

# 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



**2024**  
INTERIM  
REPORT

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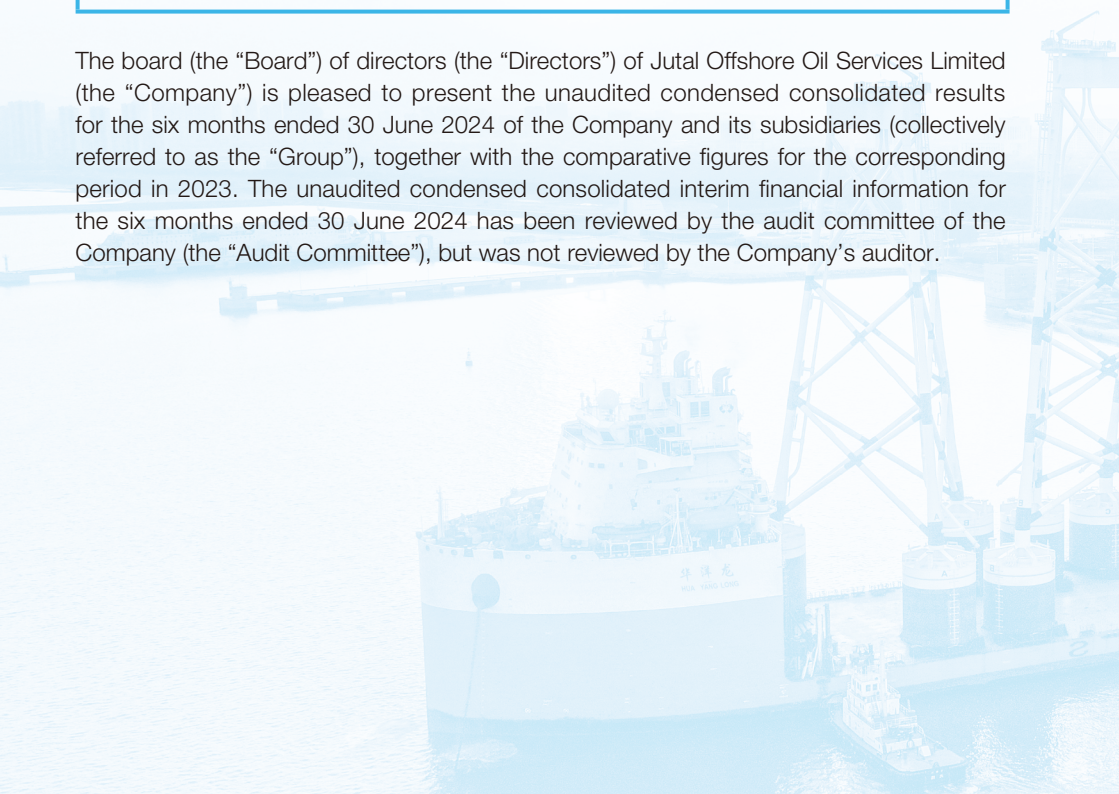
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## Financial Highlights

- Revenue was RMB1,284,256,000, a 55.95% increase from the same period in last year.
- Gross profit was RMB367,501,000, a 89.11% increase from the same period in last year.
- Profit attributable to owners of the Company was RMB177,309,000, a 157.55% increase from the same period in last year.
- Basic and diluted earnings per share were RMB8.675 cents and RMB8.673 cents respectively for the six months ended 30 June 2024.
- The Board recommends the payment of an interim dividend of HK\$0.03 per share for the six months ended 30 June 2024.

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 2024 of the Company and its subsidiaries (collectively referred to as the “Group”), together with the comparative figures for the corresponding period in 2023. The unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 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 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	5	1,284,256	823,527
Cost of sales and services		(916,755)	(629,190)
<b>Gross profit</b>		367,501	194,337
Other income	6	13,912	16,359
Reversal of impairment losses on trade and other receivables/(Impairment losses on trade and other receivables)		10,543	(1,291)
Impairment losses on contract assets		(9,067)	(293)
Administrative expenses		(129,001)	(70,835)
Other operating expenses	7	(38,820)	(33,767)
<b>Profit from operations</b>		215,068	104,510
Finance costs	8	(7,309)	(10,995)
<b>Profit before tax</b>		207,759	93,515
Income tax expense	10	(30,450)	(24,671)
<b>Profit for the period attributable to owners of the Company</b>	11	177,309	68,844
<b>Earnings per share</b>	12	RMB	RMB
Basic		8.675 cents	3.474 cents
Diluted		8.673 cents	3.474 cents

