500,000                                   | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                     | 16 December 2024 | 1    | 4,500,000                | 4,500,000                                 | 1,500,000                                           | -                                                   | 3,000,000                                   | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                     | 19 May 2025      | 1    | 2,650,000                | -                                         | -                                                   | -                                                   | 2,650,000                                   | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal            |                  |      | 21,750,000               | 7,500,000                                 | 3,000,000                                           | -                                                   | 7,150,000                                   | /                                                                                       | /                                      | /                                                                                 |
| ZHANG Yongyi        | 1 January 2021   | 2,3  | 800,000                  | -                                         | -                                                   | -                                                   | -                                           | 0.435                                                                                   | 0.435                                  | -                                                                                 |
|                     | 15 July 2022     | 2,3  | 650,000                  | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                     | 22 November 2023 | 2    | 650,000                  | 325,000                                   | 325,000                                             | -                                                   | -                                           | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                     | 16 December 2024 | 2    | 600,000                  | 600,000                                   | 300,000                                             | -                                                   | 300,000                                     | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                     | 19 May 2025      | 2    | 350,000                  | -                                         | -                                                   | -                                                   | 350,000                                     | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal            |                  |      | 3,050,000                | 925,000                                   | 625,000                                             | -                                                   | 650,000                                     | /                                                                                       | /                                      | /                                                                                 |
| ZHU Xiaoping        | 1 January 2021   | 2,3  | 800,000                  | -                                         | -                                                   | -                                                   | -                                           | 0.435                                                                                   | 0.435                                  | -                                                                                 |
|                     | 15 July 2022     | 2,3  | 650,000                  | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                     | 22 November 2023 | 2    | 650,000                  | 325,000                                   | 325,000                                             | -                                                   | -                                           | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                     | 16 December 2024 | 2    | 600,000                  | 600,000                                   | 300,000                                             | -                                                   | 300,000                                     | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                     | 19 May 2025      | 2    | 350,000                  | -                                         | -                                                   | -                                                   | 350,000                                     | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal            |                  |      | 3,050,000                | 925,000                                   | 625,000                                             | -                                                   | 650,000                                     | /                                                                                       | /                                      | /                                                                                 |

| Name of Participant    | Date of Grant    | Note | Number of Awarded shares | Granted but unvested as at 1 January 2025 | Number of shares vested during the reporting period | Number of shares lapsed during the reporting period | Granted but unvested as at 31 December 2025 | Closing price of shares on the Hong Kong Stock Exchange before the date of grant (HK\$) | Fair value at the date of grant (HK\$) | Weighted average price on the day immediately prior to the date of vesting (HK\$) |
|------------------------|------------------|------|--------------------------|-------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------|
| WEE Yaw Hin            | 1 January 2021   | 2,3  | 800,000                  | -                                         | -                                                   | -                                                   | -                                           | 0.435                                                                                   | 0.435                                  | -                                                                                 |
|                        | 15 July 2022     | 2,3  | 650,000                  | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                        | 22 November 2023 | 2    | 650,000                  | 325,000                                   | 325,000                                             | -                                                   | -                                           | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                        | 16 December 2024 | 2    | 600,000                  | 600,000                                   | 300,000                                             | -                                                   | 300,000                                     | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                        | 19 May 2025      | 2    | 350,000                  | -                                         | -                                                   | -                                                   | 350,000                                     | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal               |                  |      | 3,050,000                | 925,000                                   | 625,000                                             | -                                                   | 650,000                                     | /                                                                                       | /                                      | /                                                                                 |
| HUANG Song             | 15 July 2022     | 2,3  | 650,000                  | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                        | 22 November 2023 | 2    | 650,000                  | 325,000                                   | 325,000                                             | -                                                   | -                                           | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                        | 16 December 2024 | 2    | 600,000                  | 600,000                                   | 300,000                                             | -                                                   | 300,000                                     | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                        | 19 May 2025      | 2    | 350,000                  | -                                         | -                                                   | -                                                   | 350,000                                     | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal               |                  |      | 2,250,000                | 925,000                                   | 625,000                                             | -                                                   | 650,000                                     | /                                                                                       | /                                      | /                                                                                 |
| Employees in aggregate | 1 January 2021   | 1,3  | 66,830,000               | -                                         | -                                                   | -                                                   | -                                           | 0.435                                                                                   | 0.435                                  | -                                                                                 |
|                        | 15 July 2022     | 1,3  | 59,330,000               | -                                         | -                                                   | -                                                   | -                                           | 0.425                                                                                   | 0.410                                  | -                                                                                 |
|                        | 22 November 2023 | 1    | 69,600,000               | 44,346,000                                | 21,590,000                                          | 1,166,667                                           | 21,589,333                                  | 0.440                                                                                   | 0.435                                  | 0.440                                                                             |
|                        | 16 December 2024 | 1    | 67,466,000               | 67,466,000                                | 22,238,666                                          | 750,000                                             | 44,477,333                                  | 0.590                                                                                   | 0.590                                  | 0.590                                                                             |
|                        | 19 May 2025      | 1    | 39,470,000               | -                                         | -                                                   | 200,000                                             | 39,270,000                                  | 0.900                                                                                   | 0.900                                  | -                                                                                 |
| Subtotal               |                  |      | 302,696,000              | 111,812,000                               | 43,828,666                                          | 2,116,667                                           | 105,336,667                                 | /                                                                                       | /                                      | /                                                                                 |
| Total                  |                  |      | 381,596,000              | 138,912,000                               | 55,662,000                                          | 2,116,667                                           | 130,503,333                                 | /                                                                                       | /                                      | /                                                                                 |

Notes:

- One-third of the Awarded Shares will be vested in the first year, second year and third year from the grant date.
- 50% of the Awarded Shares will be vested in the first year and second year from the grant date.
- The Awarded Shares had been fully vested.

## DIRECTORS' REPORT

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float in compliance with the requirement of the Listing Rules during the year and to the date of this Annual Report.

### CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix C1 to the Listing Rules during the year ended 31 December 2025.

### ARRANGEMENTS TO ACQUIRE SHARE OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme" above, at no time during or at the end of the year was the Company or its subsidiaries a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of shares in, debentures of, the Company or any other body corporate.

### DIRECTOR'S SECURITIES TRANSACTIONS

The directors of the Company (the "Directors") have adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code of practice for securities transactions by the Directors. Having made specific inquiry with all the Directors, the Company confirms that all Directors have fully complied with the applicable requirements stipulated in the said Code throughout the reporting period.

### TAXATION

For the year ended 31 December 2025, no foreign shareholder who is not resident of the PRC is liable for individual or Enterprise Income Tax, Capital Gains Tax, Stamp Duty or Estate Duty of the PRC in relation to their holding of shares of the Company. Shareholders are urged to consult their tax advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of the Company's shares.

### RELATED PARTY/CONTINUING CONNECTED TRANSACTIONS

The related party transactions for the year ended 31 December 2025 are set out in Note 34 to the Financial Statements of this Annual Report. None of the related party transactions constitute connected transaction or continuing connected transactions subject to independent shareholders' approval, annual review and will disclosure requirements in Chapter 14A of the Listing Rules.

### AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

There was no change in the Company's constitutional documents during the year ended 31 December 2025.

## ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on 27 May 2026 (Wednesday) and the notice of the AGM will be published and dispatched to the shareholders of the Company in due course in the form prescribed under the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 May 2026 (Thursday) to 27 May 2026 (Wednesday), both days inclusive, during which period no transfer of shares will be registered. The record date for determining the eligibility of shareholders to attend and vote at the AGM will be 27 May 2026. In order to qualify for attending and voting at the 2026 AGM, all transfers accompanied by the relevant documentation and share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Unit 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 20 May 2026 (Wednesday).

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 2 June 2026 (Tuesday) to 4 June 2026 (Thursday), both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for entitlement to the proposed final dividend is 4 June 2026. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Unit 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 1 June 2026 (Monday).

## AUDIT COMMITTEE

Pursuant to the requirements of the Code and the Listing Rules, the Company has established an audit committee (the "Audit Committee") comprising all three Independent Non-executive Directors, namely, Mr. Zhu Xiaoping (Chairman of the Audit Committee), Mr. Zhang Yongyi and Mr. WEE Yia Hin. The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2025.

## AUDITORS

The consolidated financial statements for the year ended 31 December 2025 have been audited by Deloitte Touche Tohmatsu, who shall retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company. A resolution for the reappointment of Deloitte Touche Tohmatsu as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

There have been no changes of auditors in the past three years.

By order of the Board

**Luo Lin**  
*Chairman*

24 April 2026

# PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**LUO Lin (羅林)**, aged 58, is the Chairman and founder of the Company, responsible for the Group's comprehensive strategic development, capital operations, innovation initiatives, and strategic resource management. Prior to establishing the Group, Mr. Luo worked at the Tarim Basin from 1992 to 1999. Mr. Luo has 34 years of experience in the petroleum industry. He has an Executive Master of Business Administration (EMBA) degree from Tsinghua University and a bachelor's degree in well bore engineering from Southwest Petroleum Institute (西南石油學院). Mr. Luo is also a certified lawyer and a chartered accountant in the PRC.

**PI Zhifeng (皮至峰)**, aged 47, is the Executive Director and Chief Executive Officer of the Company, responsible for the Group's global market expansion in new regions, natural gas and new energy infrastructure, investor relations in capital markets, customer development and management, as well as media resource development. Mr. Pi joined the Group in 2004, and was responsible for the management of strategies, business establishment and capital market. Prior to joining the Group, Mr. Pi was responsible for investment in China Chengxin Financial Consultancy Co., Ltd (中誠信財務顧問有限公司). Mr. Pi has a Master of Business Administration degree from the University of Chicago Booth School of Business in the U.S.

**FAN Yonghong (范永洪)**, aged 55, is the Executive Director, the President and Chief Technology Officer of the Company, and is responsible for the Group's daily operations, overseeing business planning and management, human resources, product research and development (R&D), as well as resource partnership and development. Mr. Fan joined the Group in 2004, and was responsible for the setup and technical construction of the well service business, operation management and the management of business clusters of the Group. Prior to joining the Group, Mr. Fan was employed by PetroChina Tarim Oilfield Company (中石油塔里木油田分公司) between 1991 and 2004. He has 35 years of experience in the petroleum industry. Mr. Fan has an Executive Master of Business Administration (EMBA) degree from China Europe International Business School (CEIBS).

## NON-EXECUTIVE DIRECTOR

**HUANG Song (黃松)**, aged 63, is the Non-executive Director of the Company, is also a senior engineer of water supply and drainage who is an inventor of many patents in the industry and won the first prize of Science and Technology progress of Petro China. Mr. Huang acted as the Chairman and General Manager of Beijing Oil HBP Technology Co., Ltd from 1998 to 2009, he was also the former Chairman of China Oil HBP Science & Technology Co., Ltd ("China Oil HBP") from 2009 to 2019 and is currently the Vice Chairman and General Manager of China Oil HBP. Mr. Huang was appointed as an Engineer and Senior Engineer in The Investigation and Design Research Institute of Henan Petroleum Exploration Bureau of Sinopec from 1986 to 1998.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**ZHANG Yongyi (張永一)**, aged 89, is the Independent Non-executive Director of the Company. Mr. Zhang has extensive experience in the petroleum industry. Mr. Zhang was appointed as the Deputy General Manager of CNPC in 1992. Prior to this, he had taught in the Southwest Petroleum Institute (西南石油學院) for more than 32 years. Mr. Zhang was appointed as Chairman of the Supervisory Committee for State-owned Large and Medium Enterprises (國有大中型企業監事會主席) in 2000 and appointed by the State Council of the PRC as inspector (國務院稽察特派員) in 1998.

## PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

**ZHU Xiaoping (朱小平)**, aged 77, is the Independent Non-executive Director of the Company. Mr. Zhu has extensive experience in financial management, corporate finance and is currently an Accounting Professor of the Renmin University of China (中國人民大學). He served as the Director of the China Accounting Society (中國會計學會理事) and Director of the China Audit Society (中國審計學會理事).

**Wee Yaw Hin**, aged 67, is the Independent Non-executive Director of the Company. Mr. Wee has more than 37 years of experience in the Oil & Gas Industry. He spent 21 years in Shell in Malaysia and Overseas, and joined PETRONAS as Executive Vice President and Chief Executive Officer of Upstream Business in May 2010. Mr. Wee was Executive Director and Executive Committee member of the board of PETRONAS Group. Mr. Wee graduated as a Civil Engineer and holds a Masters' Degree of Science from Imperial College, UK.

**Chen Xin (陳欣)**, aged 57, is the Independent Non-executive Director of the Company. She is currently an independent non-executive director of China Merchants Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600999; a company listed on The Stock Exchange of Hong Kong Limited, stock code: 6099), she also appointed as an independent non-executive director in China Pacific Insurance (Group) Co., Ltd. (HKSE Stock Code: 02601) on 24 April 2025. She served as a member of the Executive Committee and the Head of China market of Banque Internationale à Luxembourg S.A. from April 2022 to April 2023. From January 2015 to March 2022, she successively served as the head of the preparatory group of London Branch, the chief representative of London Representative Office and the General Manager of London Branch of Shanghai Pudong Development Bank (a company listed on the Shanghai Stock Exchange, stock code: 600000). Ms. Chen holds a bachelor's degree in international accounting from Tianjin University of Finance and Economics and a master's degree in business administration from the University of Westminster in the United Kingdom.

## SENIOR MANAGEMENT

**SHEN Haihong (沈海洪)**, aged 56, is an Executive Vice President of the Company, and is in charge of the management of the Group's QHSE (Quality, Health, Safety and Environmental Protection) system, assisting the chairman of the Board of Directors in overseeing the Group's audit and supervision department. Mr. Shen joined the Group in 2007, and was in charge of the tubular service cluster as well as operational management of the Group. Prior to joining the Group, Mr. Shen was employed by CNPC between 1991 and 2006. He has more than 35 years of experience in the petroleum industry. Mr. Shen has a Master of Business Administration degree from Tsinghua University and a Bachelor's degree in drilling engineering from Southwest Petroleum University. He is also a senior engineer in drilling engineering.

**XU Hongjian (徐宏劍)**, aged 44, is the Chief Financial Officer of the Company, and is in charge of the Group's financial management, fund management, legal matters and compliance management, relationship maintenance with financial institutions and participation in capital market work. Mr. Xu joined the Group in 2006 and was responsible for the risk control and marketing of the Group. Prior to joining the Group, from 2003 to 2006, Mr. Xu worked at Deloitte & Touche LLP and was engaged in financial audit. Mr. Xu holds a bachelor's degree in finance from Fudan University, and an Executive Master of Business Administration degree (EMBA) from Tsinghua University.

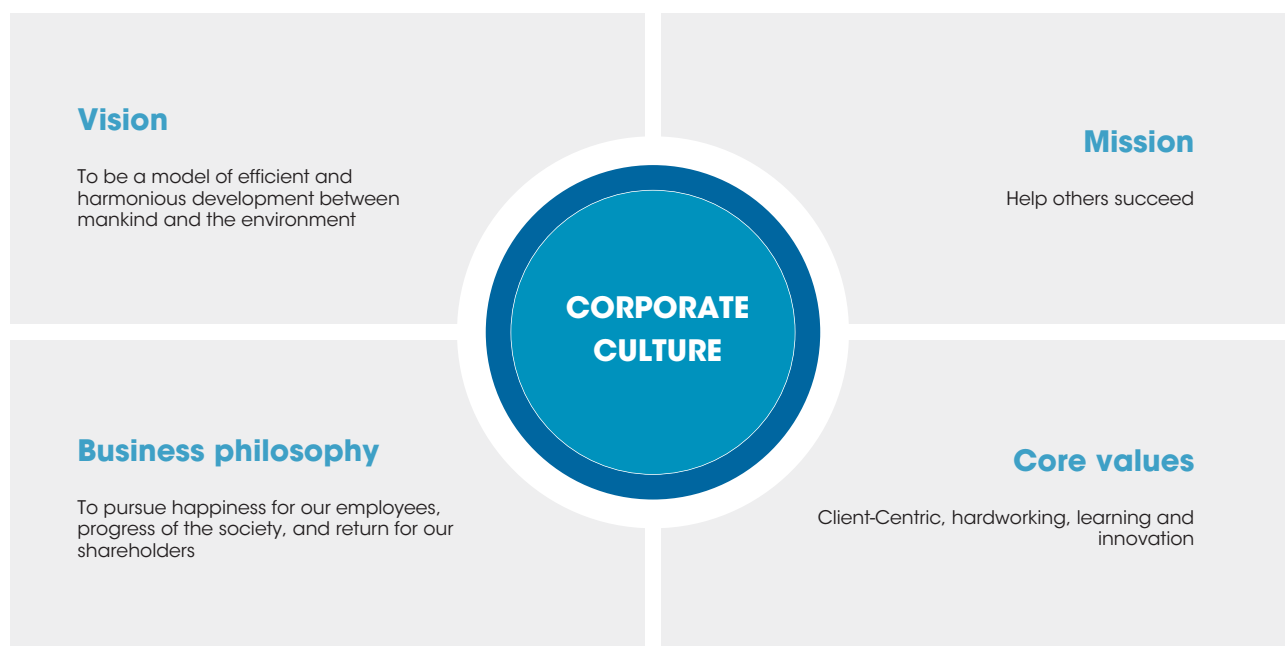
# CORPORATE GOVERNANCE REPORT

Since the listing of its shares on the Stock Exchange on 14 December 2007, the Company is committed to maintaining a high standard of corporate governance and has adopted the code provisions (the "Code Provision(s)") under Appendix C1 to the Listing Rules as its own code. The Company has been in compliance with all the applicable Code Provisions for the year ended 31 December 2025.

Under the structure of the existing Board of Directors, there are three Executive Directors, one Non-executive Directors and four Independent Non-executive Directors to ensure the independent and objective running of the Board, and the relevant Board committees play an important role in the Company's decision-making, monitoring and advisory work.

## CORPORATE CULTURE

The Company always adheres to the corporate vision of "becoming a model for the efficient and harmonious development between mankind and the environment", and works hand in hand with industry ecological partners to provide technological innovation breakthroughs and create breakthrough contributions to the efficient development of oil and gas resources, increase production and reduce costs. On the basis of maintaining the security and stability of the supply chain of the energy industry, we also promote the green and low-carbon transformation of the industry and the sustainable development of the industry. On the social front, we share and create with partners from all walks of life. In terms of talent recruitment, we emphasize internationalization and diversification. We create an equal and inclusive workplace environment for our employees and attach great importance to talent cultivation and development. We insist on integrity management and are committed to realizing sustainable development of the enterprise.



For details about corporate culture and related measures of the Company, please refer to "2025 Sustainability Report" of the Company.

### CORPORATE GOVERNANCE STRUCTURE

As the core of corporate governance for the Company, the Board has distinct duties from those of the management. The Board is responsible for providing direction to and effective supervision of the management, while the management is in charge of executing established strategies and directions. Generally speaking, the Board is responsible for:

- formulating long term strategies of the Group, its subsidiaries and associated companies and supervising their execution;
- approval of operational plan and financial budget;
- approval of the relevant annual and interim results;
- reviewing and monitoring the risk management and internal control of the Group;
- ensuring good corporate governance and compliance; and
- ensuring that the Group conduct ESG Management according to the requirement under sustainable growth.

The Board authorized the management to execute established strategies and directions of the Group, the management is in charge of the Group's daily operation and reports to the Board. Accordingly, the Board has set out clear written guidelines, in particular, it clearly determined the scope of authority of the management, and those items requiring the Board's approval.

There are agreed procedures for the Directors, upon reasonable request, to seek independent professional advice at the Company's expense in appropriate circumstances.

### BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company. The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

#### Board Composition

The Board comprises the following Directors:

##### Executive Directors

Mr. LUO Lin (*Chairman*)  
Mr. PI Zhifeng  
Mr. FAN Yonghong

##### Non-executive Director

Mr. HUANG Song

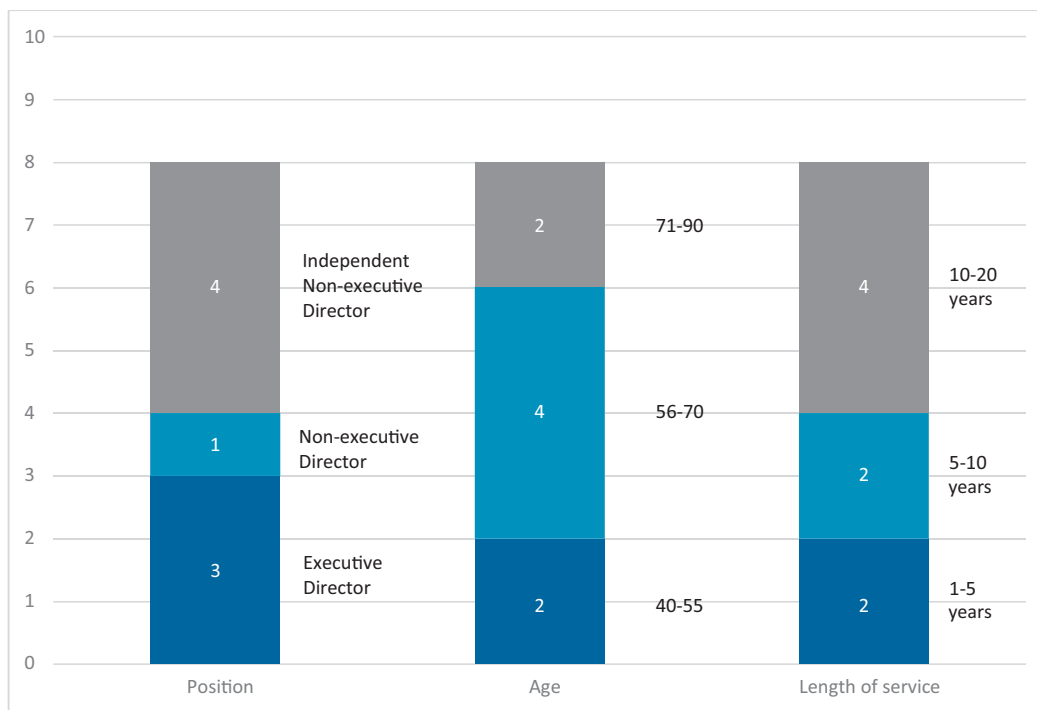
##### Independent Non-executive Directors

Mr. ZHANG Yongyi  
Mr. ZHU Xiaoping  
Mr. WEE Yiau Hin  
Ms. CHEN Xin

The biographical information of the Directors are set out on pages 52 to 53 of this Annual Report. None of the members of the Board is related to one another.

## Board Diversity

The Board recognized the benefits of diversity in the Board in enhancing the Board's effectiveness. In this regard, the Board has adopted a Board Diversity Policy (the "Board Diversity Policy") in August 2013 which sets out the approach to achieve diversity on the Board. The Nomination Committee will give consideration to a number of factors as set out in the Board Diversity Policy when identifying suitably qualified candidates to become members of the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, industry experience, skills, knowledge and length of service. As of the date of this Annual Report, board diversity is displayed as below. Details on the biographies and experience of the Directors are set out on page 52 to page 53 of this Annual Report.



The Board is considered well balanced and of a diverse mix appropriate for the needs of the Company. The Company will also take into account its own business model and specific needs from time to time to determine the optimal composition of the Board. The Nomination Committee will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness.

## Gender Diversity

The Board is committed to improving the gender diversity of the Board of Directors, senior management and other employees. The Board had hired one female director in December 2024, while continuing to increase the proportion of female employees of its senior management, middle management and other employees.

Details on the gender ratio of the Group together with relevant data can be found in the 2025 Sustainability Report published by the Group.

### Chairman and Chief Executive Officer

Code Provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The Company has been in compliance with Code Provision C.2.1 of the Corporate Governance Code with Mr. Luo Lin serving as the Chairman and Mr. Pi Zhifeng serving as the Chief Executive Officer.

### Independence of the Independent Non-Executive Directors

The Company has received annual confirmation of independence from all the Independent Non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Consequently, the Board is of the opinion that all the current Independent Non-executive Directors comply with the relevant guidelines set out in Rule 3.13 of the Listing Rules, thus the Company regards all the Independent Non-executive Directors as independent parties.

