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巨濤海洋石油服務有限公司

Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03303)

2025 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS:

- Revenue was RMB428,270,000, a 67% decrease from the same period in last year.
- Gross profit was RMB132,009,000, a 64% decrease from the same period in last year.
- Profit attributable to owners of the Company was RMB56,049,000, a 68% decrease from the same period in last year.
- Basic and diluted earnings per share were RMB2.629 cents and RMB2.598 cents respectively for the six months ended 30 June 2025.
- The Board recommends a payment of interim dividend of HK\$0.015 per share for the six months ended 30 June 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Jutal Offshore Oil Services Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated results for the six months ended 30 June 2025 of the Company and its subsidiaries (collectively referred to as the “**Group**”), together with the comparative figures for the corresponding period in 2024. The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been reviewed by the audit committee of the Company (the “**Audit Committee**”), but was not reviewed by the Company’s auditor.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	428,270	1,284,256
Cost of sales and services		<u>(296,261)</u>	<u>(916,755)</u>
Gross profit		132,009	367,501
Other income	5	6,599	13,912
Reversal of impairment losses on trade and other receivables		1,428	10,543
Impairment losses on contract assets		(5,925)	(9,067)
Administrative expenses		(59,325)	(129,001)
Other operating expenses	6	<u>(8,810)</u>	<u>(38,820)</u>
Profit from operations		65,976	215,068
Finance costs	7	(2,803)	(7,309)
Share of loss of a joint venture		<u>(2)</u>	<u>-</u>
Profit before tax		63,171	207,759
Income tax expense	9	<u>(7,122)</u>	<u>(30,450)</u>
Profit for the period attributable to owners of the Company	10	<u>56,049</u>	<u>177,309</u>
Earnings per share	11	RMB	RMB
Basic		<u>2.629 CENTS</u>	<u>8.675 CENTS</u>
Diluted		<u>2.598 CENTS</u>	<u>8.673 CENTS</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	<u>56,049</u>	<u>177,309</u>
Other comprehensive (expense)/income:		
<i>Item that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(3,812)	2,535
Share of other comprehensive income of a joint venture, net of related income tax	<u>3</u>	<u>-</u>
Other comprehensive (expense)/income for the period, net of tax	<u>(3,809)</u>	<u>2,535</u>
Total comprehensive income for the period attributable to owners of the Company	<u><u>52,240</u></u>	<u><u>179,844</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	954,870	932,127
Right-of-use assets		355,777	364,279
Interest in a joint venture		63	62
Goodwill		52,444	52,444
Intangible assets		3,567	4,176
Trade receivables, non-current	13	148	3,417
Deferred tax assets		13,260	8,394
		<u>1,380,129</u>	<u>1,364,899</u>
Current assets			
Inventories		96,557	93,228
Trade and bills receivables	13	74,709	284,653
Contract cost assets		3,432	1,271
Contract assets		467,732	476,685
Prepayments, deposits and other receivables		72,052	54,810
Current tax assets		182	1,791
Pledged bank deposits		68,136	64,618
Bank and cash balances		967,372	785,161
		<u>1,750,172</u>	<u>1,762,217</u>
Current liabilities			
Trade and bills payables	14	326,228	417,607
Contract liabilities		43,072	60,957
Accruals and other payables		83,908	109,317
Derivative financial instruments		6,064	1,532
Provisions		162,133	202,713
Bank borrowings		52,780	55,000
Other borrowings		2,236	958
Deferred income		5,237	2,751
Lease liabilities		5,918	7,959
Current tax liabilities		870	-
		<u>688,446</u>	<u>858,794</u>
Net current assets		<u>1,061,726</u>	<u>903,423</u>
Total assets less current liabilities		<u>2,441,855</u>	<u>2,268,322</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Deferred income		57,320	15,724
Lease liabilities		11,523	12,527
Bank borrowings		104,720	30,500
Deferred tax liabilities		40,651	34,170
		<u>214,214</u>	<u>92,921</u>
NET ASSETS		<u>2,227,641</u>	<u>2,175,401</u>
Capital and reserves			
Share capital	15	19,145	19,145
Reserves		<u>2,208,496</u>	<u>2,156,256</u>
TOTAL EQUITY		<u>2,227,641</u>	<u>2,175,401</u>

NOTES:

1. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

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

Except as described below, the accounting policies used in the condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024.