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Profit for the period</b>	<b>177,309</b>	68,844
<b>Other comprehensive income:</b> <i>Item that will be reclassified to profit or loss:</i> Exchange differences on translating foreign operations	<b>2,535</b>	13,287
<b>Other comprehensive income for the period, net of tax</b>	<b>2,535</b>	13,287
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>179,844</b>	82,131



## Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	13	924,627	917,719
Right-of-use assets	14	369,204	378,631
Goodwill		52,444	52,444
Intangible assets		4,808	5,487
Trade receivables, non-current	15	2,347	3,846
Deferred tax assets		7,331	5,228
		<b>1,360,761</b>	<b>1,363,355</b>
<b>Current assets</b>			
Inventories		143,462	110,569
Trade and bills receivables	15	429,034	1,119,485
Contract cost assets		21,056	1,298
Contract assets		512,942	504,704
Prepayments, deposits and other receivables		74,896	122,816
Derivative financial instruments		–	703
Current tax assets		11	–
Financial assets at fair value through profit or loss		54,618	58,283
Pledged bank deposits		61,830	51,069
Bank and cash balances		951,065	752,717
		<b>2,248,914</b>	<b>2,721,644</b>

## Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>Current liabilities</b>			
Trade and bills payables	16	652,217	699,455
Contract liabilities		217,661	648,903
Accruals and other payables		87,801	113,742
Derivative financial instruments		4,362	7,886
Provisions		177,592	168,348
Bank borrowings		149,700	81,800
Deferred income		2,567	4,100
Lease liabilities		7,168	7,312
Current tax liabilities		12,257	49,693
		<b>1,311,325</b>	<b>1,781,239</b>
<b>Net current assets</b>			
		<b>937,589</b>	<b>940,405</b>
<b>Total assets less current liabilities</b>			
		<b>2,298,350</b>	<b>2,303,760</b>
<b>Non-current liabilities</b>			
Deferred income		17,025	11,987
Lease liabilities		12,761	16,513
Bank borrowings		30,500	227,500
Deferred tax liabilities		30,613	36,021
		<b>90,899</b>	<b>292,021</b>
<b>Net assets</b>			
		<b>2,207,451</b>	<b>2,011,739</b>

## Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>Capital and reserves</b>			
Share capital	17	19,145	17,783
Reserves		2,188,306	1,993,956
<b>Total equity</b>		<b>2,207,451</b>	<b>2,011,739</b>

Approved by the Board of Directors on 26 August 2024

**Wang Lishan**  
Chairman

**Zhao Wuhui**  
Director





## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital	Share premium account	Treasury share reserve	Share award reserve	Special reserve	Convertible loan notes equity reserve	Foreign currency translation reserve	Share-based payment reserve	Statutory reserves	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	17,783	1,379,936	-	-	(52,040)	2,951	(58,320)	69,291	40,275	347,371	1,747,247
Total comprehensive income for the period	-	-	-	-	-	-	13,287	-	-	68,844	82,131
Share options forfeited	-	-	-	-	-	-	-	(817)	-	817	-
Changes in equity for the period	-	-	-	-	-	-	13,287	(817)	-	69,661	82,131
At 30 June 2023 (Unaudited)	17,783	1,379,936	-	-	(52,040)	2,951	(45,033)	68,474	40,275	417,032	1,829,378
At 1 January 2024	17,783	1,379,936	-	-	(52,040)	2,951	(52,323)	63,176	40,275	611,981	2,011,739
Total comprehensive income for the period	-	-	-	-	-	-	2,535	-	-	177,309	179,844
Issue of shares under placing	1,362	54,996	-	-	-	-	-	-	-	-	56,358
Shares repurchased	-	-	(98,033)	-	-	-	-	-	-	-	(98,033)
Treasury share granted under share award scheme	-	4,803	34,734	5,446	-	-	(52)	-	-	-	44,931
Share-based payments	-	-	-	-	-	-	-	12,612	-	-	12,612
Share options forfeited	-	-	-	-	-	-	-	(36,064)	-	36,064	-
Changes in equity for the period	1,362	59,799	(63,299)	5,446	-	-	2,483	(23,452)	-	213,373	195,712
At 30 June 2024 (Unaudited)	19,145	1,439,735	(63,299)	5,446	(52,040)	2,951	(49,840)	39,724	40,275	825,354	2,207,451