During the year, the Company has complied with the requirements of Rule 3.10 of the Listing Rules and has at least three Independent Non-executive Directors, including one Independent Non-executive Director, Mr. Zhu Xiaoping, with appropriate professional qualifications or accounting or related financial management expertise. Throughout the year, the Board has at least one-third in number of its members comprising Independent Non-executive Directors in compliance with Rule 3.10A of the Listing Rules.

Mr. Zhang Yongyi and Mr. Zhu Xiaoping have served the Board since 17 November 2007. They have served as Independent Non-executive Directors for more than 18 years. The continued appointment of Mr. ZHANG Yongyi and Mr. ZHU Xiaoping as the Independent Non-executive Directors is subject to approval by the Shareholders in annual general meeting. Mr. WEE Yiau Hin have served the Board since 19 April 2017. During their years of appointment, Mr. Zhang Yongyi, Mr. Zhu Xiaoping and Mr. WEE Yiau Hin have demonstrated their ability to provide an independent view to the Company's matters. Notwithstanding their years of service as Independent Non-executive Directors, the Board is of the view that they are able to continue to fulfill their role as required.

## Independence of the Board

The Group has mechanisms to ensure independent views and input are available to the Board and such mechanisms (as stated below) will be reviewed annually by the Board, encouraging all directors including Independent Non-executive Directors to express their views in an open manner during the Board/Board Committees meetings.

1. The Board is able to exercise objective judgment on corporate affairs independently from the Management. No individual or group of individuals is allowed to dominate the Board's decision-making. Currently, nearly half of the Board members are Independent Non-Executive Directors. The Board has complied with the requirements of Rule 3.10 of the Listing Rules relating to the appointment of at least three Independent Non-Executive Directors with at least one of them possessing appropriate professional qualifications, accounting or related financial management expertise. The Nomination Committee and the Board are thus of the view that there is sufficiently strong independent element on the Board to enable independent exercise of objective judgment on corporate affairs of the Group, taking into account factors such as the number of independent directors and the size and scope of the affairs and operations of the Group.
2. All Directors are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the company secretary (the "Company Secretary") and, where necessary, independent advice from external professional advisers at the Company's expense.
3. The Board will undertake more rigorous review annually on the independence of any Director who has served the Board beyond ten years, and in doing so, the Board will also take into account the need for progressive refreshing of the Board. In addition, when a director who has served the Board beyond ten years seeks for continued appointment as an independent non-executive director, his/her re-appointment will also be subject to approval by shareholders in forthcoming annual general meeting.
4. Independent Non-Executive Directors play an important role in the Board's decision-making process. They constructively challenge and assist to develop proposals on strategy, review the performance of the Management in achieving targets and objectives, and monitor the reporting of performance. In particular, the Chairman of the Board ensures that each of the Independent Non-Executive Directors is given sufficient time to express his/her opinions during the Board meetings. The Chairman and the Independent Non-Executive Directors met at least once each year without the presence of the other Executive Directors and the Management.

The Board considered the said mechanisms have been operating effectively.

### Appointment and Re-Election of The Directors

The term of the appointment for all three Executive Directors, one Non-executive Director and two Independent Non-executive Directors, Mr. WEE Yiau Hin and Ms. Chen Xin, is three years and the term of the appointment for the another two Independent Non-executive Directors, Mr. ZHANG Yongyi and Mr. ZHU Xiaoping, is one year. According to the Company's Articles of Association, at every annual general meeting of the Company, one-third of the current Directors shall retire from office by rotation (or if the number of the Directors is not three or a multiple of three, then the nearest but not less than one-third) provided that each Director (including those appointed for a specific term but not including those appointed to fill a casual vacancy or as an addition to the existing Board in accordance with Articles 114 and 115) must retire by rotation at least once every three years. The retiring Directors can be re-elected and continue to participate in the relevant meeting in the capacity as Director.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association of the Company. The Nomination Committee is responsible for reviewing the Board composition, monitoring and make recommendations to the Board on the appointment, re-election and succession planning of Directors.

The newly appointed Directors will receive induction packages containing the duties and responsibilities of directors under the Listing Rules and other applicable rules and regulations. The Company has arranged appropriate insurance cover to indemnify the Directors and officers of the Group for their potential liabilities incurred by them in discharging their duties.

### Corporate Governance Functions

The Board has adopted the written terms of reference on corporate governance functions in March 2012 so as to perform corporate governance functions effectively. The relevant authority and duties are clearly set out in its terms of reference which are summarized as follows:

- (a) To develop and review the Company's corporate governance policies and implementation on corporate governance;
- (b) To review and monitor the training and continuous professional development of Directors and senior management;
- (c) To review and monitor the Company's policies and implementation on compliance with legal and regulatory requirements;
- (d) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) To review the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report.

The following is a summary of the work performed by the Board on corporate governance functions during 2025:

- (a) Reviewed the Company's corporate governance policy and the implementation thereof;
- (b) Reviewed and monitored the code of conduct and compliance manual applicable to the Directors and employees;
- (c) Reviewed the Company's compliance with the Code Provisions; and
- (d) Reviewed the Board composition.

## DIRECTORS' SECURITIES TRANSACTIONS

The Directors have adopted the Model Code (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirms that all the Directors have fully complied with the required standards stipulated in the Model Code during the year.

## CONTINUOUS PROFESSIONAL DEVELOPMENT

During the year ended 31 December 2025, the Directors confirmed that they have complied with the Code Provision C.1.4 on Directors' training. During the year, all the Directors have participated in continuous professional development by attending seminars and/or reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company.

| Name of Directors | Topics on training covered (Notes) | Hours spent |
|-------------------|------------------------------------|-------------|
| Mr. Luo Lin       | C, L, R                            | 7           |
| Mr. Pi Zhifeng    | C, L, R                            | 7           |
| Mr. Fan Yonghong  | C, L, R                            | 7           |
| Mr. Huang Song    | C, L, R                            | 7           |
| Mr. Zhang Yongyi  | C, L, R                            | 7           |
| Mr. Zhu Xiaoping  | C, L, R                            | 7           |
| Mr. Wee Yiau Hin  | C, L, R                            | 7           |
| Ms. CHEN Xin      | C, L, R                            | 7           |

Notes:

C: Corporate governance

L: Listing Rules updates

R: Other relevant regulatory updates

## BOARD/BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS

The Company established the Audit Committee, Remuneration Committee, Nomination Committee and ESG Committee. During the reporting year, the Company had convened 9 Board meetings, 2 Audit Committee meetings, 1 Remuneration Committee meeting, 1 Nomination Committee meeting and 1 ESG committee meeting. Also, the Company had convened an Annual General Meeting during the reporting year.

Attendances of meetings by the Directors during the year were set out in the table below:

| Directors                                  | Meeting attendance/number of meetings |                         |                                |                              |                       |                        |
|--------------------------------------------|---------------------------------------|-------------------------|--------------------------------|------------------------------|-----------------------|------------------------|
|                                            | Board Meeting                         | Audit Committee Meeting | Remuneration Committee Meeting | Nomination Committee Meeting | ESG Committee Meeting | Annual General Meeting |
| <b>Executive Directors</b>                 |                                       |                         |                                |                              |                       |                        |
| Mr. Luo Lin (Chairman of the Board)        | 9/9                                   | N/A                     | 1/1                            | 1/1                          | N/A                   | 1/1                    |
| Mr. Pi Zhifeng (Chief Executive Officer)   | 9/9                                   | 2/2                     | N/A                            | N/A                          | 1/1                   | 1/1                    |
| Mr. Fan Yonghong (President)               | 9/9                                   | N/A                     | N/A                            | N/A                          | 1/1                   | 1/1                    |
| <b>Non-executive Director</b>              |                                       |                         |                                |                              |                       |                        |
| Mr. Huang Song                             | 9/9                                   | N/A                     | N/A                            | N/A                          | N/A                   | 1/1                    |
| <b>Independent Non-executive Directors</b> |                                       |                         |                                |                              |                       |                        |
| Mr. Zhang Yongyi                           | 9/9                                   | 2/2                     | N/A                            | 1/1                          | N/A                   | 1/1                    |
| Mr. Zhu Xiaoping                           | 9/9                                   | 2/2                     | 1/1                            | N/A                          | N/A                   | 1/1                    |
| Mr. Wee Yiaw Hin                           | 9/9                                   | 2/2                     | 1/1                            | 1/1                          | N/A                   | 1/1                    |
| Ms. Chen Xin                               | 9/9                                   | N/A                     | N/A                            | N/A                          | 1/1                   | 1/1                    |

In addition to the Board Meetings for results announcement, which are held twice per year, and special board meetings convened to review and approve other significant matters, the Company also holds Board Meetings every quarter (the "Quarterly Meetings") to better exercise the strategic and monitoring roles of the Board. Senior management is invited to attend to enhance Board and management communications. The Quarterly Meetings mainly focus on the Group's strategy execution, operation status, financial operation and budgeting, and capital market etc., Each quarter, a summary report is made on these areas in the previous quarter and discussions are conducted on the plans in these areas for the next quarter. During the reporting year, the dates of holding the Quarterly Meetings were set out as follows:

|      | 1st Quarterly Meeting | 2nd Quarterly Meeting | 3rd Quarterly Meeting | 4th Quarterly Meeting |
|------|-----------------------|-----------------------|-----------------------|-----------------------|
| Date | 21 January 2025       | 16 April 2025         | 22 July 2025          | 23 October 2025       |

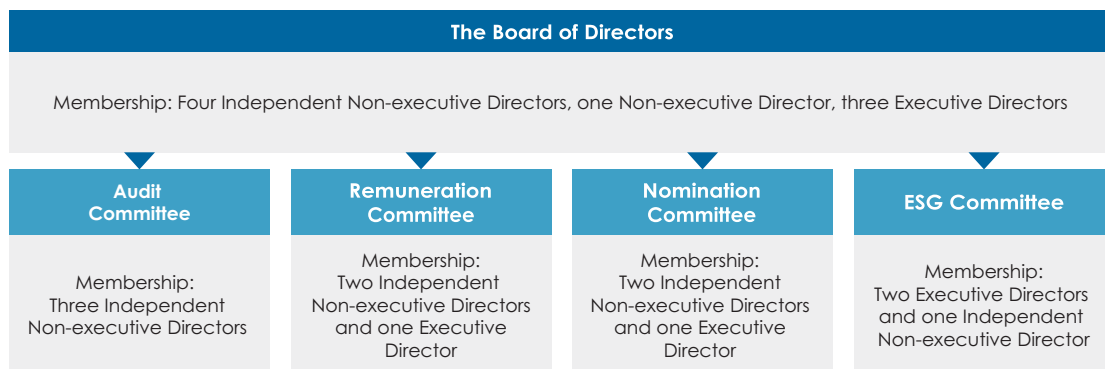
## MONTHLY MANAGEMENT REPORT

During the inter-sessional period, every Executive Director receives a copy of the financial report and the management report each month, and holds business meetings with the management to obtain information of monthly operating conditions, monitor business progress, and mentor the management with effective planning.

Management will report to all Board Members a monthly briefing which concludes important issues in relation to the marketing, operation, business development, human resources, ESG and capital market etc.

## BOARD COMMITTEES

The Board has established the Audit Committee, Remuneration Committee, Nomination Committee (all chaired by Independent Non-executive Director) and ESG Committee with defined terms of reference (available on the Company's website) since the listing of the Company, which are of no less exacting terms than those set out in the Corporate Governance Code.



Each Committee has authority to engage outside consultants or experts as it considers necessary to discharge the Committee's responsibilities. To further reinforce independence and effectiveness, all the Audit Committee members are Independent Non-executive Directors, and the Nomination and Remuneration Committees have been structured with a majority of the Independent Non-executive Directors as members since their establishment in November 2007.

### Audit Committee

There are three members in the Audit Committee, all of them are Independent Non-executive Directors, namely Mr. Zhu Xiaoping, Mr. Zhang Yongyi and Mr. Wee Yaw Hin. Mr. Zhu Xiaoping is the Chairman of the Audit Committee. Mr. Zhu Xiaoping has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 (2) of the Listing Rules. The authority and duties of this Committee are clearly set out in its terms of reference.

The major roles and functions of the Audit Committee are as follows:

- (a) To monitor the relationship between the Company and the external auditors, make proposals to the Board on the appointment, renewal and dismissal of the external auditors of the Group as well as the relevant remuneration and terms of appointment;
- (b) To review the Company's financial information; and
- (c) To oversee of the Company's financial reporting system, risk management and internal control procedures.

The Audit Committee held 2 meetings during 2025 and the following major matters were reviewed and discussed in the meetings:

- (a) Reviewed the Group's annual results of 2025 and the interim results of 2025 and made recommendations to the Board for approval;
- (b) Made recommendation on the re-appointment of the auditor; and
- (c) Reviewed the financial reporting system, risk management and the internal control system.

### Remuneration Committee

The Remuneration Committee comprises two Independent Non-executive Directors, Mr. WEE Yaw Hin and Mr. Zhu Xiaoping, and one Executive Director, Mr. Luo Lin. Mr. WEE Yaw Hin is the Chairman of the Remuneration Committee. The authority and duties of this Committee are clearly set out in its terms of reference.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The major roles and functions of the Remuneration Committee are as follows:

- (a) To review and recommend the terms of remuneration, benefits, bonus and other allowances of the Directors and senior management;
- (b) To submit proposals to the Board on the remuneration policy and structure of all the Directors and senior management of the Company; and
- (c) To approve and monitor the execution of the Company's Share Scheme and Restricted Share Award Scheme. The Board shall have the authority to approve the recommendations made by the Remuneration Committee.

The Remuneration Committee is responsible for ensuring appropriate formality, transparency to the Shareholders and a formal and transparent procedure is in place for developing an appropriate executive remuneration policy and a competitive framework for determining the remuneration packages of Directors and key management personnel. The Remuneration Committee recommends to the Board for the approval of the remuneration framework, including but not limited to fees, salaries, allowances, bonuses, options and benefits-in-kind for the Directors and key management personnel. No Director is involved in any decision-making relating to his/her own compensation. The Company will also engage a third-party remuneration consultant, on a regular basis or as requested by the Remuneration Committee, to review and make recommendations on the remuneration structure and level for the Directors and key management personnel. Under the Company's current remuneration plan, the Company did not engage a third-party remuneration consultant in 2025.

The Remuneration Committee held 1 meeting during 2025 to discuss and approve the grant of restricted share awards and overall remuneration structure adjustment and the performance based incentive mechanism of the Group.

## Nomination Committee

The Nomination Committee is composed of two Independent Non-executive Directors, Mr. Zhang Yongyi and Mr. WEE Yiau Hin, and one Executive Director, Mr. Luo Lin. Mr. Zhang Yongyi is the Chairman of the Nomination Committee. The authority and duties of this Committee are clearly set out in its terms of reference.

The major roles and functions of the Nomination Committee are as follows:

- (a) To review the structure, size and composition and diversity of the Board and make recommendations to the Board on the policy and procedures for the nomination of Directors;
- (b) To identify individuals suitably qualified to become Board members and may select individuals nominated for directorship, and consider individuals on merit and against the objective criteria, with due regard to the benefits of diversity on the Board;
- (c) To make recommendations to the Board on the appointment or re-appointment of Directors, succession planning for Directors, in particular the chairman and the chief executive;
- (d) To review the independence of the Independent Non-executive Directors and submit proposals to the Board; and
- (e) To review the Board Diversity Policy in particular the measurable objectives set out therein to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

The nomination process set out in the Director Nomination Policy is as follows:

### **Appointment of New Director**

- i. The Nomination Committee and/or the Board may select candidates for directorship through various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- ii. The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- iii. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- iv. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- v. For any person nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendations to Shareholders in respect of the proposed election of Director at the general meeting.

The Nomination Committee held 1 meeting during 2025 to discuss the current structure of the Board and discuss the candidates for nominations to the Board. During the year ended 31 December 2025, no candidate was nominated for directorship.

## ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) COMMITTEE (FORMERLY KNOWN AS QHSE (QUALITY, HEALTH, SAFETY AND ENVIRONMENT) COMMITTEE)

The Company set up the QHSE Committee on 21 January 2013 and further upgraded to ESG Committee on 21 May 2020. From 1 January 2024 to 27 December 2024, the ESG Committee was composed of three Executive Directors, namely Mr. Luo Lin, Mr. Pi Zhifeng and Mr. Fan Yonghong. Mr. Pi Zhifeng was the Chairman of the ESG Committee. On 27 December 2024, Ms. Chen Xin was appointed as the Chairman of the ESG Committee and Mr. Pi Zhifeng ceased to be the Chairman but he will continue to act as a member of the ESG Committee; Mr. Luo Lin ceased to be a member of the ESG Committee. As of the date of this report, the ESG Committee comprises two Executive Directors, Mr. Pi Zhifeng and Mr. Fan Yonghong; and one Independent Non-executive Director, Ms. Chen Xin. Ms. Chen Xin is the Chairman of ESG Committee. The ESG Committee aims to build an advanced governance structure of employee stock ownership and construct an environmental-friendly business model to reduce harm to the environment, improve the efficiency of resource use, help talents grow, promote stakeholder development, community progress and achieve long-term sustainable development. Such upgrading of the Board committee aims to further enhance and better promote the ESG-related work of the Group on a top-down basis. The ESG Committee meets at least once every year.

The major roles and functions of the ESG Committee are as follows:

- a) To assist the Board to review and evaluate the current status of the Group's environmental, social and governance performance;
- b) To make recommendations to the Board in respect of matters potentially affecting the Group's environmental, social and governance standards and the Group's environmental, social and governance policy formulation and system establishment;
- c) To assist the Board to supervise the implementation of the Group's environmental, social and governance systems; and
- d) To evaluate and review the Group's ESG reports, and be responsible for submitting the reviewed to the Board to ensure the Board's full participation in ESG governance and report disclosure.

The ESG Committee held 1 meeting during 2025 to review and discuss the Company's work on ESG and plan for the forthcoming year.

## REMUNERATION OF THE MEMBERS OF THE SENIOR MANAGEMENT BY BAND

The remuneration of the members of the senior management by band for the year ended 31 December 2025 is set out below:

| Remuneration band             | Number of individuals |
|-------------------------------|-----------------------|
| HK\$4,000,001 – HK\$5,000,000 | 2                     |

### ACCOUNTABILITY AND AUDIT

The Directors understand that they must assume the responsibility of preparing the financial accounts of each year. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis.

The declaration of duties by the Auditors of the Group on the Group's financial statements is set out on pages 73 to 77 of the Independent Auditor's Report.

### AUDITOR'S REMUNERATION

An analysis of the remuneration for audit and non-audit services provided by the auditor appointed by the Group during the year is as follows:

| 2025<br>RMB'000    |       |
|--------------------|-------|
| Audit services     | 5,800 |
| Non-audit services | 588   |
| Total:             | 6,388 |

### COMPANY SECRETARY

Ms. Au-Yeung Nelly ("Ms. Au-Yeung") of Tricor Services Limited has been engaged by the Company as the company secretary. The primary contact person of the Company is Mr. Pi Zhifeng, the Executive Director and Chief Executive Officer of the Company.

Ms. Au-Yeung has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during 2025.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility to maintain effective risk management and internal control systems of the Company in order to manage rather than eliminate risks of failure to achieve business objectives, and to provide reasonable but not absolute assurance against material misstatement or loss.

The Company implemented various policies and procedures to ensure effective risk management at each aspect of its operation, including the provision of construction operations management, on-site inspection, surveying and sampling services, daily operation management, financial reporting and recording, compliance with applicable laws and regulations on environmental protection and workplace safety.

During the year, the Group had reviewed its internal control system. Based on the review, the Board was satisfied with the effectiveness of the current internal control system of the Group, including the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's activity and financial reporting function.

The Group has set up the Internal Audit Department, the Legal Department and the Quality Control Department in charge of the internal control and risk management duties. The Executive Directors of the Company receive internal financial report and management report every month for monitoring the operational progress of each business department and making reasonable planning.

The Group has put in place a set of policy on disclosure of inside information which sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner and in compliance with the Securities and Futures Ordinance.

### SHAREHOLDERS' RIGHTS

The Company encourages shareholders to attend shareholders' meetings. Directors, chairman of each of the Audit Committee, the Remuneration Committee and the Nomination Committee (or a delegated member of the Committee), Chairman of the Independent Board Committee (if any) and management will attend the annual general meeting of the Company to answer queries about the Group's business.

In 2025, the Company had convened one annual general meeting (the "2025 AGM"). The 2025 AGM provided an ideal chance for communication between the Board and the shareholders. The Chairmen of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee and the Company's external auditor were all present at the AGM held on 27 May 2025, to answer shareholders' inquiries.

### THE PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING ("EGM")

Pursuant to the Article 79 of the Articles of Association of the Company: General meetings shall also be convened on the written requisition of one or more members (including a recognized clearing house (or its nominees)) of the Company deposited at the principal office of the Company in Hong Kong which is presently situated at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong), or, in the event the Company ceases to have a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist(s), provided that such requisitionist(s) held as at the date of deposit of the requisition not less than one-tenth of the voting rights at general meetings, on a one vote per share basis, in the share capital of the Company, and such requisitionists(s) may add resolutions to the agenda of a meeting.

Such request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and appropriate, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all registered members. On the contrary, if the request has been verified to be inappropriate, the shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested.

If, within 21 days from the date of deposit of the requisition proceed duly, the Board fails to convene the meeting to be held within such 21 days, the requisitionist(s) themselves, may convene the general meeting a physical meeting at only one location which will be the Principal Meeting Place, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

### **THE PROCEDURES AND CONTACT DETAILS FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING**

The annual general meeting and other general meetings provide an important opportunity for shareholders to express their views and the Company encourages and promotes shareholder attendance and participation at general meetings. The Board members, in particular, the chairman or his delegates, appropriate members of management team and the external auditors of the Company will attend annual general meetings to answer shareholders' questions. Shareholders attending the annual general meeting and other general meetings are allowed to have a reasonable opportunity to ask questions regarding the items on the meeting agenda, including but not limiting to questions to the external auditor regarding the conduct of the audit and the preparation and content of the auditor's report.

### **COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS**

The Company recognises the importance of good communications with its Shareholders and the investment community and also recognises the value of providing current and relevant information to the Shareholders and the investors. The Company has established a Shareholders Communication Policy which is available on the websites of HKEX and the Company.

To facilitate the Shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis on the websites of HKEX and the Company, especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable the Shareholders to make informed decisions in respect of their investment in the Company. To ensure a timely and equal disclosure to all its Shareholders, the Company also uploads all its press releases, presentation slides to be used at analyst briefings and other disclosure documents which includes material information on the websites of HKEX and the Company.

The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

## CONSTITUTIONAL DOCUMENTS

There was no changes to the Company's constitutional documents during the year ended 31 December 2025.

An up to date version of the Company's amended and restated memorandum and articles of association is also available on the Company's website and the Stock Exchange's website.

## THE PROCEDURES BY WHICH ENQUIRIES MAY BE PUT TO THE BOARD AND SUFFICIENT CONTACT DETAILS TO ENABLE THESE ENQUIRIES TO BE PROPERLY DIRECTED

Shareholders, investors and members of the public should direct their questions about their shareholdings to the Company's Branch Share Registrar in Hong Kong. The contact details for the Share Registrar are as follows:

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre, 183 Queen's Road East  
Wanchai  
Hong Kong

Telephone: (852) 2862 8628  
Fax: (852) 2865 0990  
Website: [www.computershare.com](http://www.computershare.com)

To contact the Company in relation to your query about the Company, the contact details are as follows:

Email: [ir@antonoil.com](mailto:ir@antonoil.com)

## DIVIDEND POLICY

The Group has adopted a policy on payment of dividend (the "Dividend Policy") in accordance with the Hong Kong Corporate Governance Code and has established appropriate procedures for declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to the Shareholders after the Board considering the factors, such as: the funding needs to the operation and business development of the Company from time to time; the market situation from time to time; cash flow and financial condition of the Company; the requirements of the articles of association and the relevant laws, rules and regulations applicable to the Company; and so on. When assessing the Company's performance for each financial year or interim financial period, the Board shall seek to maintain a steady dividend depending on the capital expenditure and cash flow for each financial year or interim financial period, while eliminating the impact of fluctuations in cash flows that may be due to one-off gains or losses in the same period. The Board shall have the full discretion on whether to pay a dividend, subject to the Shareholders' approval, if applicable.

