JUTAL

巨濤海洋石油服務有限公司

Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03303)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Highlights

- Revenue increased by 107.15% to RMB3,647,183,000
- Gross profit increased by 39.79% to RMB447,749,000
- Net profit attributable to owners of the Company increased by 3,216.27% to RMB 146,712,000
- Basic and diluted earnings per share were RMB0.0898 and RMB0.0898 respectively
- The Board recommend the payment of a final dividend of HK$0.22 per share for the year ended 31 December 2020.

The above are intended to be highlights to the salient aspects of the annual results of the Group for the year ended 31 December 2020 only. In order to acquire a comprehensive understanding of the Group's state of affairs and results of its operations, general investors are encouraged to refer to the body of this announcement for details.

The board of directors (the "Board") of Jutal Offshore Oil Services Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2020 together with the comparative figures for the year ended 31 December 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**2020**	2019
		RMB'000	RMB'000
Revenue	4	**3,647,183**	1,760,624
Cost of sales and services		**(3,199,434)**	(1,440,330)
Gross profit		**447,749**	320,294
Other income	5	**68,520**	58,353
Impairment losses on trade and bills receivables		**(55,463)**	(70,912)
Reversal of impairment losses on other receivables		**11,591**	-
Reversal of impairment losses on contract assets		**53**	707
Administrative expenses		**(256,465)**	(220,684)
Other operating expenses		**(6,746)**	(39,168)
Profit from operations		**209,239**	48,590
Finance costs	7	**(34,122)**	(39,452)
Profit before tax		**175,117**	9,138
Income tax expense	8	**(28,405)**	(4,714)
Profit for the year	9	**146,712**	4,424
Attributable to:			
Owners of the Company		**146,712**	4,424
Earnings per share	11		
		RMB	RMB
Basic		**8.98 cents**	0.27 cents
Diluted		**8.98 cents**	0.27 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RMB'000	RMB'000
Profit for the year	**146,712**	4,424
Other comprehensive income:		
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(53,384)**	24,084
Other comprehensive income for the year, net of tax	**(53,384)**	24,084
Total comprehensive income for the year	**93,328**	28,508
Attributable to:		
Owners of the Company	**93,328**	28,508

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	Note	**2020**	2019
		RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		**1,246,905**	1,172,874
Right-of-use assets		**444,561**	452,461
Goodwill		**52,444**	54,648
Intangible assets		**12,226**	6,509
Trade receivables, non-current	12	**1,592**	538
Deferred tax assets		**29,452**	29,323
		1,787,180	1,716,353
Current assets			
Inventories		**127,343**	194,251
Trade and bills receivables	12	**721,246**	932,012
Contract cost assets	13	**6,150**	69,654
Contract assets	14	**455,282**	161,777
Prepayments, deposits and other receivables		**181,474**	262,057
Derivative financial instruments		**2,182**	3,160
Due from directors		**-**	833
Current tax assets		**-**	751
Pledged bank deposits		**136,073**	56,813
Bank and cash balances		**1,188,255**	808,330
		2,818,005	2,489,638
Current liabilities			
Trade and bills payables	15	**1,056,120**	748,993
Contract liabilities	14	**430,267**	299,110
Accruals and other payables		**133,667**	108,731
Derivative financial instruments		**-**	769
Provisions	16	**68,541**	58,117
Bank and other borrowings		**37,500**	289,342
Deferred income		**8,398**	8,942
Lease liabilities		**9,118**	12,691
Current tax liabilities		**17,174**	-
		1,760,785	1,526,695
Net current assets		**1,057,220**	962,943
Total assets less current liabilities		**2,844,400**	2,679,296

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

AT 31 DECEMBER 2020

	2020	2019
	RMB'000	RMB'000
Non-current liabilities		
Deferred income	**28,563**	34,824
Lease liabilities	**45,868**	37,474
Bank borrowings	**482,200**	392,700
Deferred tax liabilities	**38,424**	63,305
	595,055	528,303
NET ASSETS	**2,249,345**	2,150,993
Capital and reserves		
Share capital	**14,755**	14,755
Reserves	**2,234,590**	2,136,238
TOTAL EQUITY	**2,249,345**	2,150,993

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is 10th Floor, Chiwan Petroleum Building, Shekou, Nanshan District, Shenzhen, the People's Republic of China (the PRC"). The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

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

(a) Application of new and revised HKFRSs

The Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year 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.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments had no impact on the consolidated financial statements.

Amendments to HKFRS 3 Definition of a Business

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020. The application of the amendments had no impact on the consolidated financial statements as similar conclusion would have been reached without applying the optional concentration test.