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Net cash generated from operating activities</b>	<b>450,601</b>	177,996
Interest received	8,671	3,886
Decrease in financial assets at fair value through profit or loss	2,264	–
Purchases of property, plant and equipment	(78,634)	(22,779)
Proceeds from disposals of property, plant and equipment	–	141
Government grants received	8,124	982
(Decrease)/increase in pledged bank deposits	(10,849)	706
Net payments from settlement of derivative financial instruments	(10,072)	(11,724)
<b>Net cash used in investing activities</b>	<b>(80,496)</b>	(28,788)
Bank borrowings raised	–	30,500
Repayments of bank and other borrowings	(129,100)	(67,450)
Payments for the repurchase of the shares of the Company	(98,033)	–
Proceeds from placement of shares	56,358	–
Principal elements of lease payments	(3,586)	(4,452)
<b>Net cash used in financing activities</b>	<b>(174,361)</b>	(41,402)

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net increase in cash and cash equivalents	195,744	107,806
Cash and cash equivalents at beginning of period	752,805	610,477
Effect of foreign exchange rate changes	2,516	11,418
Cash and cash equivalents at end of period, represented by	951,065	729,701
Bank and cash balances	951,065	725,737
Pledged bank deposits (mature in three months or less)	–	3,964
	951,065	729,701

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 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 2023 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 2023.

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

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2023. In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024 but they do not have a material effect on the Group’s condensed consolidated financial statements.

A number of new standards and amendments are effective for annual periods beginning after from 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 3. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 3. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Disclosures of level in fair value hierarchy  
At 30 June 2024

Description	Fair value measurement using Level 2 RMB'000
<b>Recurring fair value measurements:</b>	
<b>Financial assets</b>	
Financial assets at fair value through profit or loss	
Listed equity investments	16,285
Unlisted private funds	38,333
<b>Total</b>	<b>54,618</b>
<b>Financial liabilities</b>	
Derivatives	
Foreign currency forward	4,362
<b>Total</b>	<b>4,362</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 3. FAIR VALUE MEASUREMENTS (CONTINUED)

#### (a) Disclosures of level in fair value hierarchy (Continued)

At 31 December 2023

Description	Fair value measurement using Level 2 RMB'000
<b>Recurring fair value measurements:</b>	
<b>Financial assets</b>	
Financial assets at fair value through profit or loss	
Unlisted private funds	58,283
Derivatives	
Foreign currency forward	703
<b>Total</b>	<b>58,986</b>
<b>Financial liabilities</b>	
Derivatives	
Foreign currency forward	7,886
<b>Total</b>	<b>7,886</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 3. FAIR VALUE MEASUREMENTS (CONTINUED)

#### (b) Reconciliation of financial assets measured at fair value based on level 2

	Listed equity investments RMB'000	Unlisted private funds RMB'000
<b>At 1 January 2024</b>	–	58,283
Purchases	18,015	–
Proceeds	–	(20,279)
Total (losses)/gains recognised in profit or loss (#)	(1,801)	383
Exchange difference	71	(54)
<b>At 30 June 2024</b>	<b>16,285</b>	<b>38,333</b>
(#) Include (losses)/gains for assets held at the end of reporting period	(1,801)	383
	Listed equity investments RMB'000	Unlisted private funds RMB'000
<b>At 1 January 2023</b>	–	57,454
Purchases	–	–
Total gains recognised in profit or loss (#)	–	–
Exchange difference	–	1,846
<b>At 30 June 2023</b>	–	59,300
(#) Include gains for assets held at the end of reporting period	–	–



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 3. FAIR VALUE MEASUREMENTS (CONTINUED)

#### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements

The Group has engaged external valuation expert with the professional qualifications and recent experience to perform the fair value measurement of foreign currency forward contracts outstanding as at 30 June 2024 and 31 December 2023.

The fair value of unlisted private funds are determined based on their net asset value, representing the fair value of the funds reported by respective fund managers.

The fair value of listed equity investment are determined based on quoted price by the buyer, representing the fair value of the investment as at 30 June 2024.

The valuation techniques used and the key inputs to the level 2 fair value measurements are set out below:

#### Level 2 fair value measurements

Description	Valuation technique	Key inputs	Fair value			
			30 June 2024		31 December 2023	
			Assets RMB'000	Liabilities RMB'000	Assets RMB'000	Liabilities RMB'000
Listed equity investment	Market Approach	Quoted price by the buyer	16,285	-	-	-
Unlisted private funds	Net asset value	Net asset value	38,333	-	58,283	-
Derivatives – foreign currency forward	Discounted cash flows	Forward exchange rate; Contract forward rates; and Discount rate	-	4,362	703	7,886
<b>Total</b>			<b>54,618</b>	<b>4,362</b>	<b>58,986</b>	<b>7,886</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