The Board shall review the Dividend Policy on a regular basis.

### DISCLAIMERS

*The information contained in the section headed "Shareholders' Rights" in this Annual Report is for reference only and does not represent and shall not be regarded as legal or professional advice to the shareholders. Shareholders should seek their own independent legal advice as to their rights as shareholders of the Company. The Company disclaims any and all liabilities and losses that may be incurred by the shareholders for using or relying on any information contained in the section headed "Shareholders' Rights" in this Annual Report.*

### FINANCIAL CALENDAR 2026

#### Final Results Announcement For 2025

29 March 2026

#### Last Day to Register for Attending 2026 Annual General Meeting

20 May 2026

#### 2026 Annual General Meeting

27 May 2026

# INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF ANTON OILFIELD SERVICES GROUP**  
*(incorporated in the Cayman Islands with limited liability)*

德勤

## OPINION

We have audited the consolidated financial statements of Anton Oilfield Services Group (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 78 to 166, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") 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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# INDEPENDENT AUDITOR’S REPORT

**INDEPENDENT AUDITOR’S REPORT**  
**TO THE SHAREHOLDERS OF ANTON OILFIELD SERVICES GROUP** *(Continued)*  
*(incorporated in the Cayman Islands with limited liability)*

## 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.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Revenue recognition from provision of services</b></p> <p>We identified revenue recognition from provision of services as a key audit matter due to the significance of revenue generated from provision of services and the inherent risk of manipulating revenue recognition from provision of services by the management.</p> <p>As disclosed in Note 21, the Group is mainly engaged in provision of services through contracts with its customers. Revenue from provision of services amounting to RMB5,139,230,000 for the year ended 31 December 2025 accounted for 92.24% of the Group’s total revenue in the consolidated statement of profit or loss.</p> <p>Details of revenue recognition from provision of services and its accounting policies are set out in Note 21 and Note 3, respectively, to the consolidated financial statements.</p> | <p>Our procedures in relation to revenue recognition from provision of services included:</p> <ul style="list-style-type: none"><li>• Understanding and evaluating the key internal controls relevant to the audit on revenue recognition from provision of services;</li><li>• Examining, on a sample basis, the key terms set out in the Group’s contracts with its customers governing the performance obligations and the associated revenue recognition;</li><li>• Obtaining confirmations for the services provided to the selected major customers; and</li><li>• Inspecting, on a sample basis, the customer acceptance documents, the contracts and invoices evidencing that the performance obligations of services were satisfied and control was transferred.</li></ul> |

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF ANTON OILFIELD SERVICES GROUP** *(Continued)*  
*(incorporated in the Cayman Islands with limited liability)*

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual 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.

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT

#### TO THE SHAREHOLDERS OF ANTON OILFIELD SERVICES GROUP *(Continued)*

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

### 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 an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of 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 audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF ANTON OILFIELD SERVICES GROUP** *(Continued)*  
*(incorporated in the Cayman Islands with limited liability)*

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL  
STATEMENTS** *(Continued)*

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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.

The engagement partner on the audit resulting in the independent auditor's report is Mak Chi Lung (practising certificate number: P05732).

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
29 March 2026

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

|                                                                       |       | As at 31 December |            |
|-----------------------------------------------------------------------|-------|-------------------|------------|
|                                                                       | Notes | 2025              | 2024       |
| <b>ASSETS</b>                                                         |       |                   |            |
| <b>Non-current assets</b>                                             |       |                   |            |
| Property, plant and equipment                                         | 6     | <b>1,637,113</b>  | 1,706,428  |
| Right-of-use assets                                                   | 7     | <b>117,195</b>    | 98,769     |
| Investment properties                                                 |       | <b>1,382</b>      | 2,592      |
| Goodwill                                                              | 8     | <b>253,630</b>    | 253,630    |
| Intangible assets                                                     | 9     | <b>361,479</b>    | 352,222    |
| Interest in a joint venture                                           |       | <b>2,313</b>      | 2,622      |
| Interests in associates                                               |       | <b>22,305</b>     | 21,629     |
| Financial assets at fair value through profit or loss ("FVTPL")       | 33.4  | <b>103,998</b>    | 86,346     |
| Prepayments and other receivables                                     | 12    | <b>105,227</b>    | 114,922    |
| Deferred income tax assets                                            |       | <b>51,904</b>     | 38,817     |
|                                                                       |       | <b>2,656,546</b>  | 2,677,977  |
| <b>Current assets</b>                                                 |       |                   |            |
| Inventories                                                           | 10    | <b>645,255</b>    | 771,395    |
| Trade and notes receivables                                           | 11    | <b>2,812,424</b>  | 2,328,687  |
| Contract assets                                                       |       | <b>41,598</b>     | 26,858     |
| Financial assets at FVTPL                                             | 33.4  | <b>28,189</b>     | –          |
| Prepayments and other receivables                                     | 12    | <b>2,227,392</b>  | 1,851,952  |
| Restricted bank deposits                                              | 13    | <b>573,942</b>    | 370,354    |
| Cash and cash equivalents                                             | 13    | <b>2,609,985</b>  | 2,190,759  |
|                                                                       |       | <b>8,938,785</b>  | 7,540,005  |
| <b>Total assets</b>                                                   |       | <b>11,595,331</b> | 10,217,982 |
| <b>EQUITY</b>                                                         |       |                   |            |
| <b>Capital and reserves attributable to the owners of the Company</b> |       |                   |            |
| Share capital                                                         | 14    | <b>265,452</b>    | 272,152    |
| Reserves                                                              | 15    | <b>3,416,330</b>  | 3,225,885  |
|                                                                       |       | <b>3,681,782</b>  | 3,498,037  |
| Non-controlling interests                                             |       | <b>86,878</b>     | 110,303    |
| <b>Total equity</b>                                                   |       | <b>3,768,660</b>  | 3,608,340  |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

As at 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

|                                         | Notes | As at 31 December |            |
|-----------------------------------------|-------|-------------------|------------|
|                                         |       | 2025              | 2024       |
| <b>LIABILITIES</b>                      |       |                   |            |
| <b>Non-current liabilities</b>          |       |                   |            |
| Long-term borrowings                    | 17    | <b>581,739</b>    | 443,436    |
| Lease liabilities                       | 18    | <b>32,124</b>     | 15,237     |
| Deferred income tax liabilities         |       | <b>11,316</b>     | 12,251     |
|                                         |       | <b>625,179</b>    | 470,924    |
| <b>Current liabilities</b>              |       |                   |            |
| Short-term borrowings                   | 17    | <b>1,214,664</b>  | 1,364,994  |
| Current portion of long-term bonds      | 16    | <b>-</b>          | 453,821    |
| Current portion of long-term borrowings | 17    | <b>363,946</b>    | 177,735    |
| Trade and notes payables                | 19    | <b>2,600,970</b>  | 1,959,260  |
| Accruals and other payables             | 20    | <b>2,608,321</b>  | 1,712,209  |
| Lease liabilities                       | 18    | <b>12,448</b>     | 9,095      |
| Contract liabilities                    |       | <b>90,030</b>     | 100,045    |
| Current income tax liabilities          |       | <b>311,113</b>    | 361,559    |
|                                         |       | <b>7,201,492</b>  | 6,138,718  |
| <b>Total liabilities</b>                |       | <b>7,826,671</b>  | 6,609,642  |
| <b>Total equity and liabilities</b>     |       | <b>11,595,331</b> | 10,217,982 |

The consolidated financial statements on pages 78 to 166 were approved and authorised for issue by the Board of Directors on 29 March 2026 and were signed on its behalf by:

Chairman  
**Luo Lin**

Executive Director  
**Pi Zhifeng**

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

|                                                                                                               | Notes | Year ended 31 December |             |
|---------------------------------------------------------------------------------------------------------------|-------|------------------------|-------------|
|                                                                                                               |       | 2025                   | 2024        |
| <b>Revenue</b>                                                                                                |       |                        |             |
| Goods and services                                                                                            | 21    | <b>5,455,790</b>       | 4,607,426   |
| Rental                                                                                                        | 21    | <b>115,932</b>         | 146,508     |
| Total revenue                                                                                                 | 21    | <b>5,571,722</b>       | 4,753,934   |
| Cost of sales                                                                                                 | 22    | <b>(3,978,023)</b>     | (3,350,867) |
| <b>Gross profit</b>                                                                                           |       | <b>1,593,699</b>       | 1,403,067   |
| Other gain or loss, net                                                                                       | 23    | <b>11,448</b>          | (4,673)     |
| Impairment losses under expected credit loss model, net of reversal                                           | 24    | <b>(87,581)</b>        | (61,302)    |
| Selling expenses                                                                                              | 22    | <b>(275,513)</b>       | (240,361)   |
| Administrative expenses                                                                                       | 22    | <b>(395,928)</b>       | (306,726)   |
| Research and development expenses                                                                             | 22    | <b>(116,964)</b>       | (115,651)   |
| Sales tax and surcharges                                                                                      |       | <b>(17,095)</b>        | (16,585)    |
| <b>Operating profit</b>                                                                                       |       | <b>712,066</b>         | 657,769     |
| Interest income                                                                                               | 25    | <b>45,063</b>          | 50,930      |
| Finance expenses                                                                                              | 25    | <b>(170,362)</b>       | (207,231)   |
| Finance costs, net                                                                                            | 25    | <b>(125,299)</b>       | (156,301)   |
| Share of profit of a joint venture                                                                            |       | <b>(309)</b>           | 52          |
| Share of profit of associates                                                                                 |       | <b>833</b>             | 4,123       |
| Profit before income tax                                                                                      |       | <b>587,291</b>         | 505,643     |
| Income tax expense                                                                                            | 27    | <b>(204,111)</b>       | (248,139)   |
| <b>Profit for the year</b>                                                                                    |       | <b>383,180</b>         | 257,504     |
| <b>Profit attributable to:</b>                                                                                |       |                        |             |
| Owners of the Company                                                                                         |       | <b>373,090</b>         | 242,649     |
| Non-controlling interests                                                                                     |       | <b>10,090</b>          | 14,855      |
|                                                                                                               |       | <b>383,180</b>         | 257,504     |
| <b>Earnings per share attributable to the owners of the Company for the year (expressed in RMB per share)</b> |       |                        |             |
| – Basic                                                                                                       | 28    | <b>0.1370</b>          | 0.0854      |
| – Diluted                                                                                                     | 28    | <b>0.1280</b>          | 0.0837      |

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

|                                                                                            | Notes | Year ended 31 December |         |
|--------------------------------------------------------------------------------------------|-------|------------------------|---------|
|                                                                                            |       | 2025                   | 2024    |
| <b>Profit for the year</b>                                                                 |       | <b>383,180</b>         | 257,504 |
| <b>Other comprehensive (expense)/income, net of tax:</b>                                   |       |                        |         |
| <i>Items that may be reclassified subsequently to profit or loss</i>                       |       |                        |         |
| Net investment hedge                                                                       | 15(b) | <b>1,121</b>           | (7,202) |
| Financial instruments measured at fair value through other comprehensive income ("FVTOCI") |       | <b>(193)</b>           | 1,254   |
| Currency translation differences                                                           | 15(a) | <b>(30,184)</b>        | 18,652  |
| <b>Other comprehensive (expense)/income for the year, net of tax</b>                       |       | <b>(29,256)</b>        | 12,704  |
| <b>Total comprehensive income for the year</b>                                             |       | <b>353,924</b>         | 270,208 |
| <b>Total comprehensive income attributable to:</b>                                         |       |                        |         |
| – Owners of the Company                                                                    |       | <b>343,834</b>         | 254,768 |
| – Non-controlling interests                                                                |       | <b>10,090</b>          | 15,440  |
|                                                                                            |       | <b>353,924</b>         | 270,208 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

|                                                                          | Notes | Attributable to the owners of the Company |                 |               |                               |                                 |                   |                | Non-controlling interests | Total equity |           |
|--------------------------------------------------------------------------|-------|-------------------------------------------|-----------------|---------------|-------------------------------|---------------------------------|-------------------|----------------|---------------------------|--------------|-----------|
|                                                                          |       | Share capital                             | Treasury shares | Share premium | Capital reserve<br>Note 15(d) | Statutory reserve<br>Note 15(c) | Retained earnings | Other reserves |                           |              | Subtotal  |
| Balance at 1 January 2024                                                |       | 276,274                                   | (50,427)        | 1,049,578     | 478,138                       | 76,900                          | 1,555,076         | (198,000)      | 3,187,539                 | 233,347      | 3,420,886 |
| Comprehensive income                                                     |       |                                           |                 |               |                               |                                 |                   |                |                           |              |           |
| Profit for the year                                                      |       | -                                         | -               | -             | -                             | -                               | 242,649           | -              | 242,649                   | 14,855       | 257,504   |
| Other comprehensive (expense)/income                                     |       |                                           |                 |               |                               |                                 |                   |                |                           |              |           |
| - Net investment hedge                                                   | 15(b) | -                                         | -               | -             | -                             | -                               | -                 | (7,202)        | (7,202)                   | -            | (7,202)   |
| - Financial instruments measured at FVTOCI                               |       | -                                         | -               | -             | -                             | -                               | -                 | 1,254          | 1,254                     | -            | 1,254     |
| - Currency translation differences                                       | 15(a) | -                                         | -               | -             | -                             | -                               | -                 | 18,067         | 18,067                    | 585          | 18,652    |
| Total comprehensive income                                               |       | -                                         | -               | -             | -                             | -                               | 242,649           | 12,119         | 254,768                   | 15,440       | 270,208   |
| - Repurchase of ordinary shares                                          | 14    | -                                         | (68,078)        | -             | -                             | -                               | -                 | -              | (68,078)                  | -            | (68,078)  |
| - Cancellation of shares repurchased                                     | 14    | (4,122)                                   | 24,010          | (19,888)      | -                             | -                               | -                 | -              | -                         | -            | -         |
| - Restricted share award scheme                                          | 14    | -                                         | -               | -             | 23,062                        | -                               | -                 | -              | 23,062                    | -            | 23,062    |
| - Vesting of shares under restricted share award scheme                  |       | -                                         | 20,461          | -             | (20,461)                      | -                               | -                 | -              | -                         | -            | -         |
| - Acquisition of a subsidiary                                            |       | -                                         | -               | -             | -                             | -                               | -                 | -              | -                         | 6,903        | 6,903     |
| - Changes in ownership interests in subsidiaries without loss of control | 20    | -                                         | -               | -             | -                             | -                               | -                 | (70,615)       | (70,615)                  | (139,765)    | (210,380) |
| - Derecognition of put option                                            | 20    | -                                         | -               | -             | -                             | -                               | -                 | 210,380        | 210,380                   | -            | 210,380   |
| - Dividends relating to 2023 final                                       |       | -                                         | -               | -             | -                             | -                               | (39,019)          | -              | (39,019)                  | -            | (39,019)  |
| - Dividends declared to non-controlling interests                        |       | -                                         | -               | -             | -                             | -                               | -                 | -              | -                         | (5,622)      | (5,622)   |
| Total transactions with owners, recognised directly in equity            |       | (4,122)                                   | (23,607)        | (19,888)      | 2,601                         | -                               | (39,019)          | 139,765        | 55,730                    | (138,484)    | (82,754)  |
| Balance at 31 December 2024                                              |       | 272,152                                   | (74,034)        | 1,029,690     | 480,739                       | 76,900                          | 1,758,706         | (46,116)       | 3,498,037                 | 110,303      | 3,608,340 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – continued

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

| Notes                                                                       | Attributable to the owners of the Company |                  |                  |                               |                                 |                   |                 |                  | Non-controlling interests | Total equity     |
|-----------------------------------------------------------------------------|-------------------------------------------|------------------|------------------|-------------------------------|---------------------------------|-------------------|-----------------|------------------|---------------------------|------------------|
|                                                                             | Share capital                             | Treasury shares  | Share premium    | Capital reserve<br>Note 15(d) | Statutory reserve<br>Note 15(c) | Retained earnings | Other reserves  | Subtotal         |                           |                  |
| <b>Balance at 1 January 2025</b>                                            | <b>272,152</b>                            | <b>(74,034)</b>  | <b>1,029,690</b> | <b>480,739</b>                | <b>76,900</b>                   | <b>1,758,706</b>  | <b>(46,116)</b> | <b>3,498,037</b> | <b>110,303</b>            | <b>3,608,340</b> |
| <b>Comprehensive income</b>                                                 |                                           |                  |                  |                               |                                 |                   |                 |                  |                           |                  |
| Profit for the year                                                         | -                                         | -                | -                | -                             | -                               | 373,090           | -               | 373,090          | 10,090                    | 383,180          |
| <b>Other comprehensive (expense)/income</b>                                 |                                           |                  |                  |                               |                                 |                   |                 |                  |                           |                  |
| - Net investment hedge 15(b)                                                | -                                         | -                | -                | -                             | -                               | -                 | 1,121           | 1,121            | -                         | 1,121            |
| - Financial instruments measured at FVTOCI                                  | -                                         | -                | -                | -                             | -                               | -                 | (193)           | (193)            | -                         | (193)            |
| - Currency translation differences 15(a)                                    | -                                         | -                | -                | -                             | -                               | -                 | (30,184)        | (30,184)         | -                         | (30,184)         |
| <b>Total comprehensive income</b>                                           | <b>-</b>                                  | <b>-</b>         | <b>-</b>         | <b>-</b>                      | <b>-</b>                        | <b>373,090</b>    | <b>(29,256)</b> | <b>343,834</b>   | <b>10,090</b>             | <b>353,924</b>   |
| - Repurchase of ordinary shares 14                                          | -                                         | (171,049)        | -                | -                             | -                               | -                 | -               | (171,049)        | -                         | (171,049)        |
| - Cancellation of shares repurchased 14                                     | (6,700)                                   | 33,026           | (26,326)         | -                             | -                               | -                 | -               | -                | -                         | -                |
| - Restricted share award scheme 14                                          | -                                         | -                | -                | 50,935                        | -                               | -                 | -               | 50,935           | -                         | 50,935           |
| - Vesting of shares under restricted share award scheme                     | -                                         | 24,727           | -                | (24,727)                      | -                               | -                 | -               | -                | -                         | -                |
| - Changes in ownership interests in subsidiaries without loss of control 20 | -                                         | -                | -                | -                             | -                               | -                 | (8,915)         | (8,915)          | (33,515)                  | (42,430)         |
| - Derecognition of put option 20                                            | -                                         | -                | -                | -                             | -                               | -                 | 42,430          | 42,430           | -                         | 42,430           |
| - Dividends relating to 2024 final                                          | -                                         | -                | -                | -                             | -                               | (73,490)          | -               | (73,490)         | -                         | (73,490)         |
| <b>Total transactions with owners, recognised directly in equity</b>        | <b>(6,700)</b>                            | <b>(113,296)</b> | <b>(26,326)</b>  | <b>26,208</b>                 | <b>-</b>                        | <b>(73,490)</b>   | <b>33,515</b>   | <b>(160,089)</b> | <b>(33,515)</b>           | <b>(193,604)</b> |
| <b>Balance at 31 December 2025</b>                                          | <b>265,452</b>                            | <b>(187,330)</b> | <b>1,003,364</b> | <b>506,947</b>                | <b>76,900</b>                   | <b>2,058,306</b>  | <b>(41,857)</b> | <b>3,681,782</b> | <b>86,878</b>             | <b>3,768,660</b> |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

|                                                                                       | Notes | Year ended 31 December |             |
|---------------------------------------------------------------------------------------|-------|------------------------|-------------|
|                                                                                       |       | 2025                   | 2024        |
| <b>Cash flows from operating activities</b>                                           |       |                        |             |
| Net cash inflows from operations                                                      | 30    | <b>1,573,565</b>       | 1,440,484   |
| Interest received                                                                     |       | <b>64,664</b>          | 69,960      |
| Income tax paid                                                                       |       | <b>(268,579)</b>       | (185,385)   |
| Net cash generated from operating activities                                          |       | <b>1,369,650</b>       | 1,325,059   |
| <b>Cash flows from investing activities</b>                                           |       |                        |             |
| Purchase of property, plant and equipment                                             |       | <b>(165,575)</b>       | (158,570)   |
| Proceeds from disposal of property, plant and equipment                               |       | <b>12,948</b>          | 7,249       |
| Purchase of intangible assets                                                         |       | <b>(30,536)</b>        | (32,728)    |
| Purchases of financial assets at fair value through profit or loss                    |       | <b>(28,139)</b>        | –           |
| Investment in an associate                                                            |       | –                      | (3,500)     |
| Net cash paid for acquisition of a subsidiary                                         |       | –                      | (4,643)     |
| Dividends received from an associate                                                  |       | <b>157</b>             | 15,635      |
| Cash paid relating to other investing activities                                      |       | <b>3,393</b>           | (9,693)     |
| Net cash used in investing activities                                                 |       | <b>(207,752)</b>       | (186,250)   |
| <b>Cash flows from financing activities</b>                                           |       |                        |             |
| Proceeds from short-term borrowings                                                   |       | <b>1,302,330</b>       | 1,362,420   |
| Repayments of short-term borrowings                                                   |       | <b>(1,453,920)</b>     | (1,182,916) |
| Proceeds from long-term borrowings                                                    |       | <b>423,497</b>         | 302,900     |
| Repayments of long-term borrowings                                                    |       | <b>(299,000)</b>       | (119,900)   |
| Proceeds from debentures                                                              |       | <b>197,898</b>         | –           |
| Repurchase of long-term bonds                                                         |       | <b>(453,381)</b>       | (375,627)   |
| Repayments of lease liabilities                                                       |       | <b>(16,937)</b>        | (15,406)    |
| Interest paid                                                                         |       | <b>(118,518)</b>       | (159,077)   |
| Cash paid to non-controlling interests for additional equity interest in a subsidiary | 20    | <b>(42,430)</b>        | (249,605)   |
| Payments on repurchase of shares                                                      | 14    | <b>(171,049)</b>       | (68,078)    |
| Dividends distribution                                                                |       | <b>(73,490)</b>        | (44,641)    |
| Placement of restricted bank deposits                                                 | 13    | <b>(20,000)</b>        | (20,000)    |
| Withdraw of restricted bank deposits                                                  | 13    | <b>20,000</b>          | 20,000      |
| Net cash used in financing activities                                                 |       | <b>(705,000)</b>       | (549,930)   |
| <b>Net increase in cash and cash equivalents</b>                                      |       | <b>456,898</b>         | 588,879     |
| Cash and cash equivalents at beginning of the year                                    |       | <b>2,190,759</b>       | 1,585,886   |
| Exchange gain on cash and cash equivalents                                            |       | <b>(37,672)</b>        | 15,994      |
| <b>Cash and cash equivalents at end of the year</b>                                   |       | <b>2,609,985</b>       | 2,190,759   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

## 1. GENERAL INFORMATION

Anton Oilfield Services Group (the "Company") was incorporated in the Cayman Islands on 3 August 2007 as an exempted company with limited liability under the Companies Law of Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are mainly engaged in providing oilfield technology services, manufacturing and trading of related products in the People's Republic of China (the "PRC") and other overseas countries. The Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 14 December 2007.

The directors of the Company (the "Directors") regard Pro Development Holdings Corp., a company incorporated in the British Virgin Islands, as the immediate and ultimate holding company of the Company, which is controlled by Mr. Luo Lin, the Company's controlling shareholder.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### **Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

|                      |                         |
|----------------------|-------------------------|
| Amendments to IAS 21 | Lack of Exchangeability |
|----------------------|-------------------------|

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

(Continued)

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

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

|                                         |                                                                                                          |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------|
| Amendments to IFRS 9 and IFRS 7         | <i>Amendments to the Classification and Measurement of Financial Instruments<sup>2</sup></i>             |
| Amendments to IFRS 9 and IFRS 7         | <i>Contracts Referencing Nature-dependent Electricity<sup>2</sup></i>                                    |
| Amendments to IFRS 10 and IAS 28        | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>1</sup></i> |
| Amendments to IFRS Accounting Standards | <i>Annual Improvements to IFRS Accounting Standards - Volume 11<sup>2</sup></i>                          |
| IFRS 18                                 | <i>Presentation and Disclosure in Financial Statements<sup>3</sup></i>                                   |
| Amendments to IAS 21                    | <i>Translation to a Hyperinflationary Presentation Currency<sup>3</sup></i>                              |

- <sup>1</sup> Effective for annual periods beginning on or after a date to be determined.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

*(Continued)*

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

*(Continued)*

##### **IFRS 18 Presentation and Disclosure in Financial Statements**

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group currently presents interest received in operating activities, they will be classified in the investing activities on the consolidated statement of cash flows.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION

#### **Basis of preparation of consolidated financial statements**

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Basis of consolidation**

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group has the power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### **Separate financial statements**

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interests in the acquiree over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the amount of any non-controlling interests in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer, executive vice presidents and directors who make strategic decisions.