3. **ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)**

(b) **New and revised HKFRSs in issue but not yet effective**

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2020. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to HKFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16 Property, plant and equipment: proceeds before intended use	1 January 2022
Amendments to HKAS 37 Onerous contracts – cost of fulfilling a contract	1 January 2022
Annual Improvements to HKFRSs 2018 – 2020 Cycle	1 January 2022
Amendments to HKAS 1 Classification of liabilities as current or non-current	1 January 2023

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. REVENUE

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by type of contract for the year from continuing operations is as follows:

	2020	2019
Revenue from contracts with customers within the scope of HKFRS 15	**RMB'000**	RMB'000
Disaggregated by type of contract		
- Revenue from construction contracts	**3,516,273**	1,536,767
- Trading of oil and gas, chemical and new energy products	**9,043**	52,628
- Technical support services	**121,867**	171,229
	3,647,183	1,760,624

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following type of contract:

For the year ended 31 December	Revenue from construction contracts		Trading of oil and gas, chemical and new energy products		Technical support services		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Timing of revenue recognition								
Goods and services transferred at a point in time	**108,105**	34,716	**9,043**	52,628	**1,119**	-	**118,267**	87,344
Goods and services transferred over time	**3,408,168**	1,502,051	**-**	-	**120,748**	171,229	**3,528,916**	1,673,280
Total	**3,516,273**	1,536,767	**9,043**	52,628	**121,867**	171,229	**3,647,183**	1,760,624

4. REVENUE (CONT'D)

(b) 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 2020 and the expected timing of recognising revenue as follows:

	Construction contracts		Trading of oil and gas, chemical and new energy products		Technical support services	
	2020	2019	**2020**	2019	**2020**	2019
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Within one year	**3,715,111**	2,625,506	**3,804**	-	**53,648**	42,620
More than one year but not more than two years	**221,985**	2,236,205	-	-	-	-
More than two years	-	148,016	-	-	-	-
	3,937,096	5,009,727	**3,804**	-	**53,648**	42,620

The above amount does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts and technical support service contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

5. OTHER INCOME

	2020	2019
	RMB'000	RMB'000
Net foreign exchange gains	**17,977**	-
Compensation income	**-**	9,017
Reversal of allowance for inventories	**3,878**	1,698
Government grants recognised (note a)	**19,338**	16,484
Interest income on bank deposits	**11,296**	6,333
Fair value gains on derivative financial instruments	**13,179**	3,287
Reversal of other receivable previously written off	**-**	5,000
Interest income from contracts with financing components	**-**	9,746
Others	**2,852**	6,788
	68,520	58,353

Note (a): For the year ended 31 December 2020, government grants of approximately RMB10,999,000 (2019: RMB3,179,000) are recognised in relation to compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. Government grants of approximately RMB8,339,000 (2019: RMB13,305,000) are recognised in relation to certain research and development activities.

6. SEGMENT INFORMATION

For the year ended 31 December 2020, the Group has two reportable segments as follows:

(a) Fabrication of facilities and provision of integrated services for oil and gas industries
(b) Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries

The Group's reportable segments are strategic business units that offer product 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, technical support services for shipbuilding industry and other support services for industries other than oil and gas, new energy and refinery and chemical sectors. These segments do not meet any of the quantitative thresholds for determining reportable segments. The information of these segments are included in the 'others' column.

The Segment profits or losses do not include other income, administrative expenses, other operating expenses, finance costs, impairment loss on trade and bills receivables, reversal of impairment loss on other receivables, reversal of impairment loss on contract assets and income tax expense. Segment assets do not include goodwill, derivative financial instruments, current and deferred tax assets, pledged bank deposits, bank and cash balances and other corporate assets. Segment liabilities do not include bank and other borrowings, derivative financial instruments, current and deferred tax liabilities, deferred income and other corporate liabilities.

6. SEGMENT INFORMATION (CONT'D)

Information about reportable segment profit or loss, assets and liabilities:

	Fabrication of facilities and provision of integrated services for oil and gas industries	Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2020				
Revenue from external customers	**2,844,666**	**779,120**	**23,397**	**3,647,183**
Segment profit	**375,425**	**72,204**	**120**	**447,749**
Depreciation and amortisation	**140,151**	**16,788**	**440**	**157,379**
Other material non-cash items:				
(Reversal of impairment losses)/impairment losses on trade and bills and other receivables, net	**(17,463)**	**61,778**	**(443)**	**43,872**
(Reversal of impairment loss)/impairment losses on contract assets	**(89)**	**26**	**10**	**(53)**
Additions to segment non-current assets	**184,242**	**54,442**	**783**	**239,467**
As at 31 December 2020				
Segment assets	**2,441,754**	**729,139**	**13,660**	**3,184,553**
Segment liabilities	**1,510,170**	**227,848**	**5,563**	**1,743,581**
Year ended 31 December 2019				
Revenue from external customers	1,616,399	126,480	17,745	1,760,624
Segment profit/(loss)	328,989	(7,649)	(1,046)	320,294
Depreciation and amortization	127,743	106	30	127,879
Other material non-cash items:				
Impairment losses on trade and bills and other receivables, net	24,735	45,789	388	70,912
Reversal of impairment loss on contract assets	(166)	(523)	(18)	(707)
Additions to segment non-current assets	168,341	69	76	168,486
As at 31 December 2019				
Segment assets	2,938,814	270,657	17,149	3,226,620
Segment liabilities	1,122,920	129,071	6,969	1,258,960

6. SEGMENT INFORMATION (CONT'D)

Reconciliations of reportable segment profit or loss, assets and liabilities:

	2020	2019
	RMB'000	RMB'000
Profit or loss		
Total profit of reportable segments	**447,749**	320,294
Unallocated amounts:		
Finance costs	**(34,122)**	(39,452)
Impairment losses on trade and bills receivables	**(55,463)**	(70,912)
Reversal of impairment losses on other receivables	**11,591**	-
Reversal of impairment losses on contract assets	**53**	707
Other income	**68,520**	58,353
Other corporate expenses	**(263,211)**	(259,852)
Consolidated profit before tax for the year	**175,117**	9,138
Assets		
Total assets of reportable segments	**3,184,553**	3,226,620
Unallocated amounts:		
Bank and cash balances	**1,188,255**	808,330
Pledged bank deposits	**136,073**	56,813
Derivative financial instruments	**2,182**	3,160
Current tax assets	**-**	751
Deferred tax assets	**29,452**	29,323
Goodwill	**52,444**	54,648
Other corporate assets	**12,226**	26,346
Consolidated total assets	**4,605,185**	4,205,991
Liabilities		
Total liabilities of reportable segments	**1,743,581**	1,258,960
Unallocated amounts:		
Bank and other borrowings	**519,700**	682,042
Derivative financial instruments	**-**	769
Current tax liabilities	**17,174**	-
Deferred income	**36,961**	43,766
Deferred tax liabilities	**38,424**	63,305
Other corporate liabilities	**-**	6,156
Consolidated total liabilities	**2,355,840**	2,054,998

6. SEGMENT INFORMATION (CONT'D)

Geographical information:

The Group's revenue from external customers by location of customers and information about its non-current assets (excluding deferred tax assets) by location of assets are detailed below:

	Revenue		Non-current assets	
	2020	2019	**2020**	2019
	RMB'000	RMB'000	**RMB'000**	RMB'000
PRC except Hong Kong	**470,578**	586,442	**1,757,728**	1,687,030
United States	**1,708,780**	1,029,943	**-**	-
Switzerland	**44,993**	45,713	**-**	-
Norway	**36,057**	**-**	**-**	-
Singapore	**41,320**	41,891	**-**	-
Japan	**21,520**	**-**	**-**	-
France	**535,600**	28,115	**-**	-
United Kingdom	**674,930**	3,325	**-**	-
Netherlands	**112,365**	22,001	**-**	-
Others	**1,040**	3,194	**-**	-
Consolidated total	**3,647,183**	1,706,624	**1,757,728**	1,687,030

Revenue from major customers:

	Fabrication of facilities and provision of integrated services for oil and gas industries	Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2020				
Customer A	**1,413,133**	-	-	**1,413,133**
Customer B	**491**	**674,439**	-	**674,930**
Customer C	**535,600**	-	-	**535,600**
Year ended 31 December 2019				
Customer A	927,043	-	-	927,043
Customer B	-	-	-	-
Customer C	23,041	-	-	23,041

7. FINANCE COSTS

	2020 **RMB'000**	2019 RMB'000
Interest on bank borrowings	**27,031**	32,795
Interest on lease liabilities	**2,776**	1,510
Others	**4,315**	5,147
	34,122	39,452

8. INCOME TAX EXPENSE

	2020 **RMB'000**	2019 RMB'000
Current tax - PRC Enterprise Income Tax		
Provision for the year	**54,642**	24,992
(Over)/under-provision in prior years	**(1,227)**	7,375
	53,415	32,367
Deferred tax	**(25,010)**	(27,653)
	28,405	4,714

(a) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits arising in Hong Kong for the years ended 31 December 2020 and 2019.

8. INCOME TAX EXPENSE (CONT'D)

(b) PRC Enterprise Income Tax

Pursuant to relevant laws and regulations in the PRC, the applicable PRC Enterprise Income Tax rates of the Group's PRC subsidiaries are as follows:

(i) Penglai Jutal Offshore Engineering Heavy Industries Company Limited ("Penglai Jutal")

Penglai Jutal was approved to recognise as a new and high technology enterprise since 28 November 2019 to 27 November 2022 (the "Period").

During the year ended 31 December 2020, Penglai Jutal has met all required conditions and is therefore entitled to enjoy a reduced income tax rate of 15%.

(ii) Chengdu Jutal Oil and Gas Engineering Co. Ltd ("Chengdu Jutal")

Chengdu Jutal was previously approved to recognise as a new and high technology enterprise from 29 August 2018 to 28 August 2020. During the year, Chengdu Jutal has applied and being approved to continue recognise as a new and high technology enterprise for other three years until 2 December 2023.

During the year ended 31 December 2020, Chengdu Jutal has met all required conditions and is therefore entitled to enjoy a reduced income tax rate of 15%.

(iii) Zhuhai Jutal Offshore Oil Services Company Limited ("Zhuhai Jutal")

During the year, Zhuhai Jutal has applied and being approved to recognise as a new and high technology enterprise starting from 9 December 2020 to 8 December 2023 (the "Period").

During the year ended 31 December 2020, Zhuhai Jutal has met all required conditions and is therefore entitled to enjoy a reduced income tax rate of 15% throughout the Period.

(iv) The tax rate applicable to other Group's PRC subsidiaries were 25% during the year.