In the current interim period, the Group has applied, for the first time, the following amendment to Hong Kong Financial Report Standard (“**HKFRS Accounting Standards**”), which collective term includes all applicable individual HKFRS Accounting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA, which is effective for the Group’s financial year beginning on 1 January 2025.

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

The application of this amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial performance and consolidated financial position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial information.

3. SEGMENT INFORMATION

The Group has two reportable segments as follows:

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

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

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

3. SEGMENT INFORMATION (CONT'D)

	Oil and gas segment RMB'000 (Unaudited)	New energy and refinery and chemical segment RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Six months ended 30 June 2025				
Revenue from external customers	321,753	106,517	-	428,270
Segment profit/(loss)	148,396	(16,387)	-	132,009
At 30 June 2025:				
Segment assets	1,938,466	86,812	-	2,025,278
Segment liabilities	<u>577,635</u>	<u>55,149</u>	<u>-</u>	<u>632,784</u>
Six months ended 30 June 2024				
Revenue from external customers	1,281,731	2,226	299	1,284,256
Segment profit/(loss)	363,509	4,428	(436)	367,501
At 31 December 2024:				
Segment assets	2,096,722	113,688	61	2,210,471
Segment liabilities	<u>735,379</u>	<u>75,694</u>	<u>7</u>	<u>811,080</u>
				Six months ended 30 June
				2025
				RMB'000
				(Unaudited)
				2024
				RMB'000
				(Unaudited)
Reconciliations of segment profit:				
Total profit of reportable segments		132,009		367,501
Unallocated amounts:				
Other income		6,599		13,912
Finance costs		(2,803)		(7,309)
Other corporate expenses		<u>(72,634)</u>		<u>(166,345)</u>
Consolidated profit before tax for the period		<u>63,171</u>		<u>207,759</u>

4. Revenue

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

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

For the six months ended 30 June (unaudited)	Oil and gas segment		New energy and refinery and chemical segment		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'	RMB'	RMB'	RMB'	RMB'	RMB'	RMB'	RMB'
	000	000	000	000	000	000	000	000
Timing of revenue recognition								
Goods and services transferred at a point in time	15,064	21,987	375	-	-	-	15,439	21,987
Goods and services transferred over time	306,689	1,259,744	106,142	2,226	-	299	412,831	1,262,269
Total	321,753	1,281,731	106,517	2,226	-	299	428,270	1,284,256

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade and bills receivables	74,857	288,070
Contract assets	467,732	476,685
Contract liabilities	43,072	60,957

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

The amount of approximately RMB50,630,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2025.

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange gains	-	330
Gain on disposals of property, plant and equipment	30	-
Interest income on bank deposits	4,682	8,671
Government grants recognised	1,819	4,619
Compensation income	23	171
Sundry income	45	121
	<u>6,599</u>	<u>13,912</u>

6. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	270	-
Net losses on derivative financial instruments (note (a))	5,329	7,251
Impairment losses on inventories	2,098	3,101
Loss on disposals on property, plant and equipment	-	410
Impairment losses on property, plant and equipment (note (b))	-	26,018
Loss on disposal of a subsidiary (note (c))	-	282
Net loss on financial assets at fair value through profit or loss	-	1,418
Others	1,113	340
	<u>8,810</u>	<u>38,820</u>

Notes:

- (a) The net losses of derivative financial instruments mainly comes from the foreign exchange forward contracts entered into between the Group and banks. As the individual income contracts of the company are settled in United States dollars or Euros, the company entered into these forward contracts to hedge the exchange rate risk caused by the exchange rate fluctuation between these foreign currencies and RMB.
- (b) At 30 June 2025, before impairment testing, the Group has property, plant and equipment with carrying amount of approximately RMB313,959,000 (at 30 June 2024: RMB345,062,000) located and used in the Group's Zhuhai fabrication plant which is regarded as the cash generating unit of the related property, plant and equipment (the "CGU"). The Group has assessed there is an impairment indicator of the CGU and estimates the recoverable amount of the CGU on the basis of their value in use using discounted cash flow method. The rate used to discount the forecast cash flows is 12.3% (for the six months ended 30 June 2024: 13.3%). For the six months ended 30 June 2025, no impairment loss was recognised on the property, plant and equipment of the CGU (for the six months ended 30 June 2024: RMB1,491,000).