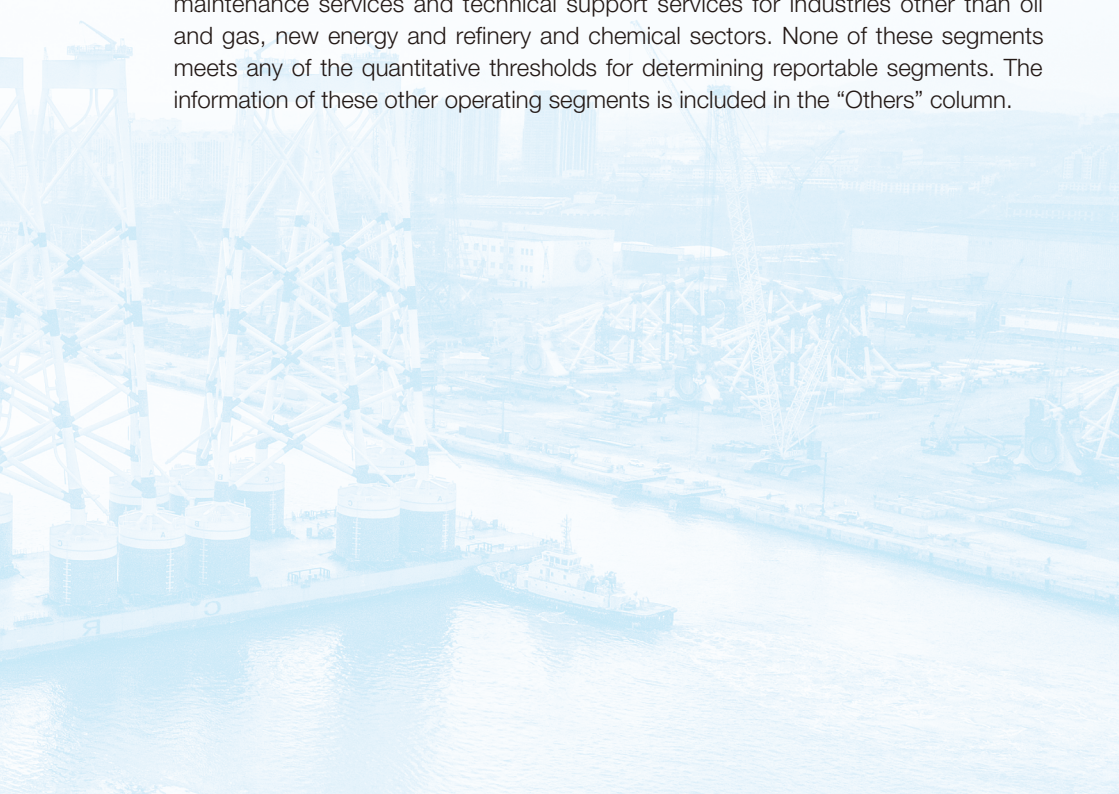
### 4. SEGMENT INFORMATION

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 these other operating segments is included in the “Others” column.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 4. SEGMENT INFORMATION (CONTINUED)

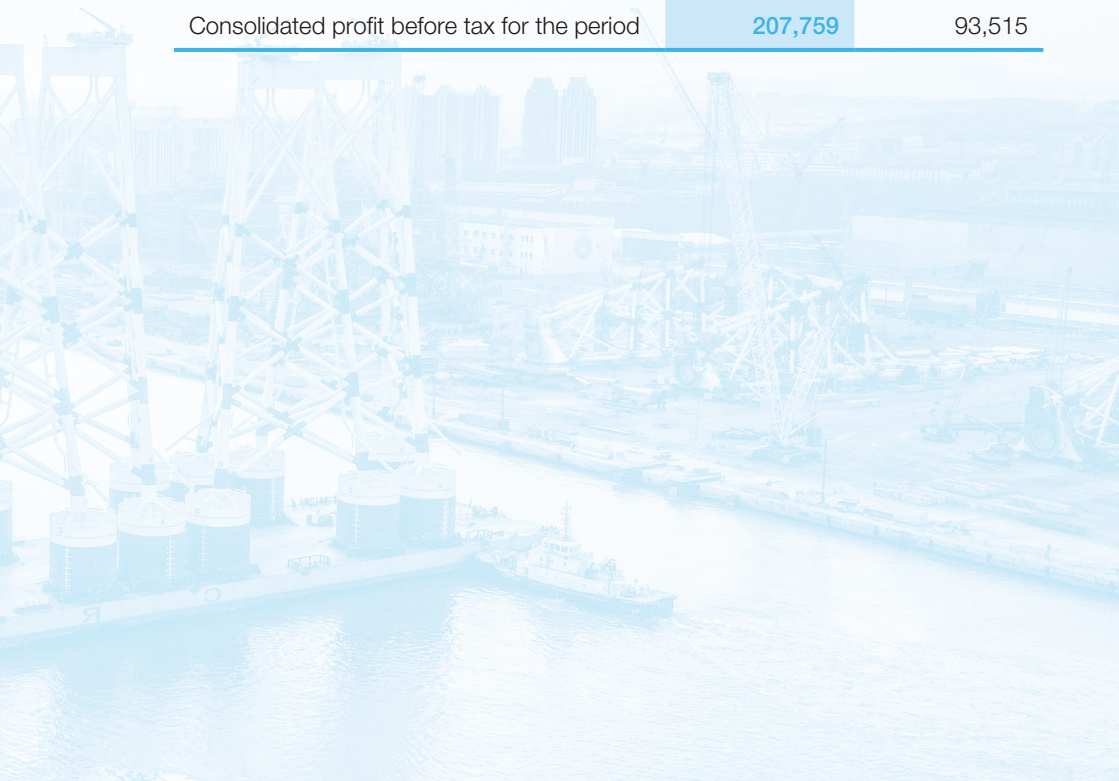
	Oil and gas segment RMB'000 (Unaudited)	New energy and refinery and chemical segment RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Six months ended 30 June 2024</b>				
Revenue from external customers	1,281,731	2,226	299	1,284,256
Segment profit/(loss)	363,509	4,428	(436)	367,501
<b>At 30 June 2024</b>				
Segment assets	2,379,491	21,645	76,434	2,477,570
Segment liabilities	1,107,514	36,168	11,517	1,155,199
<b>Six months ended 30 June 2023</b>				
Revenue from external customers	677,016	141,016	5,495	823,527
Segment profit/(loss)	111,536	83,062	(261)	194,337
<b>At 31 December 2023</b>				
	(Audited)	(Audited)	(Audited)	(Audited)
Segment assets	3,127,061	29,699	2,308	3,159,068
Segment liabilities	1,614,650	39,290	333	1,654,273