(c) Tax charge on profits assessable elsewhere has 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.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC enterprise income tax rate is as follows:

	2020 **RMB'000**	2019 RMB'000
Profit before tax	**175,117**	9,138
Tax at the PRC enterprise income tax rate of 25% (2019: 25%)	**43,779**	2,285
Tax effect of income that is not taxable	**(2,434)**	(2,656)
Tax effect of expenses that are not deductible	**10,709**	13,577
Tax effect of tax losses not recognised	**-**	1,204
Deferred tax on undistributed earnings of the PRC subsidiaries	**4,080**	3,262
Tax benefit for qualifying research and development expenses	**(5,455)**	(3,825)
(Over)/under-provision in prior years	**(1,227)**	7,375
Effect of different tax rates of subsidiaries	**(21,047)**	(16,508)
Income tax expense	**28,405**	4,714

9. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2020 **RMB'000**	2019 RMB'000
(a) Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	**476,719**	356,027
Retirement scheme contributions	**25,131**	33,393
Share-based payments	**3,760**	17,352
	505,610	406,772
(b) Others items:		
Amortisation of intangible assets	**1,345**	1,079
Depreciation on property, plant and equipment	**128,645**	103,322
Depreciation on right-of-use assets	**27,389**	23,478
Net loss on disposals of property, plant and equipment*	**1,934**	499
Written off of right-of-use assets*	**154**	186
Net foreign exchange (gains)/ losses*	**(17,977)**	26,702
Research and development expenditure	**119,063**	61,456
Auditor's remuneration	**1,720**	1,629
Share-based payments paid to a consultant	**1,264**	752
Cost of inventories utilised in construction contracts and sold	**1,000,734**	443,295
Reversal of allowance for inventories	**(3,878)**	(1,698)
Impairment losses on trade and bills receivables	**55,463**	70,912
Reversal of impairment losses on other receivables	**(11,591)**	-
Reversal of impairment losses on contract assets	**(53)**	(707)
Impairment losses on goodwill*	**2,204**	-
Fair value changes on derivative financial instruments	**(13,179)**	(3,287)

*This amount is included in "Other operating expenses"

10. DIVIDENDS

	2020 RMB'000	2019 RMB'000
2018 final dividend of HK$0.02 per ordinary share	-	28,635

In February 2021, the Company paid an interim special dividend of approximately RMB206,278,000 (HK$0.15 per ordinary share) to the shareholders.

Subsequent to the end of the reporting period, finial dividend in respect of the year ended 31 December 2020 of HK$0.22 per share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming general meeting.

11. EARNINGS PER SHARE

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

	2020 RMB'000	2019 RMB'000
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share	**146,712**	4,424

	2020	2019
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,634,016,389**	1,634,016,389
Effect of dilutive potential ordinary shares arising from share options	-	1,162,978
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,634,016,389**	1,635,179,367

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

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

At 31 December 2020, the Company's outstanding share options had no dilutive effect as the exercise prices of those share options were higher than the average market price per share.

12. TRADE AND BILLS RECEIVABLES

	2020 RMB'000	2019 RMB'000
Trade receivables	**857,630**	1,009,021
Allowance for doubtful debts	**(153,854)**	(98,391)
	703,776	910,630
Bills receivables	**19,062**	21,920
	722,838	932,550

	2020 RMB'000	2019 RMB'000
Classified as:		
Trade receivables, non-current	**1,592**	538
Trade and bills receivables, current	**721,246**	932,012
	722,838	932,550

The Group's trading terms with customers are mainly on credit. The credit terms other than retentions 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 Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

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

	2020 RMB'000	2019 RMB'000
Billed		
0 to 30 days	**399,622**	367,948
31 to 90 days	**23,548**	63,156
91 to 365 days	**59,730**	77,880
Over 365 days	**184,123**	134,464
	667,023	643,448
Unbilled (note a)	**190,607**	365,573
	857,630	1,009,021

Note a: The unbilled balance mainly in relation to provision of construction and other services which will be billed in accordance with the payment terms stipulated in the relevant contracts entered into between the Group and the contract customers. As at 31 December 2020, unbilled balance of RMB1,592,000 (2019: RMB538,000) will be billed after one year from the end of the reporting date.

12. TRADE AND BILLS RECEIVABLES (CONT'D)

As at 31 December 2020, trade receivables aged over 90 days includes retentions receivables amounted to approximately RMB8,313,000 (2019: RMB24,664,000).

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

	2020	2019
	RMB'000	RMB'000
RMB	**575,426**	795,288
US$	**144,273**	89,463
Euro	**3,139**	1,509
HK$	**-**	46,290
Total	**722,838**	932,550

13. CONTRACT COST ASSETS

	2020	2019
	RMB'000	RMB'000
Contract cost assets	**6,150**	69,654

The amount represents the costs incurred relate directly to an existing contract or to specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. The movement of the contract cost assets is as follows:

	2020	2019
	RMB'000	RMB'000
At 1 January	**69,654**	56,316
Additions	**27,147**	24,545
Amortisation for the year	**(90,651)**	(11,207)
Impairment loss on contract cost assets	**-**	-
At 31 December	**6,150**	69,654

14. CONTRACT ASSETS / CONTRACT LIABILITIES

Contract assets	**2020**	2019
	RMB'000	RMB'000
Arising from performance under construction contracts	**411,806**	105,578
Arising from performance under technical support services	**43,476**	56,199
	455,282	161,777
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables"	**722,838**	932,550

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. Payment for technical support services are not due from the customer until the related services are complete and therefore a contract asset is recognised over the period in which the technical support services are performed to represent the entity's right to consideration for the services performed to date.