Other than Zhuhai's CGU, the Group has an equipment located in the Group's Penglai fabrication plant. The Group has assessed there is an impairment indication of the equipment and the recoverable amounts of the equipment was estimated by using fair value less cost of disposal basis. For the six months ended 30 June 2025, no impairment loss was recognised on the equipment (for the six months ended 30 June 2024: RMB24,527,000).

- (c) On 31 May 2024, Shenzhen Jutal Machinery Equipment Company Limited, a wholly-owned subsidiary of the Company, had disposed 100% of the equity interest in Shenzhen Marine Diving Engineering Co., Ltd. for a total cash consideration of RMB1,200,000. For the six months ended 30 June 2024, a loss on disposal of a subsidiary of approximately RMB282,000 was recognised. The disposal was completed during the period and the consideration was received in full.

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	1,444	4,937
Interest on lease liabilities	490	545
Others	869	1,827
	<u>2,803</u>	<u>7,309</u>

8. DIVIDENDS

The Board recommends a payment of interim dividend of HK\$0.015 per share (six months ended 30 June 2024: HK\$0.03 per share) for the six months ended 30 June 2025.

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – The People’s Republic of China (the “PRC”)		
Enterprise Income Tax		
Provision for the period	4,834	37,975
Under/(Over)-provision in prior periods	673	(14)
	5,507	37,961
Deferred tax	1,615	(7,511)
	7,122	30,450

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits arising in Hong Kong for the periods ended 30 June 2025 and 2024.

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

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

10. PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses on inventories	2,098	3,101
(Gain)/Loss on disposals of property, plant and equipment	(30)	410
Directors’ emoluments		
- As directors	481	1,075
- For management	1,501	35,490
	1,982	36,565

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	<u>56,049</u>	<u>177,309</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,131,598,389	2,043,991,246
Effect of dilutive potential ordinary shares arising from share options	<u>25,937,306</u>	<u>345,388</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>2,157,535,695</u>	<u>2,044,336,634</u>

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

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

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of approximately RMB67,568,000 (six months ended 30 June 2024: RMB84,330,000).

13. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	150,477	365,421
Allowance for doubtful debts	(76,439)	(78,701)
	74,038	286,720
Bills receivables	819	1,350
	74,857	288,070
Classified as:		
Trade receivables, non-current	148	3,417
Trade and bills receivables, current	74,709	284,653
	74,857	288,070

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

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Billed:		
0 to 30 days	29,932	136,215
31 to 90 days	19,950	115,542
91 to 365 days	13,283	30,277
Over 365 days	46,523	42,500
	109,688	324,534
Unbilled	40,789	40,887
	150,477	365,421

14. TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	326,228	417,607
Bills payables	-	-
	326,228	417,607

14. TRADE AND BILLS PAYABLES (CONT'D)

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 30 days	226,755	279,475
31 to 90 days	19,206	45,832
91 to 365 days	32,724	36,113
Over 365 days	47,543	56,187
	<u>326,228</u>	<u>417,607</u>

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 December 2024 (Audited) and 30 June 2025 (Unaudited)	<u>4,000,000,000</u>	<u>40,000</u>

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

	Note	Number of shares	Amount HK\$'000	Equivalent to amount RMB'000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At 1 January 2024 (Audited)		1,981,598,389	19,816	17,783
Placement of shares	(a)	<u>150,000,000</u>	<u>1,500</u>	<u>1,362</u>
At 31 December 2024 (Audited), 1 January 2025 (Audited) and 30 June 2025 (Unaudited)		<u>2,131,598,389</u>	<u>21,316</u>	<u>19,145</u>

Note:

- (a) On 7 March 2024, the Company issued 150,000,000 ordinary shares at price of HK\$0.42 per share through placement. The premium on the issue of shares, amounting to approximately HK\$60,009,000 (equivalent to approximately RMB54,996,000), net of share issue expenses, was credited to the Company's share premium account.