#### Foreign currency translation

##### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the functional currency. The financial statements are presented in RMB, which is the Company's functional currency.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying net investment hedge.

##### Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the end of the financial period;
- (ii) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Construction-in-progress represents property, plant and equipment under construction and is stated at cost. This includes the costs of construction, machinery, and other expenditures necessary for the purpose of preparing the construction-in-progress for its intended use and those borrowing costs incurred before the assets ready for intended use that are eligible for capitalisation. Construction-in-progress is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, 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 statement of profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method except for drill pipes are depreciated using unit-of-production method, to allocate their costs to their residual values over their estimated useful lives, as follows:

|                                                        | Estimated useful life |
|--------------------------------------------------------|-----------------------|
| Buildings                                              | 5 – 50 years          |
| Machinery and equipment                                | 5 – 10 years          |
| Motor vehicles                                         | 5 – 10 years          |
| Furniture, fixtures, leasehold improvements and others | 3 – 5 years           |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the financial period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gain or loss, net", in the consolidated statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Goodwill

Goodwill arises on the acquisition of subsidiaries, and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### Intangible assets

##### Computer software

Computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 to 10 years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Intangible assets *(Continued)*

##### Patents

Patents are initially recorded at actual cost incurred to acquire and amortised on a straight-line basis over their estimated useful lives, ranging from 3 to 10 years. Development costs that are directly attributable to the design, development and application of patents are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the patents so that it will be available for use;
- Management intends to complete the patents and use or sell it;
- There is an ability to use or sell the patents;
- It can be demonstrated how the patents will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the patents are available; and
- The expenditure attributable to the patents during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the patent include material costs, patent development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill**

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGU, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- 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.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Financial instruments** *(Continued)*

##### **Financial assets** *(Continued)*

#### **Classification and subsequent measurement of financial assets** *(Continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. All other changes in the carrying amount of these debt instruments/receivables are recognised in other comprehensive income and accumulated under the heading of other reserves. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments/receivables. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gain and loss, net" line item.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Financial instruments** *(Continued)*

##### **Financial assets** *(Continued)*

#### **Impairment of financial assets and other items subject to impairment assessment under IFRS 9**

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables from goods and services, notes receivable, other receivables, restricted bank deposits and deposits in bank), and other items (lease receivables and contract assets) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables from goods and services, contract assets and lease receivables. For trade receivables from goods and services, contract assets and lease receivables with significant balances mainly from large multinational and state-owned oil companies or credit-impaired, the ECL are assessed individually. For trade receivables from goods and services from private and relatively small customers, the ECL are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Financial instruments *(Continued)*

#### Financial assets *(Continued)*

#### Impairment of financial assets and other items subject to impairment assessment under IFRS 9 *(Continued)*

(i) Significant increase in credit risk

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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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 indicators 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;
- 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.

The Group considers that there has been no significant increase in credit risk when contractual payments are more than 30 days past due because most of the payments delay are due to administrative oversight instead of resulting from financial difficulty of debtors.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Financial instruments *(Continued)*

#### Financial assets *(Continued)*

#### Impairment of financial assets and other items subject to impairment assessment under IFRS 9 *(Continued)*

##### (ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

##### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Financial instruments *(Continued)*

##### Financial assets *(Continued)*

#### Impairment of financial assets and other items subject to impairment assessment under IFRS 9 *(Continued)*

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables from goods and services from private and relatively small customers are assessed as a separate group);
- Ageing;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Financial instruments** *(Continued)*

##### **Financial assets** *(Continued)*

##### **Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

##### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group entity or the counterparty.

##### **Financial liabilities and equity**

##### **Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Financial liabilities at amortised cost**

Financial liabilities including long-term borrowings, current portion of long-term borrowings, short-term borrowings, long-term bonds, current portion of long-term bonds, trade and notes payables and part of accruals and other payables are subsequently measured at amortised cost, using the effective interest method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Financial instruments** *(Continued)*

##### **Financial liabilities and equity** *(Continued)*

#### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The difference between the aggregate considerations paid for repurchase of shares and the deduction of share capital is recognised in share premium.

#### **Hedging activities**

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

#### **Assessment of hedging relationship and effectiveness**

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Hedging activities** *(Continued)*

##### **Net investment hedge**

The Group's US\$ denominated long-term bonds has been designated as hedging instrument for the US\$ denominated net investment in the Group's overseas subsidiaries.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in other reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains, net' line item.

Gains or losses on the hedging instrument relating to the effective portion of the hedge accumulated in other reserve are reclassified to profit or loss on disposal of the foreign operation.

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of project-in-progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

#### **Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statement of financial position include cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash. In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and bank deposits.

#### **Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of 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 tax is also recognised in other comprehensive income or directly in equity, respectively.

#### Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial period in the countries where the Company's 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

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 tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of financial period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only 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 liabilities are provided on temporary differences arising from investments in subsidiaries, a joint venture and an associate, 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 are recognised on deductible temporary differences arising from investments in subsidiaries, a joint venture and an associate only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Current and deferred income tax *(Continued)*

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

#### Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

#### Employee benefits

##### Pension and other social obligations

The Group has various defined contribution plans for pensions, housing fund and other social obligations in accordance with the local conditions and practices in the municipalities and provinces in which they operate. A defined contribution plan is a pension and/or other social benefits plan under which the Group pays fixed contributions into a separate publicly administered pension and/or other social insurance plan on mandatory bases. The Group 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 employee benefit expenses when incurred.

##### Share-based compensation

The Group operates a number of equity-settled share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted at the grant date. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Employee benefits *(Continued)*

##### Share-based compensation *(Continued)*

When the options are exercised, the cash subscribed for the shares issued is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs; and the amount previously recognised in capital reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in capital reserve will continue to be held in capital reserve.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

##### Treasury shares and restricted share award scheme

Under the restricted share award scheme, the amount paid to repurchase the Group's ordinary shares is included in treasury shares. When the awarded shares are vested, the fair value of the vested shares is released from the capital reserve to eliminate the related cost of treasury shares held for the restricted share award scheme. Any difference between the fair value of the vested shares and the related cost of treasury shares is transferred to share premium.

#### Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Revenue from contracts with customers *(Continued)*

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

#### Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, typically drilling technology service and well completion service (within oilfield technology services) in one contract, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

#### Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

##### Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### Revenue from contracts with customers *(Continued)*

##### Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

#### Leases

##### Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### The Group as a lessee

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Leases** *(Continued)*

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

##### **Right-of-use assets**

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

##### **Lease liabilities**

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

#### **Leases** *(Continued)*

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

#### **Lease liabilities** *(Continued)*

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, 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 change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

##### **The Group as a lessor**

#### **Classification and measurement of leases**

Leases for which the Group is a lessor are classified as operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Rental income which are derived from the Group's ordinary course of business are presented as revenue.

#### **Sublease**

The Group leases certain drilling equipment from its suppliers and then leases to its customers. When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

#### **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual result may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (a) Provision of ECL for trade receivables from goods and services

The impairment of trade receivables from goods and services under ECL model is determined by the management based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group uses provision matrix to calculate ECL for the trade receivables from goods and services from private and relatively small customers. The provision rates are based on ageing analysis as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical loss rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed loss rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. In estimating the provision of ECL, the management is required to consider all relevant factors with reasonable and supportable assumptions to make significant accounting estimations.

As at 31 December 2025, the carrying amount of trade receivables from goods and services was RMB2,727,719,000 (31 December 2024: RMB2,189,508,000), already net of accumulated expected credit loss of RMB450,004,000 (31 December 2024: RMB366,857,000). The information about the ECL and the Group's trade receivables from goods and services are disclosed in Note 33.2(b)(i) and Note 11.

#### (b) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculations require the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flow, a material impairment loss may arise.

As at 31 December 2025, the carrying amount of goodwill was RMB253,630,000 (2024: RMB253,630,000), already net of accumulated impairment loss of RMB26,325,000 (2024: RMB26,325,000). Details of the key assumptions used by the management in goodwill impairment assessment are set out in Note 8.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 5. SEGMENT INFORMATION

The president, executive vice presidents and Directors are the Group's chief operating decision makers (the "CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

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

In 2025, to optimise resource allocation and achieve operational synergies, the Group reorganised its internal reporting structure, which resulted in changes to the composition of its reportable segments. The previous four segments, "oilfield technical services", "oilfield management services", "drilling rig services" and "inspection services", were reorganized into three new segments which are "integrated oilfield technical services", "intelligent management services", and "energy asset operation business".

The changes of the reportable segments include: (1) "drilling rig services" and drilling technical services, well completion technical services and stimulation technical services included in "oilfield technical services" were aggregated into new reportable segment "integrated oilfield technical services"; (2) "oilfield management services" and "inspection services" were aggregated into new reportable segment "intelligent management services"; and (3) digital intelligence technical business was categorised into "intelligent management services" from "oilfield technical services", and natural gas and new energy business was categorised into "energy asset operation business" from "oilfield technical services". Prior year segment disclosures have been represented to conform with the current year's presentation.

Integrated oilfield technical services cover the full life cycle of oil and gas development, including drilling technical services, well completion and stimulation technical services for the industry.

Intelligent management services are the asset management services the Group provides to the oil companies worldwide, featured with profound capacity and light-asset. The services include energy project management services, digital intelligence technical services, and inspection services.

Energy asset operation business provides customers with natural gas and new energy infrastructure and oil and gas resources development services.

All of the three reportable segments include a number of direct service provision operations in various cities in China and overseas countries, each of which is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into three single reportable segments based on their sharing of similar economic characteristics, including similar nature of the services and products, type of customer for their services and products and the method used to provide their services and distribute their products.

The measurement of profit or loss, assets and liabilities of the operating segments are the same as those described in the summary of significant accounting policies in Note 3. The CODM evaluate the performance of the operating segments based on profit before income tax expense, certain depreciation and amortisation, interest income, finance expenses, share of profit of a joint venture and associates, asset impairment provisions and corporate overheads ("EBITDA") and the reconciliation of EBITDA to profit or loss. The corporate overheads and corporate assets are the general management expenses incurred and assets held by the headquarters of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 5. SEGMENT INFORMATION (Continued)

|                                            | Integrated<br>Oilfield<br>Technical<br>Services | Intelligent<br>Management<br>Services | Energy<br>Asset<br>Operation<br>Business | Total            |
|--------------------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------------|------------------|
| <b>For the year ended 31 December 2025</b> |                                                 |                                       |                                          |                  |
| Revenue                                    | 2,483,326                                       | 2,820,371                             | 268,025                                  | 5,571,722        |
| <b>EBITDA</b>                              | <b>662,695</b>                                  | <b>722,377</b>                        | <b>199,806</b>                           | <b>1,584,878</b> |
| Depreciation and amortisation              | (223,857)                                       | (31,530)                              | (53,692)                                 | (309,079)        |
| Asset impairment provision of              |                                                 |                                       |                                          |                  |
| – Inventories                              | (7,374)                                         | -                                     | -                                        | (7,374)          |
| – Trade receivables, net of reversal       | (59,717)                                        | (15,575)                              | (7,855)                                  | (83,147)         |
| – Other receivables                        | (3,267)                                         | (1,153)                               | (14)                                     | (4,434)          |
| Interest income                            | 4,385                                           | 7,762                                 | 4,119                                    | 16,266           |
| Finance expenses                           | (13,790)                                        | (15,302)                              | (1,530)                                  | (30,622)         |
| Share of profit of a joint venture         | (309)                                           | -                                     | -                                        | (309)            |
| Share of profit of associates              | 833                                             | -                                     | -                                        | 833              |
| Income tax expense                         | (47,951)                                        | (153,936)                             | (2,224)                                  | (204,111)        |
| Segment results                            | 311,648                                         | 512,643                               | 138,610                                  | 962,901          |
| Unallocated corporate overheads            |                                                 |                                       |                                          | (579,721)        |
| Profit for the year                        |                                                 |                                       |                                          | 383,180          |
| <b>For the year ended 31 December 2024</b> |                                                 |                                       |                                          |                  |
| Revenue                                    | 2,167,217                                       | 2,338,871                             | 247,846                                  | 4,753,934        |
| <b>EBITDA</b>                              | <b>680,473</b>                                  | <b>576,740</b>                        | <b>211,281</b>                           | <b>1,468,494</b> |
| Depreciation and amortisation              | (237,900)                                       | (30,192)                              | (63,574)                                 | (331,666)        |
| Asset impairment provision of              |                                                 |                                       |                                          |                  |
| – Inventories                              | (6,402)                                         | -                                     | -                                        | (6,402)          |
| – Trade receivables, net of reversal       | (45,488)                                        | (6,130)                               | (929)                                    | (52,547)         |
| – Other receivables                        | (8,755)                                         | -                                     | -                                        | (8,755)          |
| Interest income                            | 2,047                                           | 7,208                                 | 4,684                                    | 13,939           |
| Finance expenses                           | (16,513)                                        | (17,821)                              | (1,888)                                  | (36,222)         |
| Share of profit of a joint venture         | 52                                              | -                                     | -                                        | 52               |
| Share of profit of associates              | 4,123                                           | -                                     | -                                        | 4,123            |
| Income tax expense                         | (93,455)                                        | (149,803)                             | (4,881)                                  | (248,139)        |
| Segment results                            | 278,182                                         | 380,002                               | 144,693                                  | 802,877          |
| Unallocated corporate overheads            |                                                 |                                       |                                          | (545,373)        |
| Profit for the year                        |                                                 |                                       |                                          | 257,504          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 5. SEGMENT INFORMATION *(Continued)*

|                                           | Integrated<br>Oilfield<br>Technical<br>Services | Intelligent<br>Management<br>Services | Energy<br>Asset<br>Operation<br>Business | Total            |
|-------------------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------------|------------------|
| <b>As at 31 December 2025</b>             |                                                 |                                       |                                          |                  |
| <b>Segment assets</b>                     | <b>4,098,776</b>                                | <b>3,103,272</b>                      | <b>546,826</b>                           | <b>7,748,874</b> |
| Segment assets include:                   |                                                 |                                       |                                          |                  |
| Capital expenditures incurred in the year | <b>269,288</b>                                  | <b>45,383</b>                         | <b>15,844</b>                            | <b>330,515</b>   |
| <b>As at 31 December 2024</b>             |                                                 |                                       |                                          |                  |
| <b>Segment assets</b>                     | 3,978,075                                       | 2,574,441                             | 516,534                                  | 7,069,050        |
| Segment assets include:                   |                                                 |                                       |                                          |                  |
| Capital expenditures incurred in the year | 182,344                                         | 30,457                                | 23,599                                   | 236,400          |

Disclosure of liabilities has not been included here because these liabilities balances are not allocated to segments.

Reportable segments' assets are reconciled to total assets as follows:

|                                         | <b>As at 31 December</b> |             |
|-----------------------------------------|--------------------------|-------------|
|                                         | <b>2025</b>              | <b>2024</b> |
| Assets for reportable segments          | <b>7,748,874</b>         | 7,069,050   |
| Corporate assets for general management | <b>3,846,457</b>         | 3,148,932   |
| <b>Total assets</b>                     | <b>11,595,331</b>        | 10,217,982  |

The Group allocates revenue on the basis of the location in which the sales are originated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 5. SEGMENT INFORMATION *(Continued)*

#### Geographical Information

|                           | Revenue<br>Year ended 31 December |           | Non-current assets<br>As at 31 December |           |
|---------------------------|-----------------------------------|-----------|-----------------------------------------|-----------|
|                           | 2025                              | 2024      | 2025                                    | 2024      |
| PRC                       | <b>1,873,468</b>                  | 1,662,877 | <b>1,706,253</b>                        | 1,712,059 |
| Republic of Iraq ("Iraq") | <b>3,148,794</b>                  | 2,601,388 | <b>585,105</b>                          | 547,941   |
| Other countries           | <b>549,460</b>                    | 489,669   | <b>149,720</b>                          | 210,254   |
| Total                     | <b>5,571,722</b>                  | 4,753,934 | <b>2,441,078</b>                        | 2,470,254 |

Note:

The balance of deferred income tax assets and financial assets are not included in the balance of non-current assets disclosed here.

#### Client information

For the year ended 31 December 2025, revenues of approximately RMB2,656,640,000 (2024: RMB2,834,983,000) were derived from two external customers, which contributed 29.30% and 18.38% (2024: 40.03% and 19.60%) to the total revenue respectively. These revenues were mainly attributable to integrated oilfield technical services and intelligent management services segments (2024: integrated oilfield technical services and intelligent management services segments).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 6. PROPERTY, PLANT AND EQUIPMENT

|                                    | Buildings        | Machinery and equipment | Motor vehicles  | Furniture, fixtures, leasehold improvements and others | Construction-in-progress | Total              |
|------------------------------------|------------------|-------------------------|-----------------|--------------------------------------------------------|--------------------------|--------------------|
| <b>As at 1 January 2024</b>        |                  |                         |                 |                                                        |                          |                    |
| Cost                               | 902,603          | 3,002,957               | 73,078          | 185,834                                                | 31,255                   | 4,195,727          |
| Accumulated depreciation           | (288,983)        | (1,920,773)             | (50,874)        | (126,870)                                              | -                        | (2,387,500)        |
| Carrying values                    | 613,620          | 1,082,184               | 22,204          | 58,964                                                 | 31,255                   | 1,808,227          |
| <b>Year ended 31 December 2024</b> |                  |                         |                 |                                                        |                          |                    |
| <b>As at 1 January 2024</b>        | 613,620          | 1,082,184               | 22,204          | 58,964                                                 | 31,255                   | 1,808,227          |
| Additions                          | 4,797            | 57,606                  | 6,910           | 16,803                                                 | 80,525                   | 166,641            |
| Transfer in/(out)                  | 7,427            | 75,052                  | 357             | 398                                                    | (83,234)                 | -                  |
| Depreciation charge                | (44,450)         | (203,645)               | (7,077)         | (16,111)                                               | -                        | (271,283)          |
| Disposals                          | (209)            | (4,005)                 | (271)           | (3,918)                                                | -                        | (8,403)            |
| Currency translation differences   | 2,333            | 8,035                   | 98              | 429                                                    | 351                      | 11,246             |
| <b>As at 31 December 2024</b>      | 583,518          | 1,015,227               | 22,221          | 56,565                                                 | 28,897                   | 1,706,428          |
| <b>As at 31 December 2024</b>      |                  |                         |                 |                                                        |                          |                    |
| Cost                               | 918,345          | 3,108,325               | 75,031          | 193,749                                                | 28,897                   | 4,324,347          |
| Accumulated depreciation           | (334,827)        | (2,093,098)             | (52,810)        | (137,184)                                              | -                        | (2,617,919)        |
| Carrying values                    | 583,518          | 1,015,227               | 22,221          | 56,565                                                 | 28,897                   | 1,706,428          |
| <b>Year ended 31 December 2025</b> |                  |                         |                 |                                                        |                          |                    |
| <b>As at 1 January 2025</b>        | <b>583,518</b>   | <b>1,015,227</b>        | <b>22,221</b>   | <b>56,565</b>                                          | <b>28,897</b>            | <b>1,706,428</b>   |
| Additions                          | <b>5,769</b>     | <b>51,460</b>           | <b>2,985</b>    | <b>14,755</b>                                          | <b>156,933</b>           | <b>231,902</b>     |
| Transfer in/(out)                  | <b>4,090</b>     | <b>143,372</b>          | <b>2,692</b>    | <b>3,017</b>                                           | <b>(153,171)</b>         | <b>-</b>           |
| Depreciation charge                | <b>(44,546)</b>  | <b>(179,541)</b>        | <b>(5,679)</b>  | <b>(16,272)</b>                                        | <b>-</b>                 | <b>(246,038)</b>   |
| Disposals                          | <b>(226)</b>     | <b>(36,105)</b>         | <b>(131)</b>    | <b>(2,221)</b>                                         | <b>-</b>                 | <b>(38,683)</b>    |
| Currency translation differences   | <b>(3,202)</b>   | <b>(11,814)</b>         | <b>(137)</b>    | <b>(600)</b>                                           | <b>(743)</b>             | <b>(16,496)</b>    |
| <b>As at 31 December 2025</b>      | <b>545,403</b>   | <b>982,599</b>          | <b>21,951</b>   | <b>55,244</b>                                          | <b>31,916</b>            | <b>1,637,113</b>   |
| <b>As at 31 December 2025</b>      |                  |                         |                 |                                                        |                          |                    |
| Cost                               | <b>921,499</b>   | <b>3,164,170</b>        | <b>77,596</b>   | <b>198,213</b>                                         | <b>31,916</b>            | <b>4,393,394</b>   |
| Accumulated depreciation           | <b>(376,096)</b> | <b>(2,181,571)</b>      | <b>(55,645)</b> | <b>(142,969)</b>                                       | <b>-</b>                 | <b>(2,756,281)</b> |
| Carrying values                    | <b>545,403</b>   | <b>982,599</b>          | <b>21,951</b>   | <b>55,244</b>                                          | <b>31,916</b>            | <b>1,637,113</b>   |

During the year ended 31 December 2025, the depreciation charges of the Group were recorded in cost of sales with an amount of RMB192,899,000 (2024: RMB217,195,000), selling, general and administrative expenses with an amount of RMB33,393,000 (2024: RMB32,497,000), and cost of inventories which remained unsold as at year end with an amount of RMB19,746,000 (2024: RMB21,591,000), respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 6. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 31 December 2025, long-term borrowings were secured by certain buildings with a carrying value of RMB119,086,000 (31 December 2024: RMB79,265,000) (Note 17(a)).

#### The Group as lessor

The Group leases out a number of equipment under operating leases. The leases typically run for an initial period of 3 to 24 months. None of the leases includes variable lease payments. The disaggregation of the equipment under operating leases included within "machinery and equipment" and the reconciliation of the carrying amount at the beginning and end of the year are set out as below:

#### Year ended 31 December 2024

|                             |          |
|-----------------------------|----------|
| <b>As at 1 January 2024</b> | 141,530  |
| Additions                   | 5,341    |
| Depreciation charge         | (17,422) |

|                               |         |
|-------------------------------|---------|
| <b>As at 31 December 2024</b> | 129,449 |
|-------------------------------|---------|

#### As at 31 December 2024

|                          |                |
|--------------------------|----------------|
| Cost                     | <b>309,960</b> |
| Accumulated depreciation | (180,511)      |

|                 |                |
|-----------------|----------------|
| Carrying values | <b>129,449</b> |
|-----------------|----------------|

#### Year ended 31 December 2025

|                      |                 |
|----------------------|-----------------|
| As at 1 January 2025 | <b>129,449</b>  |
| Additions            | <b>9,434</b>    |
| Depreciation charge  | <b>(14,461)</b> |

|                               |                |
|-------------------------------|----------------|
| <b>As at 31 December 2025</b> | <b>124,422</b> |
|-------------------------------|----------------|

#### As at 31 December 2025

|                          |                  |
|--------------------------|------------------|
| Cost                     | <b>319,394</b>   |
| Accumulated depreciation | <b>(194,972)</b> |

|                 |                |
|-----------------|----------------|
| Carrying values | <b>124,422</b> |
|-----------------|----------------|

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 7. RIGHT-OF-USE ASSETS

|                                    | Leasehold<br>lands | Equipment      | Buildings       | Total           |
|------------------------------------|--------------------|----------------|-----------------|-----------------|
| <b>Year ended 31 December 2024</b> |                    |                |                 |                 |
| <b>As at 1 January 2024</b>        | 77,146             | 10,572         | 28,309          | 116,027         |
| Additions                          | –                  | –              | 1,577           | 1,577           |
| Depreciation charge                | (2,604)            | (648)          | (15,583)        | (18,835)        |
| <b>Carrying values</b>             |                    |                |                 |                 |
| As at 31 December 2024             | 74,542             | 9,924          | 14,303          | 98,769          |
| <b>Year ended 31 December 2025</b> |                    |                |                 |                 |
| <b>As at 1 January 2025</b>        | <b>74,542</b>      | <b>9,924</b>   | <b>14,303</b>   | <b>98,769</b>   |
| Additions                          | –                  | –              | <b>34,999</b>   | <b>34,999</b>   |
| Depreciation charge                | <b>(2,614)</b>     | <b>(1,842)</b> | <b>(12,117)</b> | <b>(16,573)</b> |
| <b>Carrying values</b>             |                    |                |                 |                 |
| As at 31 December 2025             | <b>71,928</b>      | <b>8,082</b>   | <b>37,185</b>   | <b>117,195</b>  |

During the current and prior years, the Group entered into new lease agreements for the use of buildings for 2 to 5 years (2024: 2 to 5 years) with extension and termination options. The Group is required to make fixed quarterly, semi-annually or annually payments during the contract periods. On lease commencement, the Group recognised RMB34,999,000 (2024: RMB1,577,000) of right-of-use assets and RMB34,999,000 (2024: RMB1,577,000) lease liabilities during the year ended 31 December 2025. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. In addition, the lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets except for the leasehold lands may not be used as security for borrowing purposes.