During the reporting period, significant increase in the contract assets balance mainly because revenue from construction contracts increased significantly from last year and the right to consideration of certain contracts can only become unconditional when reach the corresponding performance related milestone.

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous period is RMB608,000 (2019: RMB28,000), mainly due to the changes in the final transaction price of certain construction and service contracts.

The amount of contract assets that is expected to be recovered after more than one year is RMB170,000 (2019: RMB881,000).

14. CONTRACT ASSETS / CONTRACT LIABILITIES (CONT'D)

Contract liabilities	**2020**	2019
	RMB'000	RMB'000
Billings in advance of performance obligation		
- Construction contracts	**428,399**	290,057
- Technical support services	**1,868**	9,053
- Trading of oil and gas, chemical and new energy products	-	-
	430,267	299,110

Contract liabilities relating to construction contracts / technical support services are balances due to customers under construction contracts / technical support services. These arise if a particular milestone payment exceeds the revenue recognised to date under the percentage of completion method.

During the reporting period, significant increase in the contract liabilities balance mainly because of increase in advance payments received from contract customers.

Movements in contract liabilities:

	2020	2019
	RMB'000	RMB'000
Balance at 1 January	**299,110**	53,702
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	**(280,200)**	(28,162)
Increase in contract liabilities as a result of billing in advance of construction activities	**411,357**	273,570
Balance at 31 December	**430,267**	299,110

No billings in advance are expected to be recognised as income after more than one year for the years ended 31 December 2020 and 2019.

15. TRADE AND BILLS PAYABLES

	2020 **RMB'000**	2019 RMB'000
Trade payables	**980,751**	718,583
Bills payables	**75,369**	30,410
	1,056,120	748,993

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

	2020 **RMB'000**	2019 RMB'000
0 to 30 days	**816,354**	514,017
31 to 90 days	**54,711**	26,727
91 to 365 days	**15,376**	77,058
Over 365 days	**94,310**	100,781
	980,751	718,583

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

	2020 **RMB'000**	2019 RMB'000
RMB	**1,040,115**	740,200
US$	**15,899**	8,622
HK$	**106**	150
EUR	**-**	21
Total	**1,056,120**	748,993

16. **PROVISIONS**

	Warranty provision (note (i))		Provision for onerous contract (note (ii))		Total	
	2020	2019	**2020**	2019	**2020**	2019
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
At 1 January	**58,117**	82,664	-	-	**58,117**	82,664
Additional provisions	**26,068**	11,292	**22,035**	-	**48,103**	11,292
Provisions used	-	(2,177)	-	-	-	(2,177)
Unused provisions reversed	**(37,679)**	(33,662)	-	-	**(37,679)**	(33,662)
At 31 December	**46,506**	58,117	**22,035**	-	**68,541**	58,117

Note:

(i) The warranty provision represents the Group's best estimate of the Group's liability under 18 - 120 months warranties granted to its customers in relation to certain construction contracts under which defective works are rectified or replaced.

The amount of the warranty provision is estimated based on past experience and current expectation of the level of defective works and the estimation basis is reviewed on an ongoing basis and revised where appropriate.

(ii) The provision for onerous contracts relates to the Group's exposure to the unavoidable cost of meeting its obligations under the contract, which exceeds the expected benefits to be received by the Group. The provision is measure at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

BUSINESS REVIEW

Based on the energy industry, the Group provides customers with integrated services including high-end equipment fabrication and engineering services, and gains well-developed construction experience and excellent performance in module construction. In the past year, the Group hit a record high in terms of overall workload. In addition to the offshore technical services business, the Group operates a total of 22 projects in Penglai site and Zhuhai site, of which 17 projects have been completed and successfully delivered, with an on-time delivery rate of 100%.

Following the global low-carbon development strategy and initiative, by virtue of years of its business advantages and engineering experience in the field of ocean engineering, the Group has always been actively pushing forward business transformation and strategic placement into clear energy and refinery and other areas. Zhuhai site successfully acquired a large-scale project order of supplying an European offshore wind farm project with 50 sets of offshore wind power equipment in June 2020. In addition, the Group also signed new contracts in relation to the fabrication of modules for offshore floating production storage and offloading facility (FPSO). The aggregate contract amount of these projects exceeds RMB 2 billion.

Within the year, the Group efficiently performed the core process module construction for the GCGV natural gas chemical plant in North America, as well as other large-scale projects such as the core module construction for the production line of Arctic LNG 2 project in the Arctic region. As the large-scale core module construction projects are second to none in the industry in terms of scale and complexity, module design and construction are challenging. In fact, the construction of modules with large and complex process involves multiple task sequences and multi-specialties. In the context of parallel construction and intensive delivery of modules, an extremely tough test is faced in terms of processing design, material supply, project management, construction management, human resources and site resources. Therefore, site project personnel have to clarify and discuss with customers in a deep-going way, analyze a number of key and difficult points in design, material supply and professional construction in an all-round way, and optimize building and construction schemes in order to spare no effort to guarantee the smooth progress of the project in every aspect.