16. SHARE AWARD SCHEME

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

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

As of 31 December 2024, the Trustee purchased an aggregate of 228,750,000 shares at prices ranging from HK\$0.51 to HK\$0.95 per share at a total consideration of approximately HK\$158,560,000 (equivalent to approximately RMB144,734,000) on the Hong Kong Stock Exchange for the purpose of the Scheme. No further purchase was carried out by the Trustee for the six months ended 30 June 2025.

As of 30 June 2025, 164,000,000 award shares had been granted and vested (30 June 2024: 66,000,000 awarded shares had been granted and 58,000,000 awarded shares had been transferred) to selected employees.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share award reserve. The fair value of the related vested shares were HK\$49,500,000 (equivalent to approximately RMB44,931,000) for the shares vested on 21 May 2024 and HK\$53,900,000 (equivalent to approximately RMB49,200,000) for the shares vested on 23 September 2024. For the six months ended 30 June 2025, no share award expense was recognised in profit or loss under "administrative expense" (for the six months ended 30 June 2024: HK\$49,500,000 (equivalent to approximately RMB44,931,000)).

17. CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

1. REVIEWS

At present, renewable energy has become the main driver in meeting the growing demand for new electricity generation. China is the world's largest energy consumer and producer. According to the White Paper titled "China's Energy Transformation" released by The State Council Information Office of the People's Republic of China, over the past decade, more than 40% of newly installed renewable energy capacity worldwide was contributed by China. The global share of non-fossil energy consumption rose from 13.6% to 18.5%, with China accounting for 45.2% of that increase. As reported, by the end of May 2025, the installed capacity of wind power and photovoltaic power generation in China represented 45.7% of total installed capacity.

Leveraging years of experience in offshore engineering equipment manufacturing, the Group has established production capabilities and track records for various types of offshore wind power foundation products, particularly large-scale jackets and floating wind power foundations in deep and remote sea areas. In response to future demand for offshore wind power projects, the Group has formulated targeted regional business development strategies, actively pursued market opportunities, expanded client relationships, and enhanced tendering efforts. During the period, the Group secured several offshore wind power construction projects while also improving production capacity for wind power products and expanding related production capacity, thereby laying a solid foundation for future business growth.

In the first half of the year, the Group commenced construction of Quay#2 at the Zhuhai site, which involves building a 50,000-tonnes general berth with an expected construction period of 12 months. Upon completion and commissioning, the Quay#2 at the Zhuhai site will significantly strengthen the Zhuhai site's core competitiveness in offshore oil and gas equipment manufacturing, module shipment, and international logistics services, enabling the Group to expand its international market presence and provide more efficient manufacturing and shipment services for medium-to-large modules and offshore wind power equipment.

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

Revenue

Compared with the corresponding period of last year, there has been a decrease of workload in the Group's construction sites. The Group recorded a revenue of approximately RMB428,270,000 in the first half of 2025, representing a decrease of RMB855,986,000 or 66.65% as compared with the corresponding period of last year. Among them, revenue from the fabrication of facilities and provision of integrated services for oil and gas industries decreased by RMB959,978,000 or 74.90%, revenue from the fabrication of facilities and provision of integrated services for new energy and refining and chemical industries increased by RMB104,291,000 or 4,685.13%, and other revenue decreased by RMB299,000 or 100% as compared with the corresponding period of last year.

The table below sets out the analysis of revenue by business segment categories for the six months ended 30 June 2023, 2024 and 2025:

Product/service	For the six months ended 30 June					
	2025 RMB'000	Percentage of total revenue%	2024 RMB'000	Percentage of total revenue %	2023 RMB'000	Percentage of total revenue %
1. Fabrication of facilities and provision of integrated services for oil and gas industries	321,753	75	1,281,731	100	677,016	82
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	106,517	25	2,226	0	141,016	17
3. Others	0	0	299	0	5,495	1

Total	428,270	100	1,284,256	100	823,527	100
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Cost of Sales and Services