For termination options, the Group assesses at lease commencement date that it is reasonably certain not to exercise. For extension options in lease contracts of equipment, the Group assesses at lease commencement date that it is reasonably certain not to exercise since those equipment is used to certain service projects with a limited duration. For extension options in lease contracts of buildings, the Group assesses at lease commencement date that it is not reasonably certain to exercise and the Directors consider the potential future lease payments for lease contracts of buildings not included in lease liabilities are immaterial and hence, no further disclosure is made.

During the year ended 31 December 2025, the depreciation charges of the Group were recorded in cost of sales with an amount of RMB14,417,000 (2024: RMB16,477,000) and cost of inventories which remained unsold as at year end with an amount of RMB2,156,000 (2024: RMB2,358,000), respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 7. RIGHT-OF-USE ASSETS *(Continued)*

During the year ended 31 December 2025, the expense relating to short-term leases and leases of low-value assets amounts to RMB72,489,000 (2024: RMB51,432,000).

During the year ended 31 December 2025, the total cash outflow for leases amounts to RMB89,460,000 (2024: RMB80,128,000), consisting of RMB16,937,000 (2024: RMB15,406,000) paid for lease liabilities and RMB72,523,000 (2024: RMB64,722,000) paid for short-term leases and leases of low-value assets.

As at 31 December 2025, the outstanding lease commitment relating to short-term leases of certain equipment and buildings is RMB9,432,000 (2024: RMB12,271,000).

As at 31 December 2025, certain long-term borrowings were secured by right-of-use assets (leasehold lands) with a carrying value of RMB5,174,000 (31 December 2024: RMB5,343,000). Details are set out in note 17(a).

### 8. GOODWILL

#### Cost

At 1 January 2024, 31 December 2024 and 2025

279,955

#### IMPAIRMENT

At 1 January 2024, 31 December 2024 and 2025

(26,325)

#### CARRYING VALUES

At 31 December 2024 and 2025

253,630

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 8. GOODWILL (Continued)

An operating segment-level summary of the goodwill allocation is presented below.

| As at 31 December 2025 and 2024                                                                              | Intelligent Management Services | Integrated Oilfield Technical Services | Total   |
|--------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------|---------|
| Shandong Precede Petroleum Technology Co., Ltd.<br>(山東普瑞思德石油技術有限公司, "Shandong Precede")                      | -                               | 132,486                                | 132,486 |
| Beijing Haineng Haite Petroleum Technology Development Co., Ltd. (北京海能海特石油科技發展有限公司, "Beijing Haineng Haite") | -                               | 106,886                                | 106,886 |
| Anton Machinery and Meter Testing Co., Ltd.<br>(安東儀器儀表檢測服務有限公司, "Anton Testing")                             | 2,632                           | -                                      | 2,632   |
| Suining Xingyuan Oil & Gas Development Co., Ltd.<br>(遂寧興源油氣開發有限公司, "Suining Xingyuan")                       | -                               | 11,626                                 | 11,626  |
|                                                                                                              | 2,632                           | 250,998                                | 253,630 |

Goodwill is allocated to the CGUs of the Group identified according to their operations.

The recoverable amount of the CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. The Company expects cash flow beyond the five-year period will be similar to that of the fifth year based on existing production capacity. Cash flows beyond the five-year period are extrapolated using 2% growth rates after considering the inflation factor. Based on the assessments, no goodwill was further impaired as at 31 December 2025.

The key assumptions used for value-in-use calculations in 2025 of Shandong Precede and Beijing Haineng Haite are as follows:

| As at 31 December 2025 | Shandong Precede | Beijing Haineng Haite |
|------------------------|------------------|-----------------------|
| Gross margin           | 15.23%           | 25.70%                |
| Discount rate          | 13.91%           | 13.81%                |

| As at 31 December 2024 | Shandong Precede | Beijing Haineng Haite |
|------------------------|------------------|-----------------------|
| Gross margin           | 15.12%           | 17.79%                |
| Discount rate          | 12.73%           | 12.65%                |

Management determined budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax long-term weighted average costs of capital, which are based on the management's best estimation of the investment returns that market participants would require for the relevant assets.

Management believed that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the above CGUs to exceed their recoverable amount as at 31 December 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 9. INTANGIBLE ASSETS

|                                    | Patents          | Computer software | Total            |
|------------------------------------|------------------|-------------------|------------------|
| <b>As at 1 January 2024</b>        |                  |                   |                  |
| Cost                               | 636,742          | 91,439            | 728,181          |
| Accumulated amortisation           | (331,909)        | (63,191)          | (395,100)        |
| Carrying value                     | 304,833          | 28,248            | 333,081          |
| <b>Year ended 31 December 2024</b> |                  |                   |                  |
| <b>As at 1 January 2024</b>        | 304,833          | 28,248            | 333,081          |
| Additions                          | 68,182           | –                 | 68,182           |
| Amortisation charge                | (45,690)         | (3,351)           | (49,041)         |
| <b>As at 31 December 2024</b>      | 327,325          | 24,897            | 352,222          |
| <b>As at 31 December 2024</b>      |                  |                   |                  |
| Cost                               | 704,924          | 91,439            | 796,363          |
| Accumulated amortisation           | (377,599)        | (66,542)          | (444,141)        |
| Carrying value                     | 327,325          | 24,897            | 352,222          |
| <b>Year ended 31 December 2025</b> |                  |                   |                  |
| <b>As at 1 January 2025</b>        | <b>327,325</b>   | <b>24,897</b>     | <b>352,222</b>   |
| Additions                          | <b>63,127</b>    | <b>488</b>        | <b>63,615</b>    |
| Amortisation charge                | <b>(51,501)</b>  | <b>(2,857)</b>    | <b>(54,358)</b>  |
| <b>As at 31 December 2025</b>      | <b>338,951</b>   | <b>22,528</b>     | <b>361,479</b>   |
| <b>As at 31 December 2025</b>      |                  |                   |                  |
| Cost                               | <b>768,007</b>   | <b>91,927</b>     | <b>859,934</b>   |
| Accumulated amortisation           | <b>(429,056)</b> | <b>(69,399)</b>   | <b>(498,455)</b> |
| Carrying value                     | <b>338,951</b>   | <b>22,528</b>     | <b>361,479</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 10. INVENTORIES

|                                                    | As at 31 December |         |
|----------------------------------------------------|-------------------|---------|
|                                                    | 2025              | 2024    |
| Project materials, spare parts and other materials | <b>357,794</b>    | 457,081 |
| Project-in-progress                                | <b>287,461</b>    | 314,314 |
|                                                    | <b>645,255</b>    | 771,395 |

Movements of provision for inventory obsolescence during the year are analyzed as follows:

|                   | 2025             | 2024      |
|-------------------|------------------|-----------|
| As at 1 January   | <b>(140,102)</b> | (139,709) |
| Addition          | <b>(7,374)</b>   | (6,402)   |
| Write-off         | <b>14,851</b>    | 6,009     |
| As at 31 December | <b>(132,625)</b> | (140,102) |

### 11. TRADE AND NOTES RECEIVABLES

|                            | As at 31 December |           |
|----------------------------|-------------------|-----------|
|                            | 2025              | 2024      |
| Trade receivables (a)      |                   |           |
| – contracts with customers | <b>2,727,719</b>  | 2,189,508 |
| – lease receivables        | <b>65,336</b>     | 105,780   |
|                            | <b>2,793,055</b>  | 2,295,288 |
| Notes receivable (e)       | <b>19,369</b>     | 33,399    |
|                            | <b>2,812,424</b>  | 2,328,687 |

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB2,192,156,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 11. TRADE AND NOTES RECEIVABLES *(Continued)*

Notes:

- (a) The following is an aged analysis of trade receivables net of allowance for credit losses presented based on dates of delivery of goods and provision of services.

|                   | As at 31 December |           |
|-------------------|-------------------|-----------|
|                   | 2025              | 2024      |
| 1 – 6 months      | <b>1,840,612</b>  | 1,724,496 |
| 6 months – 1 year | <b>454,810</b>    | 319,042   |
| 1 – 2 years       | <b>374,918</b>    | 160,836   |
| 2 – 3 years       | <b>74,531</b>     | 45,151    |
| Over 3 years      | <b>48,184</b>     | 45,763    |
|                   | <b>2,793,055</b>  | 2,295,288 |

- (b) Most of the Group's past due trade receivables were those receivables aged over one year. As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate gross carrying amount of RMB401,241,000 (31 December 2024: RMB148,728,000) which are aged over one year but not considered as default as most of the payments delay are due to administrative oversight by customers and management considered these receivables could be collected subsequently based on prior experiences and good financial performance and reputation of these customers.

- (c) Most of the trade receivables are with credit terms of one year or less. The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables.

As at 31 December 2025, trade receivables of RMB536,694,000 (31 December 2024: RMB580,595,000) were pledged as security for long-term borrowings of RMB426,346,000 (31 December 2024: RMB399,253,000) and short-term borrowings of RMB110,348,000 (31 December 2024: RMB181,342,000) (Note 17(a)).

- (d) Movements of impairment of trade receivables are as follows:

|                   | 2025             | 2024      |
|-------------------|------------------|-----------|
| As at 1 January   | <b>(366,857)</b> | (314,310) |
| Addition          | <b>(83,147)</b>  | (52,547)  |
| Write-off         | <b>-</b>         | -         |
| As at 31 December | <b>(450,004)</b> | (366,857) |

Details of impairment assessment of trade receivables and notes receivable for the years ended 31 December 2025 and 2024 are set out in Note 33.2(b)(i) and Note 33.2(b)(iii) respectively.

- (e) As at 31 December 2025, total notes received amounting to RMB19,369,000 (31 December 2024: RMB33,399,000) are held by the Group as settlement of corresponding trade receivables. Notes receivable was measured at FVTOCI. All notes received by the Group are with a maturity period of less than one year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 11. TRADE AND NOTES RECEIVABLES *(Continued)*

Notes: *(Continued)*

(f) Trade and notes receivables were denominated in the following currencies:

|                               | As at 31 December |           |
|-------------------------------|-------------------|-----------|
|                               | 2025              | 2024      |
| RMB                           | <b>1,179,373</b>  | 1,120,610 |
| United States dollar ("US\$") | <b>1,596,156</b>  | 1,188,384 |
| Others                        | <b>36,895</b>     | 19,693    |
|                               | <b>2,812,424</b>  | 2,328,687 |

### 12. PREPAYMENTS AND OTHER RECEIVABLES

|                                             | As at 31 December |           |
|---------------------------------------------|-------------------|-----------|
|                                             | 2025              | 2024      |
| <b>Current</b>                              |                   |           |
| Advances to suppliers                       | <b>159,674</b>    | 148,277   |
| Deposits and other receivables (Note(b))    | <b>2,008,600</b>  | 1,643,326 |
| Value-added tax recoverable                 | <b>59,118</b>     | 60,349    |
|                                             | <b>2,227,392</b>  | 1,851,952 |
| <b>Non-current</b>                          |                   |           |
| Value-added tax recoverable                 | <b>8,362</b>      | 7,812     |
| Advances to engineering equipment suppliers | <b>37,299</b>     | 24,550    |
| Other receivables                           | <b>59,566</b>     | 82,560    |
|                                             | <b>105,227</b>    | 114,922   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 12. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Ageing analysis of the current portion of prepayments and other receivables at the reporting date was disclosed as follows:

|                                    | As at 31 December |           |
|------------------------------------|-------------------|-----------|
|                                    | 2025              | 2024      |
| 1 – 6 months                       | <b>1,835,568</b>  | 1,539,663 |
| 6 months – 1 year                  | <b>53,616</b>     | 117,677   |
| 1 – 2 years                        | <b>220,160</b>    | 134,157   |
| 2 – 3 years                        | <b>93,354</b>     | 65,526    |
| Over 3 years                       | <b>96,951</b>     | 62,752    |
|                                    | <b>2,299,649</b>  | 1,919,775 |
| Less: allowance for impairment (a) | <b>(72,257)</b>   | (67,823)  |
| Prepayments and other receivables  | <b>2,227,392</b>  | 1,851,952 |

Notes:

(a) Movements of allowance for impairment are as follows:

|                   | 2025            | 2024     |
|-------------------|-----------------|----------|
| As at 1 January   | <b>(67,823)</b> | (59,068) |
| Additions         | <b>(4,434)</b>  | (8,755)  |
| As at 31 December | <b>(72,257)</b> | (67,823) |

Details of impairment assessment of other receivables for the years ended 31 December 2025 and 2024 are set out in Note 33.2(b)(ii).

(b) Pursuant to the oilfield management service contract with a third party customer, the Group provides management services, including acting as an agent for the customer's procurement activities. As at 31 December 2025, other receivables amounting to RMB1,335,234,000 (2024: RMB1,154,728,000) mainly represent receivables from this oilfield customer for the procurement costs paid on its behalf and correspondingly, the Group recorded other payables amounting to RMB2,014,051,000 (2024: RMB1,116,182,000) to the third party suppliers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 13. CASH AND BANK

|                              | As at 31 December |           |
|------------------------------|-------------------|-----------|
|                              | 2025              | 2024      |
| Restricted bank deposits (b) | <b>573,942</b>    | 370,354   |
| Cash and cash equivalents    |                   |           |
| – Cash on hand               | <b>5,755</b>      | 2,679     |
| – Deposits in bank           | <b>2,604,230</b>  | 2,188,080 |
|                              | <b>3,183,927</b>  | 2,561,113 |

Notes:

- (a) As at 31 December 2025, bank deposits amounting to RMB20,000,000 (31 December 2024: RMB20,000,000) were held as security for securing short-term bank borrowings (Note 17(a)).
- (b) As at 31 December 2025, bank deposits amounting to RMB553,942,000 (31 December 2024: RMB350,354,000) were held as security for letter of guarantee and issuance of notes payable.
- (c) The restricted bank deposits carried fixed interest rates between 0.1% to 1.4% per annum (2024: between 0.1% to 2.4% per annum).
- (d) Cash and bank were denominated in the following currencies:

|        | As at 31 December |           |
|--------|-------------------|-----------|
|        | 2025              | 2024      |
| RMB    | <b>1,037,614</b>  | 1,089,917 |
| US\$   | <b>1,890,542</b>  | 1,312,172 |
| Others | <b>255,771</b>    | 159,024   |
|        | <b>3,183,927</b>  | 2,561,113 |

- (e) As at 31 December 2025, cash and cash equivalents were bank deposits bearing the local market interest in corresponding countries and regions.
- (f) Details of impairment assessment of restricted bank deposits and deposits in bank for the years ended 31 December 2025 and 2024 are set out in Note 33.2(b)(iii).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 14. SHARE CAPITAL AND SHARE OPTIONS

|                                        | Number of<br>shares issued<br>and fully paid<br>of HK\$0.1 each<br>(thousands) | Share capital |         |
|----------------------------------------|--------------------------------------------------------------------------------|---------------|---------|
|                                        |                                                                                | HK\$'000      | RMB'000 |
| Ordinary shares issued and fully paid: |                                                                                |               |         |
| As at 1 January 2025                   | 2,961,649                                                                      | 296,165       | 272,152 |
| Cancellation of shares repurchased     | (73,386)                                                                       | (7,339)       | (6,700) |
| As at 31 December 2025                 | 2,888,263                                                                      | 288,826       | 265,452 |

During the year, the Company repurchased its own ordinary shares through The Stock Exchange of Hong Kong Limited as follows:

| Month of repurchase | No. of<br>ordinary<br>shares of<br>HK\$0.1 each | Price per share |                | Aggregate<br>consideration<br>paid<br>HK\$'000 |
|---------------------|-------------------------------------------------|-----------------|----------------|------------------------------------------------|
|                     |                                                 | Highest<br>HK\$ | Lowest<br>HK\$ |                                                |
| January             | 15,024,000                                      | 0.689           | 0.577          | 9,452                                          |
| April               | 51,388,000                                      | 0.999           | 0.861          | 46,421                                         |
| August              | 9,400,000                                       | 1.364           | 1.353          | 12,783                                         |
| September           | 3,840,000                                       | 1.292           | 1.292          | 4,981                                          |
| October             | 72,222,000                                      | 1.189           | 1.065          | 82,213                                         |
| November            | 15,484,000                                      | 1.058           | 0.998          | 16,037                                         |
| December            | 17,522,000                                      | 0.895           | 0.812          | 14,731                                         |

During the year ended 31 December 2025, the Company repurchased 184,880,000 (2024: 136,156,000) of its own ordinary shares through the Stock Exchange of Hong Kong Limited with an aggregate consideration of HK\$186,618,000 (equivalent to approximately RMB171,049,000) (2024: HK\$74,410,000 (equivalent to approximately RMB68,078,000)) paid. Of which, 73,386,000 (2024: 44,922,000) shares were cancelled upon repurchase and 111,494,000 (2024: 91,234,000) shares were not cancelled and remained as treasury shares at the end of the reporting period.

At 31 December 2025, the Company had outstanding treasury shares of 222,453,000 (31 December 2024: 166,621,000) shares, which are mainly to be granted to the management and staff under the Scheme and not yet vested.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 14. SHARE CAPITAL AND SHARE OPTIONS *(Continued)*

Notes:

(i) Share options

In prior years, options to subscribe for certain shares have been conditionally granted to the Directors and key employees. Most of the shares have a 3-year vesting period, 33.33% each exercisable per year, on the premises of achieving the performance conditions of the Group set out in the share option scheme. The options have an option period of 6 years.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

|                        | Average<br>exercise<br>price in HK\$<br>per share | Number of<br>share options<br>(thousands) |
|------------------------|---------------------------------------------------|-------------------------------------------|
| As at 1 January 2024   |                                                   | 247,947                                   |
| Forfeited              | 0.790                                             | (4,980)                                   |
| Expired                | 1.020                                             | (55,603)                                  |
| As at 1 January 2025   |                                                   | 187,364                                   |
| Expired                | 0.790                                             | (73,924)                                  |
| As at 31 December 2025 |                                                   | 113,440                                   |

Share options outstanding (in thousands) at the end of the year have the following expiry dates and exercise prices:

| Expiry date   | Exercise price<br>HK\$ per share | Number of<br>share options<br>(thousands)<br>As at<br>31 December<br>2025 |
|---------------|----------------------------------|---------------------------------------------------------------------------|
| 31 March 2026 | 0.495                            | 113,440                                                                   |
|               |                                  | 113,440                                                                   |

The exercise price of the granted options is equal to the highest of (i) the closing price of the shares of the Company in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the par value of the shares. Options are conditional on the employee completing one to three years' service (the vesting period) and have a contractual option term of six years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

As at 31 December 2025, out of the 113,440,000 options (31 December 2024: 187,364,000 options), 113,440,000 options (31 December 2024: 187,364,000 options) were exercisable.

No expense has been recognised in the consolidated statement of profit or loss for the years ended 31 December 2025 and 2024 in respect of share options.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 14. SHARE CAPITAL AND SHARE OPTIONS *(Continued)*

Notes: *(Continued)*

(ii) Restricted share award scheme ("Scheme")

According to the Scheme approved on 30 December 2019 by the Directors, share of the Company will be awarded to the Group's certain directors and key employees as an incentive. The total number of shares under the Scheme will not exceed 10% of the current total number of shares in issue, and the Scheme will be gradually implemented by purchasing shares on the secondary market. The Scheme will be valid and effective for a period of ten years from the approval date and all eligible participants are entitled to participate in the Scheme.

For the purpose of the Scheme, the Company totally repurchased 392,690,000 of its own ordinary shares through The Stock Exchange of Hong Kong Limited at 31 December 2025, with the price per share from HK \$0.330 to HK\$0.999. The aggregate consideration paid were RMB175,854,000.

On 15 July 2022, 75,730,000 shares with the fair value of HK\$0.410 per share have been conditionally granted to certain directors and key employees. The shares granted have a vesting period from 3 months to 27 months.

On 22 November 2023, 86,000,000 shares with the fair value of HK\$0.435 per share have been conditionally granted to certain directors and key employees. The shares granted have a vesting period from 12 months to 36 months.

On 16 December 2024, 84,066,000 shares with the fair value of HK\$0.590 per share have been conditionally granted to certain directors and key employees. The shares granted have a vesting period from 12 months to 36 months.

On 19 May 2025, 49,370,000 shares with the fair value of HK\$0.900 per share have been conditionally granted to certain directors and key employees. The shares granted have a vesting period from 12 months to 36 months.

Movements in the number of restricted shares outstanding and their related weighted average exercise prices are as follows:

|                               | Number of restricted shares (thousands) |
|-------------------------------|-----------------------------------------|
| As at 1 January 2024          | 109,593                                 |
| Granted (on 16 December 2024) | 84,066                                  |
| Vested                        | (50,700)                                |
| Forfeited                     | (4,047)                                 |
| As at 31 December 2024        | 138,912                                 |
| As at 1 January 2025          | <b>138,912</b>                          |
| Granted (on 19 May 2025)      | <b>49,370</b>                           |
| Vested                        | <b>(55,662)</b>                         |
| Forfeited                     | <b>(2,117)</b>                          |
| As at 31 December 2025        | <b>130,503</b>                          |

The total expense recognised in the consolidated statement of profit or loss for the year ended 31 December 2025 for the Scheme amounted to RMB50,935,000 (31 December 2024: RMB23,062,000), with a corresponding amount credited in capital reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 15. RESERVES

#### (a) Translation reserve

|                                                                | 2025            | 2024    |
|----------------------------------------------------------------|-----------------|---------|
| Items that may be reclassified subsequently to profit or loss: |                 |         |
| At 1 January                                                   | <b>146,954</b>  | 128,887 |
| Currency translation differences                               | <b>(30,184)</b> | 18,067  |
| At 31 December                                                 | <b>116,770</b>  | 146,954 |

Currency translation differences relating to the translation of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the translation reserve which is shown in other reserves. Currency translation differences accumulated in the translation reserve are reclassified to profit or loss on the disposal/partial disposal of the foreign operations.

#### (b) Hedging reserve

|                                                                | 2025             | 2024      |
|----------------------------------------------------------------|------------------|-----------|
| Items that may be reclassified subsequently to profit or loss: |                  |           |
| At 1 January                                                   | <b>(203,442)</b> | (196,240) |
| Net investment hedge                                           | <b>1,121</b>     | (7,202)   |
| At 31 December                                                 | <b>(202,321)</b> | (203,442) |

The net investment hedging reserve represents the cumulative effective portion of gains and losses arising on changes in exchange rate of hedging instruments entered into for net investment hedge. The cumulative gain and loss arising on changes in exchange rate of the hedging instrument that are recognised and accumulated under the heading of net investment hedging reserve which is further shown in other reserves will be reclassified to profit or loss on the disposal/partial disposal of the foreign operations.

During the year ended 31 December 2024, the Group's US\$ denominated long-term bonds amounting to US\$60,792,000 were designated as hedging instrument for the US\$ denominated net investment in the Group's overseas subsidiaries. On 24 January 2025, these bonds were fully repaid upon maturity.