As at the end of December, 2020, the Group has completed a total of over 97% of the GCGV large-scale natural gas chemical plant module construction project, and completed the delivery of nine-ship products on time or ahead of schedule during the year. Later, the Group commenced the final module assembly for the Arctic LNG 2 project in the second half of the year, however, under the impact of the COVID-19, the project progress was delayed with over 20% completed of the overall progress throughout the year, while the Group was also preparing for delivery batch by batch for the European Offshore Wind Farm Equipment Project as planned. By the end of 2020, the total backlog value of the Group was about RMB4 billion.

The Group implements an innovative model of health, safety and environmental project management, shortens management process, lowers management cost and improves the efficiency and quality of project health, safety and environmental protection management through resources integration. The construction sites of the Group achieved over 28 million safety man hours in 2020 and the total recordable incident rate and total recordable incident severity level per 200,000 man-hours are both equal to zero, hitting the highest level in history, and these sites were awarded as best safety construction sites by a number of customers.

During the year, as its own staff team remained stable, the Group further enriched and cultivated personnel for key business management posts, optimised employees' age and knowledge structure, and at the same time, reinforced collaborative labor service, made full use of social labor resources to provide a manpower guarantee for project construction and delivery on time; while for some business posts, the Group implemented incentives for employee performance assessment and adjusted the distribution policy to stimulate employees' responsibility and enthusiasm. In fact, Penglai site and Zhuhai site sought joint business development and further deepened cooperation on human resources sharing.

The Group continues to push forward the construction of caring culture. Specifically, the Group has organised a series of activities through Caring Leadership, Caring Ambassador and Caring Committee to promote caring culture. In addition, the Group has built a communication platform for basic staff, families and senior staff through Caring Lunch Committee, established a safety consensus and promoted the development of caring culture.

In face of COVID-19 in early 2020, the Group's affiliates in various places quickly set up a leading group against COVID-19 in accordance with the state and local requirements for COVID-19 prevention, control and management, and spend effort to push the projects forward while refining the planning of measures against COVID-19. In view of the fact that project progress was delayed by COVID-19, all sites and business units organized employees, owners and subcontracted labors to return to work as a whole according to project plan and manpower demand, and guaranteed the orderly progress of all works and schedules for project completion. In general, COVID-19 produced no significant impact on the Group's operation within 2020.

PROSPECTS

Since 2021, global crude oil prices have shown a stable and upward trend, and the industry outlook is expected to be better. According to relevant reports on the World Energy Outlook, as emerging economies achieve continuous prosperity and improvement in their living standard, global energy demand will continue to grow, while the low-carbon transformation of energy system will bring about a more diversified energy structure, so that the renewable energy will increase accordingly in terms of usage and proportion. Based on a wide range of needs and ever-growing global supply, the demand for natural gas will be more resilient. With the help of technological progress, economies of scale and other factors, the cost of clean energy is falling, and the renewable energy led by wind and solar energy is expected to achieve rapid growth in the next three decades.

At present, the Group focuses its primary business on module and equipment fabrication in the energy and refining and chemical industry, and the industrial macro-environment is expected to see a greater improvement. The Group will keep a close eye on key LNG and chemical module projects in the market, especially modules of large-scale and complex process, win over high-end customers, establish a long-term partnership with the world-class partners, and strive to extend to the upper and lower industry value chains based on construction business. While offshore wind power and other businesses see a period of rapid development, the equipment fabrication of foreign wind power projects is expected to accelerate the transition to construction sites in China, the Group will actively explore new energy project markets and improve allocation of relevant resources, hoping to gain good new business placement.

The Group will continue to enhance its core competences through various measures. The Group will maintain the adequacy, suitability and effectiveness of system files by reorganize quality, health, safety and environmental management system, so as to ensure that system files will be fully implemented and the system will be continuously improved; the Group will improve the project quality control system by developing the quality information collection system, so as to provide data support and efficient management for the analysis of follow-up quality issues; the Group will strengthen the selection, cultivation and training of talent teams by intensifying the system construction of the core control ability for project management, so as to further improve the management competence of international and large complex projects in an all-round way; the Group will also improve the revenue rate by innovating construction methods and vigorously enhancing the degree of automatic welding, so as to gain competitive advantage.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Financial and business review

Revenue

In year 2020, the Group recorded a revenue of approximately RMB3,647,183,000, representing an increase of 107.15% or RMB 1,886,559,000 as compared with year 2019. Among others, revenue from the fabrication of facilities and provision of integrated services for oil and natural gas industries increased by 75.99% or RMB1,228,267,000 as compared with that of year 2019, which was mainly due to the natural gas petrochemical module construction project undertaken by Penglai site in 2019 began to enter the peak period during the year, and the workload had a great increase over the corresponding period of last year; the revenue from the fabrication of facilities and provision of integrated services for new energy and refining and chemical industries increased by 516.00% or RMB652,640,000 as compared with that of year 2019, mainly due to the project of 50 sets of offshore wind power equipment undertaken and built by Zhuhai site in 2020 for European Offshore Wind Power Farm Project; other businesses mainly represents provision of technical support services for the shipbuilding industry, and the revenue increased by 31.85% or RMB5,652,000 as compared to last year, but the shipbuilding market remained depressed, and the workload of such business remained at a lower level.