During the reporting period, cost of sales and services of the Group amounted to approximately RMB296,261,000, representing a decrease of approximately RMB620,494,000 or 67.68% compared with that of the corresponding period of last year. Cost of sales and services comprised direct costs and manufacturing overheads. Direct costs in the current period amounted to approximately RMB197,271,000, representing approximately 66.59% of total cost of sales and services, and a decrease of approximately RMB614,101,000 or 75.69% from approximately RMB811,372,000 of the corresponding period of last year. The Group calculates the cost of sales and services of projects on an order-by-order basis. Since the composition of cost differs for each project, the composition of cost of sales and services also varies accordingly. Manufacturing overheads in the current reporting period was approximately RMB98,990,000, representing a decrease of approximately RMB6,393,000 or 6.07% when compared with approximately RMB105,383,000 of the corresponding period of last year.

Gross Profit

During the reporting period, the total amount of gross profit of the Group amounted to approximately RMB132,009,000, representing a decrease of approximately RMB235,492,000 or 64.08% from approximately RMB367,501,000 in the corresponding period of last year. The overall gross profit margin increased to 30.82% from 28.62% of the corresponding period of last year. Changes in business structure resulted in various changes in the gross profit margin of different business segments during the current period.

The table below sets out the analysis of gross profit by business segment for the six months ended 30 June 2023, 2024 and 2025:

	For the six months ended 30 June								
Product/service	2025			2024			2023		
	RMB '000	Gross profit margin %	Percentage of total gross profit	RMB '000	Gross profit margin %	Percentage of total gross profit	RMB '000	Gross profit margin %	Percentage of total gross profit
1. Fabrication of facilities and provision of integrated services for oil and gas industries	148,396	46	112	363,510	28	100	111,536	16	57
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	(16,387)	(15)	(12)	4,428	199	0	83,062	59	43
3. Others	0	0	0	(437)	(146)	0	(261)	(5)	0
Total	132,009		100	367,501		100	194,337		100

Other Income

Other income of the Group for the first half of 2025 amounted to approximately RMB6,599,000, mainly comprising interest income and income from government grants.

Administrative and Other Operating Expenses

Administrative and other operating expenses in aggregate decreased by approximately 59.40% or RMB99,686,000 compared with the corresponding period last year to approximately RMB68,135,000. Among them, the administrative expenses decreased by RMB69,676,000, primarily resulting from the sharp decrease in the accrued employee compensation and the fact that there is no share based payment expense recognised in the period, and other operating expenses decreased by RMB30,010,000 as compared with the corresponding period of last year.

Finance Costs

During the reporting period, the finance costs of the Group amounted to approximately RMB2,803,000 which was mainly comprised of interest expenses from bank borrowings of approximately RMB1,444,000, bank charges and other costs of approximately RMB1,359,000.

Profit for the Period Attributable to Owners of the Company

In the first half of 2025, profit attributable to owners of the Company amounted to approximately RMB56,049,000, basic and diluted earnings per share was approximately RMB2.629 cents and RMB2.598 cents respectively.

Liquidity and Financial Resources

As at 30 June 2025, the balance of working funds (cash on hand and bank deposits) of the Group amounted to approximately RMB967,372,000 (31 December 2024: RMB785,161,000). During the said period, net cash inflows from operating activities amounted to approximately RMB133,683,000, net cash outflows from investing activities amounted to approximately RMB16,866,000, and net cash inflows from financing activities amounted to approximately RMB69,078,000.

As at 30 June 2025, the Group had approximately RMB828,910,000 (31 December 2024: RMB200,000,000) of available undrawn banking facilities. Available undrawn banking facilities include bank borrowings, letters of credit, etc.

As at 30 June 2025, the Group had obtained bank guarantees under performance bonds for construction contracts of approximately RMB291,031,000 (31 December 2024: RMB270,100,000).

Capital Structure

As at 30 June 2025, the share capital of the Company comprises 2,131,598,389 ordinary shares (31 December 2024: 2,131,598,389 ordinary shares).