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 4. SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Reconciliations of reportable segment profit:		
Total profit of reportable segments	367,501	194,337
Unallocated amounts:		
Other income	13,912	16,359
Finance costs	(7,309)	(10,995)
Other corporate expenses	(166,345)	(106,186)
Consolidated profit before tax for the period	207,759	93,515



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 5. 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.

	Oil and gas segment		New energy and refinery and chemical segment		Others		Total	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
<b>For the six months ended 30 June (unaudited)</b>								
Timing of revenue recognition								
Goods and services transferred at a point in time	21,987	23,041	-	-	-	673	21,987	23,714
Goods and services transferred over time	1,259,744	653,975	2,226	141,016	299	4,822	1,262,269	799,813
<b>Total</b>	<b>1,281,731</b>	<b>677,016</b>	<b>2,226</b>	<b>141,016</b>	<b>299</b>	<b>5,495</b>	<b>1,284,256</b>	<b>823,527</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 5. REVENUE (CONTINUED)

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade and bills receivables	431,381	1,123,331
Contract assets	512,942	504,704
Contract liabilities	217,661	648,903

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 RMB486,693,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2024.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 6. OTHER INCOME

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net foreign exchange gains	330	3,526
Gain on disposals of property, plant and equipment	–	33
Interest income on bank deposits	8,671	3,886
Government grants recognised	4,619	4,394
Compensation income	171	160
Reversal of impairment losses on inventories	–	3,273
Sundry income	121	1,087
	<b>13,912</b>	<b>16,359</b>



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 7. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net losses on derivative financial instruments (note (a))	7,251	29,773
Impairment losses on inventories	3,101	–
Loss on disposals on property, plant and equipment	410	–
Impairment losses on property, plant and equipment (note (b))	26,018	3,926
Loss on disposal of a subsidiary (note (c))	282	–
Net loss on financial assets at fair value through profit or loss	1,418	–
Others	340	68
	<b>38,820</b>	<b>33,767</b>

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.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 7. OTHER OPERATING EXPENSES (CONTINUED)

Notes: (Continued)

- (b) At 30 June 2024, before impairment testing, the Group has property, plant and equipment with carrying amount of approximately RMB345,062,000 (at 30 June 2023: RMB326,374,000) located and used in the Group's Zhuhai fabrication plant which is regarded as the cash generating unit of the related property, plant and equipment (the "CGU"). The Group has assessed there is an impairment indication of the CGU and estimates the recoverable amount of the CGU on the basis of their value in use using discounted cash flow method. The rate used to discount the forecast cash flows is 13.3% (for the six months ended 30 June 2023: 13.85%). For the six months ended 30 June 2024, an impairment loss of approximately RMB1,491,000 (for the six months ended 30 June 2023: RMB3,926,000) was recognised on fixed assets of the CGU.