For the year ended 31 December 2025, foreign exchange translation gain of RMB1,121,000 (2024: loss of RMB7,202,000) on the hedging instrument was recognised as other comprehensive income as a credit (2024: debit) in other reserves.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
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### 15. RESERVES (Continued)

#### (c) Statutory reserve

Subsidiaries established in the PRC shall appropriate 10% of their annual statutory net profit (after offsetting any prior years' losses) to the statutory reserve fund account in accordance with the PRC Company Law and their articles of association. When the balance of such reserve fund reaches 50% of each entity's paid capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior years' losses or increase capital after approval. However, except for offsetting prior years' losses, the statutory reserve fund must be maintained at a minimum of 25% of paid capital after such usage.

#### (d) Capital reserve

Capital reserve represents share-based payments reserve and capital injection before listing by shareholders. As at 31 December 2025, included in the balance of capital reserve, there is RMB271,485,000 (31 December 2024: RMB245,277,000) share-based payments reserve and RMB235,462,000 (31 December 2024: RMB235,462,000) capital injection before listing by shareholders.

### 16. LONG-TERM BONDS

| Issue date            | Par value        | Coupon rate | As at<br>31 December<br>2025 | As at<br>31 December<br>2024 | Effective<br>interest rate |
|-----------------------|------------------|-------------|------------------------------|------------------------------|----------------------------|
| 26 July 2021 (Note)   | US\$59.5 million | 8.75%       | -                            | 442,779                      | 8.91%                      |
| 26 July 2021 (Note)   | US\$1.0 million  | 8.75%       | -                            | 11,042                       | 10.25%                     |
| Subtotal              |                  |             | -                            | 453,821                      |                            |
| Less: Current portion |                  |             | -                            | (453,821)                    |                            |
|                       |                  |             | -                            | -                            |                            |

Note:

The Company issued US\$150 million senior notes with the coupon rate of 8.75% at discount of par value on 26 July 2021. The notes mature in 3.5 years from the issue date at their nominal value. Interest of the senior notes is payable on a semi-annually basis. On 24 January 2025, the bonds were fully repaid upon maturity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 17. BORROWINGS

|                                   | As at 31 December |                       |                |                       |
|-----------------------------------|-------------------|-----------------------|----------------|-----------------------|
|                                   | 2025<br>Amount    | 2025<br>Interest Rate | 2024<br>Amount | 2024<br>Interest Rate |
| <b>Long-term borrowings</b>       |                   |                       |                |                       |
| – Unsecured and unguaranteed      |                   |                       |                |                       |
| – RMB denominated                 | <b>80,253</b>     | <b>4.20%</b>          | –              |                       |
| – Secured or guaranteed           |                   |                       |                |                       |
| – RMB denominated (a)             | <b>666,456</b>    | <b>2.70%-6.85%</b>    | 621,171        | 3.20%-6.85%           |
| Less: Current portion             | <b>(362,868)</b>  |                       | (177,735)      |                       |
|                                   | <b>383,841</b>    |                       | 443,436        |                       |
| <b>Long-term debentures</b>       |                   |                       |                |                       |
| – unsecured and guaranteed        |                   |                       |                |                       |
| – RMB denominated (b)             | <b>198,976</b>    | <b>3.23%</b>          | –              |                       |
| Less: Current portion             | <b>(1,078)</b>    |                       | –              |                       |
|                                   | <b>197,898</b>    |                       | –              |                       |
| <b>Short-term bank borrowings</b> |                   |                       |                |                       |
| – Unsecured and unguaranteed      |                   |                       |                |                       |
| – RMB denominated                 | <b>336,562</b>    | <b>2.25%-4.30%</b>    | 316,597        | 3.45%-5.30%           |
| – Secured or guaranteed           |                   |                       |                |                       |
| – RMB denominated (a)             | <b>878,102</b>    | <b>2.20%-4.90%</b>    | 1,048,397      | 3.10%-5.50%           |
|                                   | <b>1,214,664</b>  |                       | 1,364,994      |                       |

|                                                                                        | As at 31 December  |             |
|----------------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                        | 2025               | 2024        |
| The carrying amounts of the above borrowings are repayable:                            |                    |             |
| – Within one year                                                                      | <b>1,578,610</b>   | 1,542,729   |
| – More than one year but not exceeding two years                                       | <b>303,382</b>     | 350,260     |
| – More than two years but not exceeding five years                                     | <b>278,357</b>     | 93,176      |
|                                                                                        | <b>2,160,349</b>   | 1,986,165   |
| Less: Amount due for settlement within one year<br>and shown under current liabilities | <b>(1,578,610)</b> | (1,542,729) |
| Amount due after one year                                                              | <b>581,739</b>     | 443,436     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 17. BORROWINGS (Continued)

The exposure of the Group's borrowings are as follows:

|                          | As at 31 December |           |
|--------------------------|-------------------|-----------|
|                          | 2025              | 2024      |
| Fixed-rate borrowings    | <b>2,068,517</b>  | 1,898,500 |
| Variable-rate borrowings | <b>91,832</b>     | 87,665    |
|                          | <b>2,160,349</b>  | 1,986,165 |

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

|                          | Year ended 31 December |             |
|--------------------------|------------------------|-------------|
|                          | 2025                   | 2024        |
| Effective interest rate: |                        |             |
| Fixed-rate borrowings    | <b>2.20%-6.50%</b>     | 3.10%-6.50% |
| Variable-rate borrowings | <b>6.85%</b>           | 3.20%-6.85% |

Notes:

- (a) As at 31 December 2025, secured long-term borrowings of RMB45,687,000 represented borrowings from SPDB Financial Leasing Co., Ltd., a third party, which will mature in 3 years, and secured by the Group's buildings with a carrying value of RMB43,148,000 (Note 6).

As at 31 December 2025, secured long-term bank borrowings of RMB128,215,000 (31 December 2024: RMB94,679,000) were secured by the Group's buildings with a carrying value of RMB75,938,000 (31 December 2024: RMB79,265,000) (Note 6) and right-of-use assets (leasehold lands) with a carrying value of RMB5,174,000 (31 December 2024: RMB5,343,000) respectively (Note 7).

As at 31 December 2025, secured long-term bank borrowings of RMB426,346,000 (31 December 2024: RMB399,253,000) and short-term bank borrowings of RMB110,348,000 (31 December 2024: RMB181,342,000) were secured by the Group's trade receivables amounting to RMB536,694,000 (31 December 2024: RMB580,595,000) (Note 11(c)).

As at 31 December 2025, long-term bank borrowings of RMB66,208,000 (31 December 2024: RMB86,162,000) and short-term bank borrowings of RMB758,224,000 (31 December 2024: RMB797,925,000) were guaranteed by Mr. Luo Lin, the Company's ultimate controlling shareholder (Note 34(b)).

As at 31 December 2025, short-term bank borrowings of RMB9,530,000 (31 December 2024: RMB19,036,000) were secured by the restricted bank deposits amounting to RMB20,000,000 (31 December 2024: RMB20,000,000) (Note 13(a)).

As at 31 December 2024, long-term bank borrowings of RMB41,077,000 and short-term bank borrowings of RMB50,094,000 were guaranteed by Beijing Zhongguancun Sci-tech Guaranty Co., Ltd. (北京中關村科技融資擔保有限公司), a third party.

- (b) The Company issued debentures with the principal amount of RMB200,000,000 and the coupon rate of 2.85% at par value on 23 October 2025. The debentures mature in 3 years from the issue date at their nominal value. Interest of the debentures is payable on an annual basis. And the debentures were guaranteed by Beijing Zhongguancun Sci-tech Guaranty Co., Ltd. (北京中關村科技融資擔保有限公司), a third party.
- (c) As at 31 December 2025, the undrawn bank borrowing facilities of the Group of approximately RMB1,229 million (31 December 2024: RMB1,315 million), with maturity dates up to 31 October 2027 (31 December 2024: 31 October 2027), were unsecured (31 December 2024: unsecured).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 18. LEASE LIABILITIES

|                                                                                   | As at<br>31 December<br>2025 | As at<br>31 December<br>2024 |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| Lease liabilities payable:                                                        |                              |                              |
| Within one year                                                                   | <b>12,448</b>                | 9,095                        |
| One to two years                                                                  | <b>8,735</b>                 | 6,080                        |
| Two to five years                                                                 | <b>23,389</b>                | 9,157                        |
|                                                                                   | <b>44,572</b>                | 24,332                       |
| Less: Amount due for settlement with 12 months<br>shown under current liabilities | <b>(12,448)</b>              | (9,095)                      |
| Amount due for settlement after 12 months<br>shown under non-current liabilities  | <b>32,124</b>                | 15,237                       |

### 19. TRADE AND NOTES PAYABLES

|                                                           | As at 31 December<br>2025 | 2024      |
|-----------------------------------------------------------|---------------------------|-----------|
| Trade payables                                            | <b>1,108,461</b>          | 717,567   |
| Trade payables under supplier finance arrangements (Note) | <b>353,680</b>            | 330,673   |
| Notes payable                                             | <b>1,138,829</b>          | 911,020   |
|                                                           | <b>2,600,970</b>          | 1,959,260 |

Note:

In order to ensure easy access to credit for its suppliers and facilitate the settlement, the Group has entered into supplier finance arrangements that permit certain suppliers to obtain payment from the banks in China. The arrangement permits the banks to early settle invoices with some costs borne by the suppliers. The Group repays the banks the full invoice amounts on the scheduled payment dates as agreed in the arrangements. As the arrangements do not permit the Group to extend finance from the banks by paying the banks later than the Group would have paid its suppliers, the Group considers amounts payable to the banks should be classified as trade payables.

Payment due dates for the liabilities that are part of supplier finance arrangements are from 180 to 360 days, consistent with the comparable trade payables that are not part of supplier finance arrangements.

Ageing analysis of trade and notes payables (including supplier finance arrangements) at the reporting date was as follows:

|                  | As at 31 December<br>2025 | 2024      |
|------------------|---------------------------|-----------|
| Less than 1 year | <b>2,395,183</b>          | 1,834,510 |
| 1 – 2 years      | <b>101,918</b>            | 56,278    |
| 2 – 3 years      | <b>39,588</b>             | 15,733    |
| Over 3 years     | <b>64,281</b>             | 52,739    |
|                  | <b>2,600,970</b>          | 1,959,260 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 19. TRADE AND NOTES PAYABLES (Continued)

Trade and notes payables were denominated in the following currencies:

|        | As at 31 December |           |
|--------|-------------------|-----------|
|        | 2025              | 2024      |
| RMB    | 2,273,711         | 1,773,889 |
| US\$   | 318,759           | 178,933   |
| Others | 8,500             | 6,438     |
|        | <b>2,600,970</b>  | 1,959,260 |

### 20. ACCRUALS AND OTHER PAYABLES

|                                                                        | As at 31 December |           |
|------------------------------------------------------------------------|-------------------|-----------|
|                                                                        | 2025              | 2024      |
| Payroll and welfare payables                                           | 90,926            | 78,849    |
| Taxes other than income taxes payable                                  | 27,670            | 32,893    |
| Payables to equipment vendors                                          | 181,868           | 223,531   |
| Liabilities arising from put option of non-controlling interest (Note) | -                 | 50,730    |
| Others (Note 12(b))                                                    | 2,307,857         | 1,326,206 |
|                                                                        | <b>2,608,321</b>  | 1,712,209 |

Note:

On 31 December 2022, the Company, Anton Oilfield Services Company Limited ("Anton Limited") (a subsidiary of the Company), Anton (Beijing) New Energy Technical Company Limited ("Anton New Energy") (a subsidiary of the Company) and T-ALL Inspection Group Co., Ltd ("T-ALL Inspection") entered into an agreement with 寶武綠碳私募投資基金(上海)合夥企業(有限合夥) and 共青城山證通奧啟航股權投資合夥企業(有限合夥) (the "First Round Investors"), two third parties, pursuant to which Anton Limited and Anton New Energy transferred a total of 11.97% interest in T-ALL Inspection to the First Round Investors at a consideration of RMB155,280,000. T-ALL Inspection was an indirect wholly-owned subsidiary of the Company before 31 December 2022. The Group recognised an increase in non-controlling interests by RMB73,590,000 and an increase in equity attributable to owners of the Company of RMB81,690,000.

During the year ended 31 December 2023, the Company, Anton Limited, Anton New Energy and T-ALL Inspection entered into an agreement with 共青城山證通奧啟程股權投資合夥企業(有限合夥), 共青城德芯智行創業投資合夥企業(有限合夥), 共青城德擎匯垠創業投資合夥企業(有限合夥), 北京望京創新私募股權投資基金中心(有限合夥) and 新疆金投資產管理股份有限公司 (the "Second Round Investors"), five third parties, pursuant to which Anton Limited and Anton New Energy transferred a total of 6.72% interest in T-ALL Inspection to the Second Round Investors at a consideration of RMB97,530,000. The Group recognised an increase in non-controlling interests by RMB60,573,000 and an increase in equity attributable to owners of the Company of RMB36,957,000.

Pursuant to the above-mentioned signed agreements, all of the investors (including the First Round Investors and the Second Round Investors) have the right to request the Company to repurchase the corresponding equity interest at the original price with a premium, if T-ALL Inspection failed to fulfil the profit and other commitments, as prescribed in the agreement. Therefore, the considerations received were recognised as financial liabilities, and debited to other reserves.

During the year ended 31 December 2024, certain investors requested the Company to repurchase a total of 15.55% equity interest in T-ALL Inspection at the original investment price with the premium mentioned in the agreement. The Group paid the consideration of RMB210,380,000 and the premium of RMB39,225,000. The premium charged to the consolidated statement of profit or loss in 2024 was RMB23,832,000.

In current year, the remaining investors requested the Company to repurchase a total of 3.71% equity interest in T-ALL Inspection at the original investment price with the premium mentioned in the agreement. The Group paid the consideration of RMB42,430,000 and the premium of RMB15,484,000. The premium charged to the consolidated statement of profit or loss in the current year was RMB7,184,000 (2024: RMB23,832,000). As at 31 December 2025, the Group repurchased all the equity interests of the First Round Investors and the Second Round Investors, and T-ALL Inspection was wholly owned by the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 21. REVENUE

|                       | Year ended 31 December |           |
|-----------------------|------------------------|-----------|
|                       | 2025                   | 2024      |
| Sales of goods        | <b>316,560</b>         | 263,830   |
| Provision of services | <b>5,139,230</b>       | 4,343,596 |
|                       | <b>5,455,790</b>       | 4,607,426 |
| Rental                | <b>115,932</b>         | 146,508   |
|                       | <b>5,571,722</b>       | 4,753,934 |

#### (i) Disaggregation of revenue

Set out below is the reconciliation of the revenue from contracts with customers with segment information.

|                                                 | For the year ended 31 December 2025    |                                 |                                 |                  |
|-------------------------------------------------|----------------------------------------|---------------------------------|---------------------------------|------------------|
|                                                 | Integrated Oilfield Technical Services | Intelligent Management Services | Energy Asset Operation Business | Total            |
| <b>Types of goods or service</b>                |                                        |                                 |                                 |                  |
| Sales of goods                                  | <b>316,560</b>                         | -                               | -                               | <b>316,560</b>   |
| Provision of services                           | <b>2,166,766</b>                       | <b>2,820,371</b>                | <b>152,093</b>                  | <b>5,139,230</b> |
| <b>Total</b>                                    | <b>2,483,326</b>                       | <b>2,820,371</b>                | <b>152,093</b>                  | <b>5,455,790</b> |
| <b>Geographical markets</b>                     |                                        |                                 |                                 |                  |
| PRC                                             | <b>1,185,113</b>                       | <b>455,523</b>                  | <b>130,462</b>                  | <b>1,771,098</b> |
| Iraq                                            | <b>1,025,434</b>                       | <b>2,113,764</b>                | <b>9,596</b>                    | <b>3,148,794</b> |
| Other countries                                 | <b>272,779</b>                         | <b>251,084</b>                  | <b>12,035</b>                   | <b>535,898</b>   |
| <b>Total</b>                                    | <b>2,483,326</b>                       | <b>2,820,371</b>                | <b>152,093</b>                  | <b>5,455,790</b> |
| <b>Timing of revenue recognition</b>            |                                        |                                 |                                 |                  |
| A point in time                                 | <b>2,483,326</b>                       | <b>622,607</b>                  | <b>152,093</b>                  | <b>3,258,026</b> |
| Over time                                       | -                                      | <b>2,197,764</b>                | -                               | <b>2,197,764</b> |
| <b>Total</b>                                    | <b>2,483,326</b>                       | <b>2,820,371</b>                | <b>152,093</b>                  | <b>5,455,790</b> |
| <b>Revenue disclosed in segment information</b> |                                        |                                 |                                 |                  |
| External customers (Note 5)                     | <b>2,483,326</b>                       | <b>2,820,371</b>                | <b>268,025</b>                  | <b>5,571,722</b> |
| Rental income                                   | -                                      | -                               | <b>(115,932)</b>                | <b>(115,932)</b> |
| <b>Revenue from contracts with customers</b>    | <b>2,483,326</b>                       | <b>2,820,371</b>                | <b>152,093</b>                  | <b>5,455,790</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 21. REVENUE (Continued)

#### (i) Disaggregation of revenue (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with segment information. (Continued)

|                                                 | For the year ended 31 December 2024             |                                       |                                          |                  |
|-------------------------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------------|------------------|
|                                                 | Integrated<br>Oilfield<br>Technical<br>Services | Intelligent<br>Management<br>Services | Energy<br>Asset<br>Operation<br>Business | Total            |
| <b>Types of goods or service</b>                |                                                 |                                       |                                          |                  |
| Sales of goods                                  | 263,157                                         | 673                                   | –                                        | 263,830          |
| Provision of services                           | 1,893,577                                       | 2,338,198                             | 111,821                                  | 4,343,596        |
| <b>Total</b>                                    | <b>2,156,734</b>                                | <b>2,338,871</b>                      | <b>111,821</b>                           | <b>4,607,426</b> |
| <b>Geographical markets</b>                     |                                                 |                                       |                                          |                  |
| PRC                                             | 1,011,432                                       | 401,662                               | 103,275                                  | 1,516,369        |
| Iraq                                            | 895,925                                         | 1,702,333                             | 3,130                                    | 2,601,388        |
| Other countries                                 | 249,377                                         | 234,876                               | 5,416                                    | 489,669          |
| <b>Total</b>                                    | <b>2,156,734</b>                                | <b>2,338,871</b>                      | <b>111,821</b>                           | <b>4,607,426</b> |
| <b>Timing of revenue recognition</b>            |                                                 |                                       |                                          |                  |
| A point in time                                 | 2,156,734                                       | 490,805                               | 111,821                                  | 2,759,360        |
| Over time                                       | –                                               | 1,848,066                             | –                                        | 1,848,066        |
| <b>Total</b>                                    | <b>2,156,734</b>                                | <b>2,338,871</b>                      | <b>111,821</b>                           | <b>4,607,426</b> |
| <b>Revenue disclosed in segment information</b> |                                                 |                                       |                                          |                  |
| External customers (Note 5)                     | 2,167,217                                       | 2,338,871                             | 247,846                                  | 4,753,934        |
| Rental income                                   | (10,483)                                        | –                                     | (136,025)                                | (146,508)        |
| <b>Revenue from contracts with customers</b>    | <b>2,156,734</b>                                | <b>2,338,871</b>                      | <b>111,821</b>                           | <b>4,607,426</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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### 21. REVENUE *(Continued)*

#### (ii) Performance obligations for contracts with customers

##### a. Provision of integrated oilfield technical services, digital intelligence technical services, and inspection services

The Group provides integrated oilfield technical services including drilling technical services, well-completion technical services and stimulation technical services, and intelligent management services including digital intelligence technical services, and inspection services to customers like large multinational and state-owned oil companies.

Such services are each recognised as a performance obligation in different stages of a contract, with transaction price allocated to the different and separate performance obligations on a relative stand-alone price basis. Revenue will be recognised for each of these performance obligations when control over the corresponding services is transferred to the customer. Since the services are expected to meet certain specified technological criteria which are not simply based on size and weight characteristics, the Group cannot objectively determine that the services provided to the customer are in accordance with the agreed-upon specifications in the contract and then the Group would not be able to conclude that the customer has obtained control until it receives the customer's acceptance. Therefore, the revenue from drilling technical services, well-completion services and production enhancement services etc. is recognised at a point when the customer acceptance is concluded.

The Group's contracts for such services include the Group's entitlement to payment which requires customer acceptance.

The contract assets (retention money receivables from large multinational and state-owned oil companies), net of contract liabilities related to the same contract, primarily relate to the Group's right to consideration for services completed and not billed because the rights are conditioned on the Group's achieving specified milestones as stipulated in the contracts at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically agrees to a one-year retention period for 5% of the transaction price for certain customers like some large multinational and state-owned oil companies. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on achieving specified milestones as stipulated in the contracts. The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle. The Group typically bills the retention money receivables in one year after the completion of relevant services when trade receivables will be recognised.

##### b. Provision of energy project management services, natural gas and new energy infrastructure and oil and gas resources development services

The Group provides integrated oilfield management, oilfield operation and maintenance services, natural gas and new energy infrastructure construction services and natural gas development services to customers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 21. REVENUE (Continued)

#### (ii) Performance obligations for contracts with customers (Continued)

##### b. Provision of energy project management services, natural gas and new energy infrastructure and oil and gas resources development services (Continued)

Such services are recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits during the course of operation and maintenance services provided by the Group based on the fact that these services are routine with no complicated processes involved and customer acceptance is a formality. Revenue from these services is recognised based on hours and unit labour cost using output method.

Payment of the transaction price will be settled monthly over the period of service.

##### c. Sales of oilfield-related goods

The Group sells oilfield-related goods, such as drilling tools, tubing and casing to customers.

Since the Group is not entitled to payment until the customer receives and accepts the goods, revenue is recognised at a point when control over the corresponding goods is transferred to the customer.

The Group's contracts for such sales of goods include payment in the normal credit term granted to customers.

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

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

|                                                | PRC       | Iraq      | Other countries |
|------------------------------------------------|-----------|-----------|-----------------|
| Within one year                                | 1,878,764 | 2,335,265 | 577,324         |
| More than one year but not more than two years | 1,525,995 | 2,613,813 | 365,522         |
| More than two years                            | 78,302    | 1,035,828 | 400,832         |
|                                                | 3,483,061 | 5,984,906 | 1,343,678       |

#### (iv) Leases

|                                                        | Year ended<br>31 December<br>2025 | Year ended<br>31 December<br>2024 |
|--------------------------------------------------------|-----------------------------------|-----------------------------------|
| For operating leases:<br>Lease payments that are fixed | 115,932                           | 146,508                           |
| Total revenue arising from leases                      | 115,932                           | 146,508                           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 22. EXPENSE BY NATURE

Operating profit is arrived at after charging the following:

|                                                                 | Year ended 31 December |           |
|-----------------------------------------------------------------|------------------------|-----------|
|                                                                 | 2025                   | 2024      |
| Materials and services purchased                                | <b>2,321,439</b>       | 1,798,447 |
| Staff costs                                                     | <b>1,356,532</b>       | 1,157,716 |
| In which:                                                       |                        |           |
| – Salaries and other staff expenses                             | <b>1,305,597</b>       | 1,134,654 |
| – Share-based compensation (Note 14)                            | <b>50,935</b>          | 23,062    |
| Depreciation                                                    | <b>287,770</b>         | 315,201   |
| In which:                                                       |                        |           |
| – Property, plant and equipment (Note 6)                        | <b>267,629</b>         | 292,806   |
| – Right-of-use assets (Note 7)                                  | <b>18,931</b>          | 21,186    |
| – Investment properties                                         | <b>1,210</b>           | 1,209     |
| Less: Capitalised in inventories (Note 6) (Note 7)              | <b>(21,902)</b>        | (23,949)  |
|                                                                 | <b>265,868</b>         | 291,252   |
| Amortisation of intangible assets                               | <b>58,295</b>          | 52,965    |
| Less: Capitalised in inventories                                | <b>(3,600)</b>         | (3,936)   |
|                                                                 | <b>54,695</b>          | 49,029    |
| In which:                                                       |                        |           |
| – Cost of sales                                                 | <b>45,969</b>          | 40,071    |
| – Administrative expenses                                       | <b>987</b>             | 938       |
| – Selling expenses                                              | <b>16</b>              | 19        |
| – Research and development expenses                             | <b>7,723</b>           | 8,001     |
| Auditor's remuneration                                          |                        |           |
| – Audit and related services (including subsidiaries' auditors) | <b>8,673</b>           | 6,250     |
| – Other services                                                | <b>588</b>             | 600       |
| Other operating expenses                                        | <b>758,633</b>         | 710,311   |
| In which:                                                       |                        |           |
| – Impairment of inventories                                     | <b>7,374</b>           | 6,402     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 23. OTHER GAIN OR LOSS, NET

|                                                                              | Year ended 31 December |         |
|------------------------------------------------------------------------------|------------------------|---------|
|                                                                              | 2025                   | 2024    |
| Government grants and subsidies (a)                                          | <b>13,198</b>          | 8,942   |
| Loss on disposal of property, plant and equipment                            | <b>(2,243)</b>         | (1,154) |
| Loss on repurchase of long-term bonds                                        | <b>-</b>               | (7,018) |
| Value added tax preferences                                                  | <b>838</b>             | 1,546   |
| Gain/(loss) from changes in fair value of financial assets measured at FVTPL | <b>17,703</b>          | (4,964) |
| Others                                                                       | <b>(18,048)</b>        | (2,025) |
|                                                                              | <b>11,448</b>          | (4,673) |

Note:

- (a) Government grants and subsidies of RMB13,198,000 (2024: RMB8,942,000) were received in the current year towards awarding of research and development expenditures.