The table below sets out the analysis of revenue by business segments for the years 2020, 2019 and 2018 respectively:

		For the financial year ended 31 December					
		2020		2019		2018	
	Business Segments	**RMB'000**	**Percentage to total revenue (%)**	RMB'000	Percentage to total revenue (%)	RMB'000	Percentage to total revenue (%)
1	**Fabrication of facilities and provision of integrated services for oil and gas industries**	**2,844,666**	**78**	1,616,399	92	983,112	66
2	**Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries**	**779,120**	**21**	126,480	7	485,334	33
3.	**Others**	**23,397**	**1**	17,745	1	17,518	1
	Total	**3,647,183**	**100**	1,760,624	100	1,485,964	100

Cost of sales and services

Cost of sales and services of the Group amounted to approximately RMB3,199,434,000 in year 2020, representing an increase of 122.13% or RMB1,759,104,000 as compared with that of year 2019. Cost of sales and services comprised direct costs and manufacturing overheads. Direct costs in the current year amounted to approximately RMB2,932,991,000, representing 91.67% of the total cost of sales and services, and an increase of RMB1,725,022,000 or 142.80% from RMB1,207,969,000 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 varies from project to project. Manufacturing overheads has increased by RMB34,082,000 or 14.67% from RMB232,361,000 of the corresponding period of last year to approximately RMB266,443,000 in current reporting period.

Gross profit

The total gross profit of the Group for the year 2020 amounted to approximately RMB447,749,000, representing an increase of 39.79% or RMB127,455,000 as compared with RMB320,294,000 in year 2019. The overall gross profit margin dropped to 12.28% from 18.19% of the corresponding period of last year. The gross profit margin of the fabrication of facilities and provision of integrated services for oil and natural gas industries dropped from 20.35% in year 2019 to 13.20%; the gross profit margin of the fabrication of facilities and provision of integrated services for new energy and refining and chemical industries rose from negative 6.05% in year 2019 to 9.27%, which was mainly contributed by the new energy projects newly undertaken by Zhuhai site; the gross profit margin of other businesses rose from negative 5.89% in year 2019 to 0.51%. The changes in business structure resulted in varying changes in the gross profit margin of different business segments during the current period. The decrease in the overall gross profit margin was mainly due to lower gross profit recorded by certain projects of the current year, so that the gross profit margin dropped as compared with the corresponding period of last year.

The following shows the breakdown of gross profit / (loss) by business segments for the years 2020, 2019 and 2018 respectively:

		For the financial year ended 31 December								
		2020			2019			2018		
	Business Segments	**RMB' 000**	**Gross profit margin (%)**	**Percentage to total gross profit (%)**	RMB' 000	Gross profit margin (%)	Percentage to total gross profit (%)	RMB' 000	Gross profit margin (%)	Percentage to total gross profit (%)
1	**Fabrication of facilities and provision of integrated services for oil and gas industries**	**375,425**	**13**	**84**	328,989	20	103	105,830	11	59
2	**Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries**	**72,204**	**9**	**15**	(7,649)	(6)	(2)	78,343	16	43
3	**Others**	**120**	**1**	**1**	(1,046)	(6)	(1)	(3,668)	(21)	(2)
	Total	**447,749**		**100**	320,294		100	180,505		100

Other income

Other income of the Group in year 2020 amounted to approximately RMB68,520,000, mainly comprising interest income, net foreign exchange gains and income from government grants.

Administrative and other operating expenses

Administrative and other operating expenses in aggregate increased by 1.29% or RMB3,359,000 as compared with that of year 2019 to approximately RMB263,211,000, primarily resulting from the net effect of increase in staff compensation and decrease in share based payment and decrease in net foreign exchange losses compared to that of last year.

Finance costs

Finance costs in aggregate amounted to approximately RM34,122,000 in year 2020, which was mainly comprised of interests on bank borrowings of approximately RMB27,031,000 and bank charges and other finance costs of approximately RMB7,091,000.

Profit attributable to owners of the Company and earnings per share

In summary, in year 2020, profit attributable to owners of the Company amounted to approximately RMB146,712,000, which represented an increase of 3,216.27% or RMB142,288,000 as compared to that of RMB4,424,000 in year 2019. Basic and diluted earnings per share attributable to owners of the Company for year 2020 were RMB0.0898 and RMB0.0898 respectively.

2. Liquidity and financial resources

As at 31 December 2020, the working funds (cash and cash equivalent) of the Group amounted to approximately RMB1,191,173,000 (2019: RMB808,766,000). During the year, net cash inflow from operating activities amounted to approximately RMB798,332,000, net cash outflow from investing activities amounted to approximately RMB185,468,000, and net cash outflow from financing activities amounted to approximately RMB177,070,000.