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 2024, an impairment loss of approximately RMB24,527,000 (for the six months ended 30 June 2023: RMB Nil) was recognised on the equipment.

- (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.

### 8. FINANCE COSTS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest on bank borrowings	4,937	10,084
Interest on lease liabilities	545	721
Others	1,827	190
	<b>7,309</b>	<b>10,995</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 9. DIVIDENDS

The Board recommends the payment of an interim dividend of HK\$0.03 per share for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### 10. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax – The People's Republic of China (the "PRC") Enterprise Income Tax		
Provision for the period	37,975	17,895
Over-provision in prior periods	(14)	–
Deferred tax	37,961 (7,511)	17,895 6,776
	<b>30,450</b>	<b>24,671</b>

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 2024 and 2023.

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.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 11. PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Impairment losses/(Reversal of impairment losses) on inventories	3,101	(3,273)
Loss/(Gain) on disposals of property, plant and equipment	410	(33)
Directors' emoluments		
– As directors	1,075	539
– For management	35,490	2,136
	<b>36,565</b>	<b>2,675</b>



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 12. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Earnings</b>		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	177,309	68,844
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,043,991,246	1,981,598,389
Effect of dilutive potential ordinary shares arising from share options	345,388	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	2,044,336,634	1,981,598,389

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.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of approximately RMB84,330,000 (six months ended 30 June 2023: RMB3,817,000).

### 14. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024 and 2023, the Group makes fixed payments throughout the lease period.

### 15. TRADE AND BILLS RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	509,438	1,215,162
Allowance for doubtful debts	(88,571)	(101,073)
	420,867	1,114,089
Bills receivables	10,514	9,242
	431,381	1,123,331
Classified as:		
Trade receivables, non-current	2,347	3,846
Trade and bills receivables, current	429,034	1,119,485
	431,381	1,123,331

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 15. TRADE AND BILLS RECEIVABLES (CONTINUED)

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 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Billed:		
0 to 30 days	52,795	867,651
31 to 90 days	248,157	229,171
91 to 365 days	123,957	16,704
Over 365 days	46,782	58,821
	471,691	1,172,347
Unbilled	37,747	42,815
	509,438	1,215,162

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 16. TRADE AND BILLS PAYABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade payables	619,467	652,050
Bills payables	32,750	47,405
	<b>652,217</b>	<b>699,455</b>

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
0 to 30 days	500,390	530,981
31 to 90 days	41,166	41,295
91 to 365 days	29,054	21,325
Over 365 days	48,857	58,449
	<b>619,467</b>	<b>652,050</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	4,000,000,000	40,000

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 2023 (Audited) and 31 December 2023 (Audited)		1,981,598,389	19,816	17,783
Placement of shares	(a)	150,000,000	1,500	1,362
At 30 June 2024 (Unaudited)		2,131,598,389	21,316	19,145

Note:

- (a) On 7 March 2024, the Company completed a placing of 150,000,000 placing shares at the placing price of HK\$0.42 per placing share, representing approximately 7.04% of the issued share capital of the Company as enlarged by the issue of the placing shares. The net proceeds from the placing, after deduction of the placing commission and other related expenses and professional fees from the gross proceeds from the placing, amounted to HK\$61,509,000 (equivalent to RMB56,582,000) will be used for the construction of the existing Zhuhai site and Group's general working capital.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 18. SHARE AWARD SCHEME

The Company has adopted a new share award scheme (the “Scheme”) pursuant to a resolution passed on 18 March 2024 which constituted by a Trust Deed between the Company and Tricor Trust (Hong Kong) Limited (the “Trustee”), in which 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.

For the six months ended 30 June 2024, the Trustee purchased an aggregate of 163,700,000 shares at prices ranging from HK\$0.51 to HK\$0.95 per share at a total consideration of approximately HK\$107,882,000 (equivalent to approximately RMB98,032,000) on the Hong Kong Stock Exchange for the purpose of the Scheme.

As at 30 June 2024, 66,000,000 awarded shares had been granted and 58,000,000 award shares had been transferred to selected employee(s) during the current period.

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 awarded shares on the date of grant was approximately HK\$49,500,000 (equivalent to approximately RMB44,931,000). For the six months ended 30 June 2024, a share award expense of approximately HK\$49,500,000 (equivalent to approximately RMB44,931,000) was recognised in profit or loss under “administrative expenses”.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 19. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during the period:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Payment on lease liabilities to a related company ( <i>note (a)</i> )	499	941
Service income received from a related company ( <i>note (b)</i> )	6,110	–

Notes:

- (a) The related company is a wholly-owned subsidiary of a company owned by Mr. Wang Lishan, an executive director and Chairman of the Group.
- (b) The related company is a wholly-owned subsidiary of Beijing Haixin Energy Technology Co., Ltd, a substantial shareholder and a connected person of the Company.