### 24. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

|                                  | Year ended 31 December |        |
|----------------------------------|------------------------|--------|
|                                  | 2025                   | 2024   |
| Impairment losses recognised on: |                        |        |
| – Trade receivables              | <b>83,147</b>          | 52,547 |
| – Other receivables              | <b>4,434</b>           | 8,755  |
|                                  | <b>87,581</b>          | 61,302 |

Details of impairment assessment for the years ended 31 December 2025 and 2024 are set out in Note 33.2(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 25. FINANCE COSTS, NET

|                                            | Year ended 31 December |           |
|--------------------------------------------|------------------------|-----------|
|                                            | 2025                   | 2024      |
| Interest expenses                          |                        |           |
| – on bank borrowings                       | <b>(106,654)</b>       | (103,292) |
| – on bonds                                 | <b>(440)</b>           | (52,910)  |
| – on other financial liabilities (Note 20) | <b>(7,184)</b>         | (23,832)  |
| – on lease liabilities                     | <b>(2,178)</b>         | (2,061)   |
| Exchange (loss)/gain, net                  | <b>(23,284)</b>        | 11,086    |
| Others                                     | <b>(30,622)</b>        | (36,222)  |
| Finance expenses                           | <b>(170,362)</b>       | (207,231) |
| Interest income                            | <b>45,063</b>          | 50,930    |
|                                            | <b>(125,299)</b>       | (156,301) |

### 26. STAFF COSTS

|                                        | Year ended 31 December |           |
|----------------------------------------|------------------------|-----------|
|                                        | 2025                   | 2024      |
| Wages, salaries and allowances         | <b>1,179,841</b>       | 1,036,377 |
| Housing subsidies (a)                  | <b>18,073</b>          | 17,512    |
| Contributions to pension plans (b)     | <b>40,106</b>          | 37,185    |
| Share-based payment expenses (Note 14) | <b>50,935</b>          | 23,062    |
| Welfare and other expenses             | <b>67,577</b>          | 43,580    |
|                                        | <b>1,356,532</b>       | 1,157,716 |

Notes:

- (a) Housing subsidies mainly include the Group's contributions to government-sponsored housing funds, at rates ranging from 5% to 12% of the employees' salaries for the Group's Chinese employees in the PRC.
- (b) This represents the Group's contributions to defined contribution plans or schemes organised by relevant government authorities or authorised entities in accordance with the requirements in the locations where the Group operates.

During the years ended 31 December 2025 and 2024, the Group had no forfeited contributions under those schemes which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2025 and 2024 under the schemes which may be used by the Group to reduce the contribution payable in future years.

The Group has no other material obligations for the payment of pensions and other post-retirement benefits of employees or retirees other than those disclosed above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 26. STAFF COSTS (Continued)

Notes: (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2024: three) Directors whose emoluments are reflected in the analysis shown in Note 37. The emoluments payable to the other two (2024: two) individuals during the year were as follows:

|                                                                           | Year ended 31 December |       |
|---------------------------------------------------------------------------|------------------------|-------|
|                                                                           | 2025                   | 2024  |
| Basic salaries, housing allowances, other allowances and benefits-in-kind | 6,711                  | 7,069 |
| Contributions to pension schemes                                          | 136                    | 133   |
|                                                                           | <b>6,847</b>           | 7,202 |

The emoluments fell within the following bands:

|                               | Number of individuals |      |
|-------------------------------|-----------------------|------|
|                               | 2025                  | 2024 |
| Emoluments bands              |                       |      |
| HK\$3,000,001 – HK\$4,000,000 | 2                     | 2    |
|                               | <b>2</b>              | 2    |

(d) During the years ended 31 December 2025 and 2024, no Directors or the five highest paid individuals of the Group waived any emoluments and no emoluments were paid by the Group to any of the Directors or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

### 27. INCOME TAX EXPENSE

|                             | Year ended 31 December |          |
|-----------------------------|------------------------|----------|
|                             | 2025                   | 2024     |
| Current income tax          |                        |          |
| – PRC enterprise income tax | 25,284                 | 26,220   |
| – Iraq corporate income tax | 206,436                | 183,603  |
| – Others                    | (13,587)               | 53,948   |
| Deferred income tax         | (14,022)               | (15,632) |
|                             | <b>204,111</b>         | 248,139  |

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 27. INCOME TAX EXPENSE *(Continued)*

PRC enterprise income tax ("EIT") is provided on the basis of estimated taxable profits of PRC established subsidiaries at applicable tax rate of 25% in 2025 (2024: 25%), based on the relevant PRC tax laws and regulations. Certain subsidiaries have been granted a preferential rate of 15% as high technology enterprises or as enterprises set up in western area of the PRC.

The corporate income tax of Iraq entities is levied at the higher of 7% on the total turnover, or 35% on the net taxable profit.

The United Arab Emirates ("UAE") corporation tax ("CT") is provided based on the estimated taxable profits of the subsidiaries established in UAE Dubai at tax rate of 9% in 2025 (2024: 9%). Certain subsidiary has been granted a preferential tax rate of zero as the enterprise act as management function in UAE.

The taxation of the Group's profit before income tax differs from the theoretical amount that would arise using applicable tax rates of the Group companies as follows:

|                                                                                                | Year ended 31 December |          |
|------------------------------------------------------------------------------------------------|------------------------|----------|
|                                                                                                | 2025                   | 2024     |
| Profit before income tax                                                                       | <b>587,291</b>         | 505,643  |
| Tax calculated at applicable tax rates                                                         | <b>204,529</b>         | 217,827  |
| Expenses not deductible for taxation purposes                                                  | <b>2,233</b>           | 1,964    |
| Additional deduction of research and development expense                                       | <b>(12,491)</b>        | (11,513) |
| Tax losses and deductible temporary difference for which no deferred income tax was recognised | <b>46,084</b>          | 43,987   |
| Utilisation of unused deductible tax losses previously not recognised as deferred income tax   | <b>(14,139)</b>        | (4,719)  |
| Effect of share of profit of a joint venture                                                   | <b>(46)</b>            | (8)      |
| Effect of share of profit of associates                                                        | <b>(134)</b>           | (961)    |
| (Over)/under provision in respect of prior year                                                | <b>(21,925)</b>        | 1,562    |
|                                                                                                | <b>204,111</b>         | 248,139  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 28. EARNINGS PER SHARE

#### (a) Basic

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

|                                                                                     | Year ended 31 December |           |
|-------------------------------------------------------------------------------------|------------------------|-----------|
|                                                                                     | 2025                   | 2024      |
| Profit attributable to the owners of the Company                                    | <b>373,090</b>         | 242,649   |
| Weighted average number of ordinary shares in issue<br>(thousands of shares) (Note) | <b>2,724,199</b>       | 2,841,221 |
| Basic earnings per share (expressed in RMB per share)                               | <b>0.1370</b>          | 0.0854    |

Note: The effect of treasury shares has been included in the calculation of weighted average number of ordinary shares in issue.

#### (b) Diluted

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares. For the year ended 31 December 2025, the dilutive factors of the Company were the outstanding unvested restricted shares and share options.

For the year ended 31 December 2024, the only dilutive factor of the Company was the outstanding unvested restricted shares, and the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares.

|                                                                                                                   | Year ended 31 December |           |
|-------------------------------------------------------------------------------------------------------------------|------------------------|-----------|
|                                                                                                                   | 2025                   | 2024      |
| Profit attributable to the owners of the Company                                                                  | <b>373,090</b>         | 242,649   |
| Weighted average number of ordinary shares in issue<br>(thousands of shares)                                      | <b>2,724,199</b>       | 2,841,221 |
| Adjustments for the effect of restricted share award scheme<br>(thousands of shares)                              | <b>191,340</b>         | 58,972    |
| Weighted average number of ordinary shares for computation of<br>diluted earnings per share (thousands of shares) | <b>2,915,539</b>       | 2,900,193 |
| Diluted earnings per share (expressed in RMB per share)                                                           | <b>0.1280</b>          | 0.0837    |

### 29. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.0373 (2024: RMB0.025) per ordinary share, in an aggregate amount of RMB112,000,000 (2024: RMB73,000,000), has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of profit for the year to net cash inflows generated from operations:

|                                                                     | Year ended 31 December |           |
|---------------------------------------------------------------------|------------------------|-----------|
|                                                                     | 2025                   | 2024      |
| Profit for the year                                                 | <b>383,180</b>         | 257,504   |
| Adjustments for:                                                    |                        |           |
| Property, plant and equipment                                       |                        |           |
| – Depreciation charge                                               | <b>247,883</b>         | 271,215   |
| – Loss on disposals                                                 | <b>2,243</b>           | 1,154     |
| Loss on repurchase of long-term bonds                               | <b>–</b>               | 7,018     |
| Depreciation of right-of-use assets                                 | <b>16,775</b>          | 18,828    |
| Amortisation of intangible assets                                   | <b>54,695</b>          | 49,029    |
| Depreciation of investment properties                               | <b>1,210</b>           | 1,209     |
| Addition of impairment of receivables                               | <b>87,581</b>          | 61,302    |
| Addition of impairment of inventories                               | <b>7,374</b>           | 6,402     |
| (Gain)/loss on fair value changes of financial assets at FVTPL      | <b>(17,703)</b>        | 4,964     |
| Share-based payment expenses                                        | <b>50,935</b>          | 23,062    |
| Share of profit of a joint venture                                  | <b>309</b>             | (52)      |
| Share of profit of associates                                       | <b>(833)</b>           | (4,123)   |
| Net foreign exchange loss/(gain)                                    | <b>23,284</b>          | (11,086)  |
| Interest income                                                     | <b>(45,063)</b>        | (50,930)  |
| Interest expenses                                                   | <b>116,456</b>         | 182,095   |
| Income tax expense                                                  | <b>204,111</b>         | 248,139   |
| Operating cash flows before movements in working capital            | <b>1,132,437</b>       | 1,065,730 |
| Changes in working capital:                                         |                        |           |
| – Inventories                                                       | <b>116,383</b>         | 133,526   |
| – Trade and notes receivables                                       | <b>(542,884)</b>       | 81,416    |
| – Contract assets                                                   | <b>(14,740)</b>        | (2,130)   |
| – Prepayments and other receivables and value-added tax recoverable | <b>(380,424)</b>       | (277,306) |
| – Trade and notes payables                                          | <b>487,891</b>         | 82,594    |
| – Accruals and other payables                                       | <b>988,505</b>         | 218,344   |
| – Contract liabilities                                              | <b>(10,015)</b>        | 26,285    |
| – Restricted bank deposits                                          | <b>(203,588)</b>       | 112,025   |
| Net cash inflows from operations                                    | <b>1,573,565</b>       | 1,440,484 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
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### 31. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

|                                  | Borrowings<br>Note 17 | Long-term<br>bonds<br>Note 16 | Accruals<br>and other<br>payables<br>Note 20 | Restricted<br>bank<br>deposits<br>Note 13 | Lease<br>liabilities<br>Note 18 | Total     |
|----------------------------------|-----------------------|-------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------|-----------|
| As at 1 January 2025             | 1,986,165             | 453,821                       | 50,730                                       | (20,000)                                  | 24,332                          | 2,495,048 |
| Financing cash flows             | 67,530                | (453,140)                     | (57,914)                                     | -                                         | (16,937)                        | (460,461) |
| New leases entered               | -                     | -                             | -                                            | -                                         | 34,999                          | 34,999    |
| Currency translation differences | -                     | (1,121)                       | -                                            | -                                         | -                               | (1,121)   |
| Interest expenses                | 106,654               | 440                           | 7,184                                        | -                                         | 2,178                           | 116,456   |
| As at 31 December 2025           | 2,160,349             | -                             | -                                            | (20,000)                                  | 44,572                          | 2,184,921 |

|                                       | Borrowings<br>Note 17 | Long-term<br>bonds<br>Note 16 | Accruals<br>and other<br>payables<br>Note 20 | Restricted<br>bank<br>deposits<br>Note 13 | Lease<br>liabilities<br>Note 18 | Total     |
|---------------------------------------|-----------------------|-------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------|-----------|
| As at 1 January 2024                  | 1,624,290             | 817,474                       | 276,503                                      | (20,000)                                  | 36,100                          | 2,734,367 |
| Financing cash flows                  | 258,583               | (430,783)                     | (249,605)                                    | -                                         | (15,406)                        | (437,211) |
| New leases entered                    | -                     | -                             | -                                            | -                                         | 1,577                           | 1,577     |
| Currency translation differences      | -                     | 7,202                         | -                                            | -                                         | -                               | 7,202     |
| Interest expenses                     | 103,292               | 52,910                        | 23,832                                       | -                                         | 2,061                           | 182,095   |
| Loss on repurchase of long-term bonds | -                     | 7,018                         | -                                            | -                                         | -                               | 7,018     |
| As at 31 December 2024                | 1,986,165             | 453,821                       | 50,730                                       | (20,000)                                  | 24,332                          | 2,495,048 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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### 32. COMMITMENTS

#### Capital commitments

Capital commitments related to investments in property, plant and equipment at the reporting date but not yet provided for in the consolidated statement of financial position were as follows:

|                                 | As at 31 December |        |
|---------------------------------|-------------------|--------|
|                                 | 2025              | 2024   |
| Contracted but not provided for | 116,412           | 48,255 |

### 33. FINANCIAL RISK MANAGEMENT

#### 33.1 Categories of financial instruments

|                                                      | As at 31 December |           |
|------------------------------------------------------|-------------------|-----------|
|                                                      | 2025              | 2024      |
| Financial assets                                     |                   |           |
| <b>Amortised cost</b>                                |                   |           |
| – Cash and cash equivalents                          | 2,609,985         | 2,190,759 |
| – Restricted bank deposits                           | 573,942           | 370,354   |
| – Included in trade receivables                      | 2,793,055         | 2,295,288 |
| – Included in prepayments and other receivables      | 1,668,084         | 1,593,168 |
| <b>Fair value through other comprehensive income</b> |                   |           |
| – Notes receivable                                   | 19,369            | 33,399    |
| <b>Fair value through profit or loss</b>             |                   |           |
| – Financial assets at FVTPL                          | 132,187           | 86,346    |
|                                                      | 7,796,622         | 6,569,314 |
| Financial liabilities                                |                   |           |
| <b>Amortised cost</b>                                |                   |           |
| – Trade and notes payables                           | 2,600,970         | 1,959,260 |
| – Included in accruals and other payables            | 2,489,725         | 1,600,467 |
| – Borrowings                                         | 2,160,349         | 1,986,165 |
| – Long-term bonds                                    | –                 | 453,821   |
|                                                      | 7,251,044         | 5,999,713 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
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### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses non-derivative financial instruments (US\$ denominated long-term bonds) (Note 15(b)) to hedge certain foreign currency risk exposure.

##### (a) Market risk

###### (i) Foreign exchange risk

During the year ended 31 December 2025, the Group developed its businesses overseas with most of the transactions denominated and settled in US\$. Foreign exchange risk also arises from certain bank deposits and long-term bonds denominated in US\$. The Group is exposed to foreign currency exchange risk primarily with respect to US\$.

As at 31 December 2025, if RMB had strengthened/weakened by 3% against the US\$ with all other variables held constant, profit after income tax (2024: profit after income tax) for the year would have been RMB5,157,000 lower/higher (2024: RMB2,617,000 lower/higher) and equity reserves would have been RMB102,725,000 lower/higher (2024: RMB319,408,000 lower/higher), mainly as a result of foreign exchange gains/losses on translation of US\$-denominated cash and bank, trade and other receivables, trade and other payables, long-term bonds and net investment hedge of foreign operations.

###### (ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings, short-term borrowings and lease liabilities. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Long-term bonds, long-term borrowings, short-term borrowings and lease liabilities obtained at fixed rates expose the Group to fair value interest rate risk. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances.

Based on the balance of floating interest borrowings as at 31 December 2025, if interest rates on these borrowings for the year had been higher/lower by 100 basis points, profit before income tax for the year would have been RMB918,000 (2024: RMB877,000) lower/higher.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors *(Continued)*

##### (b) Credit risk and impairment assessment

As at 31 December 2025, the maximum exposure to credit risk of the Group is the carrying value of financial assets. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

##### **Trade receivables, contract assets and other receivables**

The Group has policies in place to ensure that sales of products and services and other transactions are made to customers or counterparties with an appropriate credit history after internal approvals and follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade receivables, contract assets and other receivables individually or based on provision matrix. In the regards, the Directors consider that the Group's credit risk is significantly reduced and are of the opinion that adequate provision for uncollectible receivables has been made in the consolidated financial statements.

A considerable portion of sales were made to several major oilfield operators of the PRC and their affiliates, which are state-owned entities with good credit reputation, therefore the trade receivables of the Group had concentration risk (Note 5).

##### **Notes receivable, restricted bank deposits and deposits in bank**

The credit risks on notes receivable, restricted bank deposits and deposits in bank are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group performs impairment assessment under 12m ECL model on notes receivable, restricted bank deposits and deposits in bank. The Directors does not expect any losses from non-performance by these counterparties.

Most of the Group's restricted bank deposits and deposits in bank were placed with state-owned banks in the PRC and Hong Kong, the relevant credit risk is relatively low.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

##### Notes receivable, restricted bank deposits and deposits in bank *(Continued)*

The tables below detail the credit risk exposures of the Group's financial assets (including trade receivables from goods and services, notes receivable, other receivables, restricted bank deposits and deposits in bank), and other items (lease receivables and contract assets) which are subject to ECL assessment:

| 2025                                      | Notes | External credit rating | Internal credit rating | 12m or lifetime ECL                              | Gross carrying amount |
|-------------------------------------------|-------|------------------------|------------------------|--------------------------------------------------|-----------------------|
| <b>Financial assets at amortised cost</b> |       |                        |                        |                                                  |                       |
| Trade receivables – goods and services    | 11    | N/A                    | Note (i)               | Lifetime ECL (provision matrix)                  | <b>1,226,175</b>      |
|                                           |       |                        |                        | Lifetime ECL (individually, not credit-impaired) | <b>1,811,251</b>      |
|                                           |       |                        |                        | Lifetime ECL (individually, credit-impaired)     | <b>140,297</b>        |
| Other receivables                         | 12    | N/A                    | Note (ii)              | 12m ECL                                          | <b>1,675,347</b>      |
|                                           |       |                        |                        | Lifetime ECL (not credit-impaired)               | <b>55,485</b>         |
|                                           |       |                        |                        | Lifetime ECL (credit-impaired)                   | <b>65,225</b>         |
| Restricted bank deposits                  | 13    | A1                     | Note (iii)             | 12m ECL                                          | <b>573,942</b>        |
| Deposits in bank                          | 13    | A1                     | Note (iii)             | 12m ECL                                          | <b>2,604,230</b>      |
| <b>Financial assets at FVTOCI</b>         |       |                        |                        |                                                  |                       |
| Notes receivable                          | 11    | A1                     | Note (iii)             | 12m ECL                                          | <b>19,369</b>         |
| <b>Other items</b>                        |       |                        |                        |                                                  |                       |
| Contract assets – goods and services      |       | N/A                    | Note (i)               | Lifetime ECL (individually, not credit-impaired) | <b>41,598</b>         |
| Lease receivables – operating leases      | 11    | N/A                    | Note (i)               | Lifetime ECL (individually, not credit-impaired) | <b>65,336</b>         |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

##### Notes receivable, restricted bank deposits and deposits in bank *(Continued)*

| 2024                                      | Notes | External credit rating | Internal credit rating | 12m or lifetime ECL                              | Gross carrying amount |
|-------------------------------------------|-------|------------------------|------------------------|--------------------------------------------------|-----------------------|
| <b>Financial assets at amortised cost</b> |       |                        |                        |                                                  |                       |
| Trade receivables – goods and services    | 11    | N/A                    | Note (i)               | Lifetime ECL (provision matrix)                  | 887,527               |
|                                           |       |                        |                        | Lifetime ECL (individually, not credit-impaired) | 1,562,661             |
|                                           |       |                        |                        | Lifetime ECL (individually, credit-impaired)     | 106,177               |
| Other receivables                         | 12    | N/A                    | Note (ii)              | 12m ECL                                          | 1,579,502             |
|                                           |       |                        |                        | Lifetime ECL (not credit-impaired)               | 18,052                |
|                                           |       |                        |                        | Lifetime ECL (credit-impaired)                   | 63,437                |
| Restricted bank deposits                  | 13    | A1                     | Note (iii)             | 12m ECL                                          | 370,354               |
| Deposits in bank                          | 13    | A1                     | Note (iii)             | 12m ECL                                          | 2,188,080             |
| <b>Financial assets at FVTOCI</b>         |       |                        |                        |                                                  |                       |
| Notes receivable                          | 11    | A1                     | Note (iii)             | 12m ECL                                          | 33,399                |
| <b>Other items</b>                        |       |                        |                        |                                                  |                       |
| Contract assets – goods and services      |       | N/A                    | Note (i)               | Lifetime ECL (individually, not credit-impaired) | 26,858                |
| Lease receivables – operating leases      | 11    | N/A                    | Note (i)               | Lifetime ECL (individually, not credit-impaired) | 105,780               |

Notes:

- (i) Trade receivables and contract assets from goods and services and lease receivables

For trade receivables and contract assets from goods and services and lease receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances from large multinational and state-owned oil companies or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by ageing.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

###### Notes receivable, restricted bank deposits and deposits in bank *(Continued)*

Notes: *(Continued)*

###### (i) Trade receivables and contract assets from goods and services and lease receivables *(Continued)*

As part of the Group's credit risk management, the Group uses ageing analysis to assess the impairment for part of its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables from goods and services from private and relatively small customers which are assessed based on provision matrix as at 31 December 2025 within lifetime ECL (not credit-impaired). Trade receivables from goods and services with significant outstanding balances from large multinational and state-owned oil companies and credit impaired with gross carrying amounts of RMB1,811,251,000 (2024: RMB1,562,661,000) and RMB140,297,000 (2024: RMB106,177,000) respectively as at 31 December 2025 were assessed individually.

###### Trade receivables from goods and services from private and relatively small customers

31/12/2025

| Ageing                     | Average loss rate | Gross carrying amount | Impairment loss allowance |
|----------------------------|-------------------|-----------------------|---------------------------|
| Within 1 year              | 7.79%             | 949,289               | 73,939                    |
| After 1 but within 2 years | 39.88%            | 61,801                | 24,647                    |
| After 2 but within 3 years | 76.82%            | 48,361                | 37,151                    |
| Over 3 years               | 100.00%           | 166,724               | 166,724                   |
|                            |                   | 1,226,175             | 302,461                   |

31/12/2024

| Ageing                     | Average loss rate | Gross carrying amount | Impairment loss allowance |
|----------------------------|-------------------|-----------------------|---------------------------|
| Within 1 year              | 8.38%             | 620,920               | 52,025                    |
| After 1 but within 2 years | 51.84%            | 87,506                | 45,359                    |
| After 2 but within 3 years | 75.34%            | 33,076                | 24,921                    |
| Over 3 years               | 100.00%           | 146,025               | 146,025                   |
|                            |                   | 887,527               | 268,330                   |

The estimated loss rates are estimated based on historical observed loss rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

###### Notes receivable, restricted bank deposits and deposits in bank *(Continued)*

Notes: *(Continued)*

During the year ended 31 December 2025, the Group provided RMB49,027,000 (2024: RMB36,245,000) impairment allowance for trade receivables from goods and services from private and relatively small customers based on the provision matrix as well as from large multinational and state-owned oil companies based on credit rating. Impairment allowance of RMB34,120,000 (2024: Impairment allowance of RMB16,302,000) were made on credit-impaired debtors.