As at 30 June 2025, the net assets of the Group amounted to approximately RMB2,227,641,000 (31 December 2024: RMB2,175,401,000), which comprises non-current assets of approximately RMB1,380,129,000 (31 December 2024: RMB1,364,899,000), net current assets of approximately RMB1,061,726,000 (31 December 2024: RMB903,423,000) and non-current liabilities of approximately RMB214,214,000 (31 December 2024: RMB92,921,000).

Significant Investment

In the first half of this year, the renovation works of the west factory area of Penglai site were completed and the equipment and facilities of Penglai site were further improved according to the market situation and future development plan.

The Group also started the construction of the Quay#2 at Zhuhai Site with an estimated total investment over RMB 200 million, which is expected to be completed in the first half of 2026.

Apart from the above, the Group has no other significant investment for the six months ended 30 June 2025.

Foreign Exchange Risk

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

Assets Pledged by the Group

As at 30 June 2025, approximately RMB68,136,000 (31 December 2024: RMB64,618,000) of the bank deposits of the Group were pledged as security deposits for bank borrowings, the issuance of performance bonds, letter of credits and bank acceptance, etc.

Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities.

Capital Management

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

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

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

The gearing ratios of the Group as at 30 June 2025 and 31 December 2024 were as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Total borrowings	159,736	86,458
Lease liabilities	17,441	20,486
Total equity	2,227,641	2,175,401
Gearing ratio	7.95%	4.92%

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

Employees and Remuneration Policy

As at 30 June 2025, the Group had total 1,936 employees (31 December 2024: 2,181), of which 841 (31 December 2024: 967) were management and technical staff, and 1,095 (31 December 2024: 1,214) were technicians.

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

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

2. FUTURE OUTLOOK

According to Deloitte China's report titled Key Issues for China's Energy Sector during the "15th Five-Year Plan Period", during the "15th Five-Year Plan" period, the global energy structure will undergo profound adjustments, with total energy consumption maintaining moderate growth. Investment in clean energy and demand in emerging markets are expected to continue rising, while traditional and new energy will evolve in tandem to establish a new supply system.

A number of offshore wind power jacket and floating wind power projects undertaken by the Group have received high recognition from customers. Building on the progress made in market development during the first half of the year, the Group will continue to actively pursue construction project opportunities, including those in the new energy equipment sector, explore diverse cooperation models, and secure additional new orders in the second half of the year.

While strengthening business development efforts, the Group will further enhance its technical capabilities, recruit high-end professionals as required, improve both software and hardware facilities and management systems, and strengthen its EPC capabilities. The Group will also continue to promote the development of FPSO modules and EPC services for small-to-medium oil and gas platforms.

During the year, the Group will focus on advancing the construction of the new quay at the Zhuhai site and upgrading related site facilities. Through facility upgrades, hardware improvements, and the adoption of innovative production processes, the Group aims to improve production efficiency and expand capacity.

In light of the impact of international political developments on its operations, the Group will actively coordinate resources, implement relevant countermeasures, and strive to improve its overall operating performance on multiple fronts.

DIRECTORS REPORT AND CORPORATE GOVERNANCE

INTERIM DIVIDEND

The Board recommends a payment of interim dividend of HK\$0.015 per share for the six months ended 30 June 2025.

The recommended interim dividend will be payable on Friday, 17 October 2025 to the shareholders of the Company whose names will appear on the register of members of the Company (the “**Register of Members**”) on Friday, 26 September 2025.

The Register of Members will be closed from Wednesday, 24 September 2025 to Friday, 26 September 2025 (both days inclusive). In order to establish entitlements to the recommended interim dividend, all transfers accompanied by the relevant Share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on Tuesday, 23 September 2025.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURE

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

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

In the opinion of the directors, the Company has complied with the Corporate Governance Code for the period ended 30 June 2025, save for the deviations from the code provisions as follows:

Under Code Provision D.1.2, Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail.

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

DIRECTORS’ SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process, risk management and internal control system of the Group, and to make proposals to the Board as to appointment, renewal and resignation of the Company's external auditor and the related remuneration and appointment terms. The Audit Committee has reviewed the unaudited interim financial information of the Group for the period ended 30 June 2025 and is of the opinion that such information complies with the applicable accounting standards, and the Listing Rules and legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 26 August 2025

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