### 20. SEASONALITY

The Group's revenue from the oil and gas industry and new energy and refining and chemical industries is subject to seasonal factors and the Group's financial results will be affected by the number and size of projects awarded to the Group through tendering process and the stage of completion of the respective projects. Therefore, the Group is unable to forecast the trend of seasonality and its impact to the Group's financial results.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 21. CAPITAL COMMITMENTS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Property, plant and equipment – contracted but not provided for	13,758	3,333

### 22. CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities at 30 June 2024.



## Management Discussion and Analysis

### 1. REVIEWS

During the reporting period, the Group continuously optimize project management, strengthened production and operation capabilities, strictly controlled costs and expenditures, and achieved better operating performance. In the first half of the year, the Group continued to promote the construction of core competitiveness, upgraded the application of digital systems and intelligent facilities, encouraged process innovation, further expanded the newly established detailed design department to improve engineering capabilities, and promoted the strategy of extending the business to higher value-added transformation.

The Group actively tracks the international offshore engineering market, communicates with clients on potential market opportunities, with a view to achieving win-win cooperation and expanding regional markets and business. In terms of oil and gas services business, the Group maintains close business relationships with long term clients, participated in multiple offshore engineering services projects to consolidate the market share, and maintains stable operations.

In June this year, Penglai Jutal Offshore Engineering Heavy Industries Company Limited\* (蓬萊巨濤海洋工程重工有限公司) ("Penglai Jutal"), a wholly-owned subsidiary of the Company, was included in the Specially Designated Nationals and Blocked Persons List ("SDN List") by the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury. The Group currently does not have any asset or business in the United States, but this matter has seriously affected the intentions of some clients for the business cooperation with Penglai Jutal and is bringing uncertainties to Penglai Jutal's potential orders and some contracts settlement, which may have a significant adverse impact on the Group's overall business and prospects. The Group continues to assess the impact, communicates with relevant parties, and carries out various countermeasures, pays close attention to the development of the macro situation and adopts a number of measures to strengthen its risk management in operations.

\* For identification purposes only

## Management Discussion and Analysis

### 1. REVIEWS (CONTINUED)

#### Revenue

Compared with the corresponding period of last year, there has been a remarkable increase of workload in the Group's construction sites. The Group recorded a revenue of approximately RMB1,284,256,000 in the first half of 2024, representing an increase of RMB460,729,000 or 55.95% 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 increased by RMB604,715,000 or 89.32%, revenue from the fabrication of facilities and provision of integrated services for renewable energy and refining and chemical industries decreased by RMB138,790,000 or 98.42%, and other revenue decreased by RMB5,196,000 or 94.56% 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 2022, 2023 and 2024:

Product/service	For the six months ended 30 June					
	2024		2023		2022	
	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %
1. Fabrication of facilities and provision of integrated services for oil and gas industries	1,281,731	100	677,016	82	1,033,918	89
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	2,226	-	141,016	17	123,540	10
3. Others	299	-	5,495	1	9,060	1
Total	1,284,256	100	823,527	100	1,166,518	100

## Management Discussion and Analysis

### 1. REVIEWS (CONTINUED)

#### Cost of Sales and Services

During the reporting period, cost of sales and services of the Group amounted to approximately RMB916,755,000, representing an increase of approximately RMB287,565,000 or 45.70% 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 RMB811,372,000 representing approximately 88.50% of total cost of sales and services, and an increase of approximately RMB293,424,000 or 56.65% from approximately RMB517,948,000 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 RMB105,383,000, representing a decrease of approximately RMB5,859,000 or 5.27% when compared with approximately RMB111,242,000 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 RMB367,501,000, representing an increase of approximately RMB173,164,000 or 89.11% from approximately RMB194,337,000 in the corresponding period of last year. The overall gross profit margin increased to 28.62% from 23.60% 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. In addition to changes in business composition, the increase in the overall gross profit margin was mainly due to the Group's improvement in project management and strictly controlled costs, which resulted in higher gross profit in some items.