The following table shows the movements in lifetime ECL that has been recognised for trade receivables from goods and services under the simplified approach:

|                                                                          | Lifetime ECL<br>(not credit-<br>impaired) | Lifetime ECL<br>(credit-<br>impaired) | Total          |
|--------------------------------------------------------------------------|-------------------------------------------|---------------------------------------|----------------|
| <b>As at 1 January 2024</b>                                              | 224,435                                   | 89,875                                | 314,310        |
| Changes due to financial instruments<br>recognised as at 1 January 2024: |                                           |                                       |                |
| – Impairment losses recognised, net of reversal                          | 3,185                                     | (4,105)                               | (920)          |
| – Transfer to credit-impaired                                            | (20,407)                                  | 20,407                                | –              |
| New financial assets originated                                          | 53,467                                    | –                                     | 53,467         |
| <b>As at 31 December 2024</b>                                            | 260,680                                   | 106,177                               | 366,857        |
| Changes due to financial instruments<br>recognised as at 1 January 2025: |                                           |                                       |                |
| – Impairment losses recognised, net of reversal                          | <b>8,371</b>                              | <b>(488)</b>                          | <b>7,883</b>   |
| – Transfer to credit-impaired                                            | <b>(34,608)</b>                           | <b>34,608</b>                         | <b>–</b>       |
| New financial assets originated                                          | <b>75,264</b>                             | <b>–</b>                              | <b>75,264</b>  |
| <b>As at 31 December 2025</b>                                            | <b>309,707</b>                            | <b>140,297</b>                        | <b>450,004</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors *(Continued)*

##### (b) Credit risk and impairment assessment *(Continued)*

###### Notes receivable, restricted bank deposits and deposits in bank *(Continued)*

Notes: *(Continued)*

###### (ii) Other receivables

For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

|                   | Past due | Not past due/<br>No fixed<br>repayment terms | Total     |
|-------------------|----------|----------------------------------------------|-----------|
| <b>31/12/2025</b> |          |                                              |           |
| Other receivables | 120,710  | 1,675,347                                    | 1,796,057 |
| <b>31/12/2024</b> |          |                                              |           |
| Other receivables | 81,489   | 1,579,502                                    | 1,660,991 |

The following tables show reconciliation of loss allowances that has been recognised for other receivables:

|                                                    | 12m ECL | Lifetime ECL<br>(not credit-<br>impaired) | Lifetime ECL<br>(credit-<br>impaired) | Total  |
|----------------------------------------------------|---------|-------------------------------------------|---------------------------------------|--------|
| <b>As at 1 January 2024</b>                        | -       | -                                         | 59,068                                | 59,068 |
| - Impairment losses recognised,<br>net of reversal | -       | 4,386                                     | 4,369                                 | 8,755  |
| <b>As at 31 December 2024</b>                      | -       | 4,386                                     | 63,437                                | 67,823 |
| - Impairment losses recognised,<br>net of reversal | -       | 2,646                                     | 1,788                                 | 4,434  |
| <b>As at 31 December 2025</b>                      | -       | 7,032                                     | 65,225                                | 72,257 |

###### (iii) Notes receivable, restricted bank deposits and deposits in bank

At the end of the reporting period, the Directors have performed impairment assessment under 12m ECL model for notes receivable, restricted bank deposits, and deposits in bank, and concluded that there has been no significant increase in credit risk since initial recognition. Since the counterparties are banks with high credit ratings assigned by international credit-rating agencies, the probability of defaults of the counterparties are insignificant and accordingly, no allowance for credit losses is provided for these financial assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.2 Financial risk factors *(Continued)*

##### (c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, which is generated primarily from operating and financing activities.

The table below analyses the Group's financial liabilities and lease liabilities that will be settled into relevant maturity groupings based on the remaining period at the end of the financial period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### 31/12/2025

|                                             | Weighted<br>average<br>interest rate | On demand<br>or less than<br>1 year | 1-5 years      | Total<br>undiscounted<br>cash flows | Carrying<br>amount |
|---------------------------------------------|--------------------------------------|-------------------------------------|----------------|-------------------------------------|--------------------|
| <b>Non-derivative financial liabilities</b> |                                      |                                     |                |                                     |                    |
| Trade and notes payables                    | -                                    | 2,600,970                           | -              | 2,600,970                           | 2,600,970          |
| Included in accruals and other<br>payables  | -                                    | 2,489,725                           | -              | 2,489,725                           | 2,489,725          |
| Lease liabilities                           | 5.715%                               | 14,207                              | 37,253         | 51,460                              | 44,572             |
| Short-term borrowings                       | 3.627%                               | 1,235,377                           | -              | 1,235,377                           | 1,214,664          |
| Long-term borrowings                        | 4.278%                               | 386,475                             | 592,999        | 979,474                             | 945,685            |
|                                             |                                      | <b>6,726,754</b>                    | <b>630,252</b> | <b>7,357,006</b>                    | <b>7,295,616</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 33. FINANCIAL RISK MANAGEMENT (Continued)

#### 33.2 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

31/12/2024

|                                                                   | Weighted<br>average<br>interest rate | On demand<br>or less than<br>1 year | 1-5 years | Total<br>undiscounted<br>cash flows | Carrying<br>amount |
|-------------------------------------------------------------------|--------------------------------------|-------------------------------------|-----------|-------------------------------------|--------------------|
| <b>Non-derivative financial liabilities</b>                       |                                      |                                     |           |                                     |                    |
| Trade and notes payables                                          | -                                    | 1,959,260                           | -         | 1,959,260                           | 1,959,260          |
| Included in accruals and other payables                           |                                      |                                     |           |                                     |                    |
| - liabilities arising from put option of non-controlling interest | 10.000%                              | 50,730                              | -         | 50,730                              | 50,730             |
| - others                                                          | -                                    | 1,549,737                           | -         | 1,549,737                           | 1,549,737          |
| Lease liabilities                                                 | 6.608%                               | 9,533                               | 19,514    | 29,047                              | 24,332             |
| Short-term borrowings                                             | 4.135%                               | 1,390,866                           | -         | 1,390,866                           | 1,364,994          |
| Long-term borrowings                                              | 5.590%                               | 202,621                             | 461,485   | 664,106                             | 621,171            |
| Long-term bonds                                                   | 8.940%                               | 476,064                             | -         | 476,064                             | 453,821            |
|                                                                   |                                      | 5,638,811                           | 480,999   | 6,119,810                           | 6,024,045          |

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. Only small portion of the Group's trade payables is subject to supplier finance arrangements. Therefore, the management does not consider the supplier finance arrangement result in significant liquidity risk of the Group. Details of the arrangements are set out in Note 19.

#### 33.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue 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.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total borrowings include borrowings, bonds, lease liabilities and trade and notes payables, as shown in the consolidated statement of financial position. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus total borrowings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
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### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.3 Capital risk management *(Continued)*

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

|                  | As at 31 December |           |
|------------------|-------------------|-----------|
|                  | 2025              | 2024      |
| Total borrowings | <b>4,805,891</b>  | 4,423,578 |
| Total equity     | <b>3,768,660</b>  | 3,608,340 |
| Total capital    | <b>8,574,551</b>  | 8,031,918 |
| Gearing ratio    | <b>56%</b>        | 55%       |

#### 33.4 Fair value estimation

The fair value of financial instruments is determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 2 and Level 3) based on the degree to which the inputs to the fair value measurements is observable.

The Group measures its following financial instruments at fair value at the end of the reporting period:

| Financial instruments        | Fair value as at  |                  | Fair value hierarchy | Valuation technique and key input                                                                                                          | Significant unobservable input            |
|------------------------------|-------------------|------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|                              | 31 December 2025  | 31 December 2024 |                      |                                                                                                                                            |                                           |
| Notes receivable             | <b>19,369,000</b> | 33,399,000       | Level 3              | Fair value is estimated based on the present value of the contracted cash inflow at the discount rate that reflects the market credit risk | Discount rate                             |
| Financial assets at FVTPL(a) | <b>26,554,000</b> | 30,000,000       | Level 3              | Income approach                                                                                                                            | Weighted average cost of capital ("WACC") |
| Financial assets at FVTPL(b) | <b>28,189,000</b> | –                | Level 2              | Net value per seller                                                                                                                       | Underlying assets value                   |
| Financial assets at FVTPL(c) | <b>77,444,000</b> | 56,346,000       | Level 1              | Quoted prices in active markets                                                                                                            | N/A                                       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 33. FINANCIAL RISK MANAGEMENT *(Continued)*

#### 33.4 Fair value estimation *(Continued)*

The Group measures its following financial instruments at fair value at the end of the reporting period: *(Continued)*

Notes:

- (a) As at 31 December 2025, the financial assets at FVTPL represent the Group's investment in an unlisted partnership entity set up in 2022.
- (b) As at 31 December 2025, the financial assets at FVTPL represent the bank wealth management products purchased by the Group in 2025.
- (c) As at 31 December 2025, the financial assets at FVTPL represent the listed company stocks held by the Group since 2023.

#### Reconciliation of Level 3 fair value measurements

|                                                               | Notes<br>Receivable | Financial<br>assets<br>at FVTPL |
|---------------------------------------------------------------|---------------------|---------------------------------|
| As at 1 January 2025                                          | <b>33,399</b>       | <b>30,000</b>                   |
| Additions                                                     | <b>285,319</b>      | -                               |
| Derecognition                                                 | <b>(299,156)</b>    | -                               |
| Fair value change recognised<br>in other comprehensive income | <b>(193)</b>        | -                               |
| Fair value change recognised in profit or loss                | -                   | <b>(3,446)</b>                  |
| As at 31 December 2025                                        | <b>19,369</b>       | <b>26,554</b>                   |

Included in other comprehensive income is an amount of RMB334,000 loss related to notes receivable at FVTOCI held at the end of current reporting period (31 December 2024: RMB141,000).

#### Fair value of the financial assets and liabilities that are not measured at fair value on a recurring basis

The carrying amounts of the Group's financial assets including cash and cash equivalents, restricted bank deposits, trade receivables, other receivables and financial liabilities including trade and notes payables, other payables, short-term borrowings, the current portion of long-term borrowings approximate their fair values due to their short maturities.

The carrying amount of long-term borrowings and debentures approximated their fair values as the fluctuation of comparable interest rates with similar terms is relatively low.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 34. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management of the Group are also considered as related parties.

**(a) The following party is related party of the Group during the year ended 31 December 2025:**

| Name of related party | Nature of relationship                              |
|-----------------------|-----------------------------------------------------|
| Mr. Luo Lin           | The ultimate controlling shareholder of the Company |

**(b) Long-term borrowings and short-term bank borrowings guaranteed by related party**

|                          | As at 31 December |         |
|--------------------------|-------------------|---------|
|                          | 2025              | 2024    |
| Long-term borrowings     |                   |         |
| Mr. Luo Lin (Note 17(a)) | <b>66,208</b>     | 86,162  |
| Short-term borrowings    |                   |         |
| Mr. Luo Lin (Note 17(a)) | <b>758,224</b>    | 797,925 |

**(c) Key management compensation**

|                                                 | Year ended 31 December |        |
|-------------------------------------------------|------------------------|--------|
|                                                 | 2025                   | 2024   |
| Salaries and other short-term employee benefits | <b>22,265</b>          | 20,311 |
| Pension scheme                                  | <b>340</b>             | 332    |
| Share-based payments                            | <b>13,571</b>          | 6,686  |
|                                                 | <b>36,176</b>          | 27,329 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. SUBSIDIARIES

The following is a list of principal subsidiaries in which the Company directly or indirectly holds equity interests as at 31 December 2025:

| Company names                                                                             | Place and date of incorporation/ establishment              | Registered capital | Equity interest and voting power held by the Group | Principal place of operations | Principal activities                     |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------|----------------------------------------------------|-------------------------------|------------------------------------------|
| <b>Directly held:</b>                                                                     |                                                             |                    |                                                    |                               |                                          |
| Anton Limited                                                                             | Hong Kong, 17 August 2007                                   | HK\$100            | 100%                                               | PRC                           | Investment holding                       |
| <b>Indirectly held:</b>                                                                   |                                                             |                    |                                                    |                               |                                          |
| Anton Oilfield Services Company International Limited                                     | Hong Kong, 17 July 2008                                     | HK\$100            | 100%                                               | PRC                           | Investment holding                       |
| Anton Oilfield Services (Group) Ltd.<br>(安東石油技術(集團)有限公司)                                  | Beijing, the PRC, 28 January 2002                           | US\$248,029,000    | 100%                                               | PRC                           | Oilfield services and sales of equipment |
| T-ALL Inspection<br>(通奧檢測集團股份有限公司,<br>(formerly 新疆通奧油田<br>技術服務有限公司)                       | Xinjiang Uygur Autonomous Region, the PRC, 21 February 2002 | RMB195,000,000     | 100%                                               | PRC                           | Oilfield services                        |
| Anton Tong'ao Technological Products Co., Limited<br>(安東通奧科技產業股份有限公司)                     | Xinjiang Uygur Autonomous Region, the PRC, 15 December 2005 | RMB90,000,000      | 90%                                                | PRC                           | Lease of drilling rigs and rods          |
| Shandong Precede                                                                          | Shandong Province, the PRC, 2 September 2008                | RMB100,000,000     | 100%                                               | PRC                           | Oilfield services and sales of equipment |
| Anton International FZE                                                                   | The United Arab Emirates, 12 April 2009                     | US\$7,300,000      | 100%                                               | Iraq                          | Oilfield services                        |
| Sichuan Anton Oil Gas Engineering and Technology Services Co., Ltd.<br>(四川安東油氣工程技術服務有限公司) | Sichuan Province, the PRC, 14 July 2009                     | RMB400,000,000     | 100%                                               | PRC                           | Oilfield services and sales of equipment |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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### 35. SUBSIDIARIES (Continued)

The following is a list of principal subsidiaries in which the Company directly or indirectly holds equity interests as at 31 December 2025: (Continued)

| Company names                                                  | Place and date of incorporation/ establishment              | Registered capital | Equity interest and voting power held by the Group | Principal place of operations | Principal activities |
|----------------------------------------------------------------|-------------------------------------------------------------|--------------------|----------------------------------------------------|-------------------------------|----------------------|
| Anton Oilfield Services DMCC                                   | The United Arab Emirates, 28 March 2011                     | US\$54,462,150     | 100%                                               | Iraq                          | Oilfield services    |
| Sichuan Tongsheng Drilling Technology Co., Ltd. (四川通盛鑽探工程有限公司) | Sichuan Province, the PRC, 13 February 2012                 | RMB100,000,000     | 100%                                               | PRC                           | Drilling services    |
| Xinjiang Anton Oilfield Services Co., Ltd. (新疆安東石油技術服務有限責任公司)  | Xinjiang Uygur Autonomous Region, the PRC, 24 February 2012 | RMB80,000,000      | 100%                                               | PRC                           | Oilfield services    |
| Antonoil Services DMCC                                         | The United Arab Emirates, 24 January 2017                   | US\$109,040        | 100%                                               | Republic of Chad              | Oilfield services    |

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

All subsidiaries incorporated in the PRC are companies with limited liability under PRC law.

As at 31 December 2025 in the opinion of the Directors, there are no material non-controlling interests need to be disclosed.

The registered capital of T-ALL Inspection changed from RMB239,816,000 in 2024 to RMB195,000,000 in 2025, and equity interest and voting power held by the Group changed from 81% to 100%, as the Group repurchased all equity interests held by the remaining investors in 2025. Details are set out in Note 20.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

|                                    | As at 31 December |           |
|------------------------------------|-------------------|-----------|
|                                    | 2025              | 2024      |
| Assets                             |                   |           |
| Non-current asset                  |                   |           |
| Investments in subsidiaries        | <b>4,979,725</b>  | 4,979,725 |
| Current assets                     |                   |           |
| Prepayments and other receivables  | <b>43,082</b>     | 104,483   |
| Restricted bank deposits           | <b>316</b>        | –         |
| Cash and cash equivalents          | <b>70,626</b>     | 2,115     |
|                                    | <b>114,024</b>    | 106,598   |
| Total assets                       | <b>5,093,749</b>  | 5,086,323 |
| Equity and liabilities             |                   |           |
| Equity                             |                   |           |
| Share capital                      | <b>265,452</b>    | 272,152   |
| Other reserves (a)                 | <b>2,047,901</b>  | 2,296,106 |
| Total equity                       | <b>2,313,353</b>  | 2,568,258 |
| Liabilities                        |                   |           |
| Current liabilities                |                   |           |
| Current portion of long-term bonds | –                 | 453,821   |
| Accruals and other payables        | <b>2,780,396</b>  | 2,064,244 |
|                                    | <b>2,780,396</b>  | 2,518,065 |
| Total liabilities                  | <b>2,780,396</b>  | 2,518,065 |
| Total equity and liabilities       | <b>5,093,749</b>  | 5,086,323 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

Note:

(a) Reserve movements of the Company

|                                                          | Treasury<br>shares | Share<br>premium | Capital<br>reserve | Accumulated<br>losses | Total            |
|----------------------------------------------------------|--------------------|------------------|--------------------|-----------------------|------------------|
| <b>Balance at 1 January 2024</b>                         | (50,427)           | 1,049,578        | 3,105,108          | (1,631,934)           | 2,472,325        |
| Loss for the year                                        | -                  | -                | -                  | (96,306)              | (96,306)         |
| Repurchase of ordinary shares                            | (68,078)           | -                | -                  | -                     | (68,078)         |
| Cancellation of shares repurchased                       | 24,010             | (19,888)         | -                  | -                     | 4,122            |
| Restricted share award scheme                            | -                  | -                | 23,062             | -                     | 23,062           |
| Vesting of shares under restricted<br>share award scheme | 20,461             | -                | (20,461)           | -                     | -                |
| Dividends relating to 2023 final                         | -                  | -                | -                  | (39,019)              | (39,019)         |
| <b>At 31 December 2024</b>                               | (74,034)           | 1,029,690        | 3,107,709          | (1,767,259)           | 2,296,106        |
| <b>Balance at 1 January 2025</b>                         | <b>(74,034)</b>    | <b>1,029,690</b> | <b>3,107,709</b>   | <b>(1,767,259)</b>    | <b>2,296,106</b> |
| Loss for the year                                        | -                  | -                | -                  | (61,301)              | (61,301)         |
| Repurchase of ordinary shares                            | (171,049)          | -                | -                  | -                     | (171,049)        |
| Cancellation of shares repurchased                       | 33,026             | (26,326)         | -                  | -                     | 6,700            |
| Restricted share award scheme                            | -                  | -                | 50,935             | -                     | 50,935           |
| Vesting of shares under restricted<br>share award scheme | 24,727             | -                | (24,727)           | -                     | -                |
| Dividends relating to 2024 final                         | -                  | -                | -                  | (73,490)              | (73,490)         |
| <b>At 31 December 2025</b>                               | <b>(187,330)</b>   | <b>1,003,364</b> | <b>3,133,917</b>   | <b>(1,902,050)</b>    | <b>2,047,901</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025  
(Amounts expressed in thousands of RMB, unless otherwise stated)

### 37. BENEFITS AND INTERESTS OF DIRECTORS

#### Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2025:

| Names                                      | Fees | Salary | Discretionary bonuses | Housing allowance | Estimated money value of other benefits (i) | Employer's contribution to a retirement benefit scheme | Remunerations paid or receivable in respect of office as director | Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking | Total |
|--------------------------------------------|------|--------|-----------------------|-------------------|---------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Executive Directors</b>                 |      |        |                       |                   |                                             |                                                        |                                                                   |                                                                                                                                                                     |       |
| Mr. Luo Lin                                | -    | 4,031  | 1,563                 | -                 | 96                                          | 68                                                     | -                                                                 | -                                                                                                                                                                   | 5,758 |
| Mr. Pi Zhifeng (chief executive)           | -    | 2,854  | 496                   | -                 | 96                                          | 68                                                     | -                                                                 | -                                                                                                                                                                   | 3,514 |
| Mr. Fan Yonghong                           | -    | 3,630  | 830                   | -                 | 96                                          | 68                                                     | -                                                                 | -                                                                                                                                                                   | 4,624 |
| <b>Non-executive Director</b>              |      |        |                       |                   |                                             |                                                        |                                                                   |                                                                                                                                                                     |       |
| Mr. Huang Song                             | -    | 287    | -                     | -                 | -                                           | -                                                      | -                                                                 | -                                                                                                                                                                   | 287   |
| <b>Independent Non-executive Directors</b> |      |        |                       |                   |                                             |                                                        |                                                                   |                                                                                                                                                                     |       |
| Mr. Zhang Yongyi (ii)                      | 287  | -      | -                     | -                 | -                                           | -                                                      | -                                                                 | -                                                                                                                                                                   | 287   |
| Mr. Zhu Xiaoping (ii)                      | 287  | -      | -                     | -                 | -                                           | -                                                      | -                                                                 | -                                                                                                                                                                   | 287   |
| Dato Wee Yiau Hin (ii)                     | 714  | -      | -                     | -                 | -                                           | -                                                      | -                                                                 | -                                                                                                                                                                   | 714   |
| Mrs. Chen Xin                              | 287  | -      | -                     | -                 | -                                           | -                                                      | -                                                                 | -                                                                                                                                                                   | 287   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

### 37. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

#### Directors' and chief executive's emoluments (Continued)

The remuneration of every director and the chief executive is set out below: (Continued)

For the year ended 31 December 2024:

| Names                                       | Fees | Salary | Discretionary bonuses | Housing allowance | Estimated money value of other benefits (i) | Employer's contribution to a retirement benefit scheme | Remunerations paid or receivable in respect of accepting office as director | Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking | Total |
|---------------------------------------------|------|--------|-----------------------|-------------------|---------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Executive Directors</b>                  |      |        |                       |                   |                                             |                                                        |                                                                             |                                                                                                                                                                     |       |
| Mr. Luo Lin                                 | -    | 2,679  | 2,070                 | -                 | 93                                          | 66                                                     | -                                                                           | -                                                                                                                                                                   | 4,908 |
| Mr. Pi Zhifeng (chief executive)            | -    | 2,147  | 611                   | -                 | 93                                          | 66                                                     | -                                                                           | -                                                                                                                                                                   | 2,917 |
| Mr. Fan Yonghong                            | -    | 2,995  | 889                   | -                 | 93                                          | 66                                                     | -                                                                           | -                                                                                                                                                                   | 4,043 |
| <b>Non-executive Director</b>               |      |        |                       |                   |                                             |                                                        |                                                                             |                                                                                                                                                                     |       |
| Mr. Huang Song                              | -    | 287    | -                     | -                 | -                                           | -                                                      | -                                                                           | -                                                                                                                                                                   | 287   |
| <b>Independent Non- executive Directors</b> |      |        |                       |                   |                                             |                                                        |                                                                             |                                                                                                                                                                     |       |
| Mr. Zhang Yongyi (ii)                       | 287  | -      | -                     | -                 | -                                           | -                                                      | -                                                                           | -                                                                                                                                                                   | 287   |
| Mr. Zhu Xiaoping (ii)                       | 287  | -      | -                     | -                 | -                                           | -                                                      | -                                                                           | -                                                                                                                                                                   | 287   |
| Dato Wee Yiaw Hin (ii)                      | 712  | -      | -                     | -                 | -                                           | -                                                      | -                                                                           | -                                                                                                                                                                   | 712   |

Notes:

(i) Other benefits include other insurance premium.

(ii) As at 31 December 2025, 9,150,000 restricted shares in total with the fair value of HK\$0.410 to HK\$0.900 per share have been conditionally granted to three independent non-executive directors, and the total expense recognised in the consolidated statement of profit or loss for the year ended 31 December 2025 amounted to RMB1,274,000 (2024: RMB606,000), with the same amount for each independent non-executive director, which are not included in the above tables. For the restricted shares granted to other directors, please refer to Note 14.