As at 31 December 2020, the Group had approximately RMB570,620,000 (2019: RMB570,323,000) of available undrawn banking facilities. Available undrawn banking facilities include bank borrowings, letters of credit, bank guarantees, etc.

As at 31 December 2020, the Group had obtained bank guarantees under performance bonds for construction contracts of approximately RMB1,048,565,000 (2019: RMB497,632,000).

3. Capital structure

As of 31 December 2020, the share capital of the Company comprises 1,634,016,389 ordinary shares (2019: 1,634,016,389 ordinary shares). As at 31 December 2020, net assets of the Group amounted to approximately RMB2,249,345,000 (2019: RMB2,150,993,000), comprising non-current assets of approximately RMB1,787,180,000 (2019: RMB1,716,353,000), net current assets of approximately RMB1,057,220,000 (2019: RMB962,943,000) and non-current liabilities of approximately RMB595,055,000 (2019: RMB528,303,000).

4. Significant investment

In the first half of the Year, according to the market situation and future development plan, the Company further improved the equipment and facilities of the Penglai site, and focused on increasing investment in Zhuhai site to improve the equipment and facilities conditions, these two sites have been approved to implement the investment of nearly RMB170 million.

Apart from the above, the Group had no other significant investment during the year ended 31 December 2020.

5. Foreign exchange risk

Most of the Group's business transactions, assets and liabilities are principally denominated in RMB, Euro and United States dollars (US$). During the years ended 31 December 2020 and 2019, the Group has entered into foreign exchange forward contracts to hedge the foreign currency risk arising from certain of its contract revenue and trade receivables denominated in Euro and US$. The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities.

6. Assets pledged by the Group

As at 31 December 2020, approximately RMB136,073,000 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.

As at 31 December 2019, approximately RMB 56,813,000 of the bank deposits, RMB9,507,000 of other receivables and fixed assets with carrying amount of RMB105,686,000 were pledged as security for the Group's bank and other borrowings, the issuance of performance bonds, letter of credits and bank acceptance.

7. Contingent liabilities

The Group is a defendant in a lawsuit brought during the year ended 2018 claiming approximately RMB8.2 million together with interest relating to subcontracting services rendered by a subcontractor (the "Plaintiff"). The Group has filed a counterclaim against the Plaintiff for approximately RMB3.7 million. The lawsuit is now being proceeded and has not been completed up to the date of this announcement.

Because the final outcome of the proceedings is uncertain, the directors, based on the legal advice obtained, determined that the ultimate liability, if any, will not have a material impact on the Group's financial position.

Save as disclosed above, as at 31 December 2020 and 31 December 2019, the Group did not have other significant contingent liabilities.

8. Capital management

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

The gearing ratios at 31 December 2020 and at 31 December 2019 were as follows:

	2020	2019
	RMB'000	RMB'000
Bank and other borrowings	**519,700**	682,042
Total equity	**2,249,345**	2,150,993
Gearing ratio	**23.10%**	31.71%

The decrease in the gearing ratio in 2020 was mainly due to the decrease in total borrowings. The Group adjusts the amount of bank and other borrowings from time to time to meet the Group's working capital needs.

9. Employees and remuneration policy

As at 31 December 2020, the Group had total 3,568 employees (31 December 2019: 3,172 employees), of which 1,625 (31 December 2019: 1,428) were management and technical staff, and 1,943 (31 December 2019: 1,641) were technicians.

The Group encourages staff to 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 and housing funds for employees according to the local laws and regulations.

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

DIVIDEND

The Board recommend the payment of a final dividend of HK0.22 per share for the year ended 31 December 2020, which is subject to the shareholder's approval in the coming annual general meeting of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of three independent non-executive directors. The Audit Committee has reviewed the consolidated results of the Group for the year ended 31 December 2020.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Corporate Governance Codes set out in Appendix 14 of the Listing Rules for the year ended 31 December 2020, save and except the Company provides the two board members, namely Mr. Wang Ningsheng and Mr. Liu Yunian, with monthly internal financial statements, instead of all board members, because they are responsible for overseeing the financial affairs of the Company. The remaining directors have access to the monthly internal financial statements as well. The reason for such deviation from the Corporate Governance Code as set out in Appendix 14 of the Listing Rules is to enhance the Company's cost-efficiency.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors, the directors have complied with the standard set out in the Model Code for the year ended 31 December 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed interest in any of the Company's listed securities during the year ended 31 December 2020.

PUBLICATION OF FINAL RESULTS

This results announcement will be published on the website of the Stock Exchange and the Company's website (www.jutal.com). The annual report for the year ended 31 December 2020 containing all the information required under Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 30 March 2021

As at the date of this announcement, the executive directors are Mr. Wang Lishan (Chairman), Mr. Liu Lei (Deputy Chairman), Mr. Cao Yunsheng, Mr. Gao Zhiqiang, Mr. Wang Ningsheng and Mr. Liu Yunian; and the independent non-executive directors are Mr. Su Yang, Mr. Qi Daqing and Mr. Zheng Yimin.