## Management Discussion and Analysis

### 1. REVIEWS (CONTINUED)

#### Gross Profit (Continued)

The table below sets out the analysis of gross profit by business segment for the six months ended 30 June 2022, 2023 and 2024:

Product/service	For the six months ended 30 June								
	2024			2023			2022		
	Gross profit margin	Percentage of total gross profit		Gross profit margin	Percentage of total gross profit		Gross profit margin	Percentage of total gross profit	
	RMB'000	%	%	RMB'000	%	%	RMB'000	%	%
1. Fabrication of facilities and provision of integrated services for oil and gas industries	363,510	28	100	111,536	16	57	139,919	14	893
2. Fabrication of facilities and provision of integrated services for new energy and refining and chemical industries	4,428	199	-	83,062	59	43	(124,212)	(101)	(793)
3. Others	(437)	(146)	-	(261)	(5)	-	(34)	-	-
Total	367,501		100	194,337		100	15,673		100

#### Other Income

Other income of the Group for the first half of 2024 amounted to approximately RMB13,912,000, mainly comprising interest income and income from government grants.

## Management Discussion and Analysis

### 1. REVIEWS (CONTINUED)

#### **Administrative and Other Operating Expenses**

Administrative and other operating expenses in aggregate increased by approximately 60.44% or RMB63,219,000 compared with the corresponding period last year to approximately RMB167,821,000, among them, the administrative expenses increased by RMB58,166,000, primarily resulting from the increase in the accrued employee compensation and the share based payment expense recognized in the period; And other operating expenses increased by RMB5,053,000 as compared with the corresponding period of last year.

#### **Finance Costs**

During the reporting period, the finance costs of the Group amounted to approximately RMB7,309,000 which was mainly comprised of interest expenses from bank borrowings of approximately RMB4,937,000, bank charges and other costs of approximately RMB2,372,000.

#### **Profit for the Period Attributable to Owners of the Company**

In the first half of 2024, profit attributable to owners of the Company amounted to approximately RMB177,309,000, basic and diluted earnings per share was approximately RMB8.675 cents and RMB8.673 cents respectively.

#### **Liquidity and Financial Resources**

As at 30 June 2024, the balance of working funds (cash on hand and bank deposits) of the Group amounted to approximately RMB951,065,000 (31 December 2023: RMB752,805,000). During the said period, net cash inflows from operating activities amounted to approximately RMB450,601,000, net cash outflows from investing activities amounted to approximately RMB80,496,000, and net cash outflows from financing activities amounted to approximately RMB174,361,000.

As at 30 June 2024, the Group had available undrawn banking facilities of approximately RMB61,010,000 (31 December 2023: RMB104,290,000), which consists of credit for bank loans, credit for letters of credit, etc, but exclude bank guarantees.



## Management Discussion and Analysis

### 1. REVIEWS (CONTINUED)

#### Liquidity and Financial Resources (Continued)

As at 30 June 2024, the Group had obtained bank guarantees under performance bonds for construction contracts of approximately RMB300,597,000 (31 December 2023: RMB299,066,000).

#### Capital Structure

As at 30 June 2024, the share capital of the Company comprises 2,131,598,389 ordinary shares (31 December 2023: 1,981,598,389 ordinary shares).

As at 30 June 2024, the net assets of the Group amounted to approximately RMB2,207,451,000 (31 December 2023: RMB2,011,739,000), which comprises non-current assets of approximately RMB1,360,761,000 (31 December 2023: RMB1,363,355,000), net current assets of approximately RMB937,589,000 (31 December 2023: RMB940,405,000) and non-current liabilities of approximately RMB90,899,000 (31 December 2023: RMB292,021,000).

#### Significant Investment

In the first half of this year, the renovation works of the west factory area of Penglai site were in the peak level and the renovation is expected to be completed by end of 2024.

Apart from the above, the Group has no other significant investment for the six months ended 30 June 2024.

#### 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.

## Management Discussion and Analysis

### 1. REVIEWS (CONTINUED)

#### **Assets Pledged by the Group**

As at 30 June 2024, approximately RMB61,830,000 (31 December 2023: RMB51,069,000) of the bank deposits of the Group were pledged as security deposits for the issuance of performance bonds, bank acceptance and forward foreign exchange settlement and sale contracts.

#### **Contingent Liabilities**

As at 30 June 2024, 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 bank borrowings divided by total equity of the Group. The Group's policy is to keep the gearing ratio at a reasonable level.

## Management Discussion and Analysis

### 1. REVIEWS (CONTINUED)

#### Capital Management (Continued)

The gearing ratios of the Group as at 30 June 2024 and as at 31 December 2023 were as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Total bank borrowings	180,200	309,300
Lease liabilities	19,929	23,825
Total equity	2,207,451	2,011,739
Gearing ratio	9.07%	16.56%

The decrease in gearing ratio in the reporting period was mainly due to the increase in total equity as a result of profit generated in the first half of 2024 and the decrease in total bank loans and lease liabilities. 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 2024, the Group had total 2,310 employees (31 December 2023: 2,281), of which 1,063 (31 December 2023: 1,026) were management and technical staff, and 1,247 (31 December 2023: 1,255) 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.

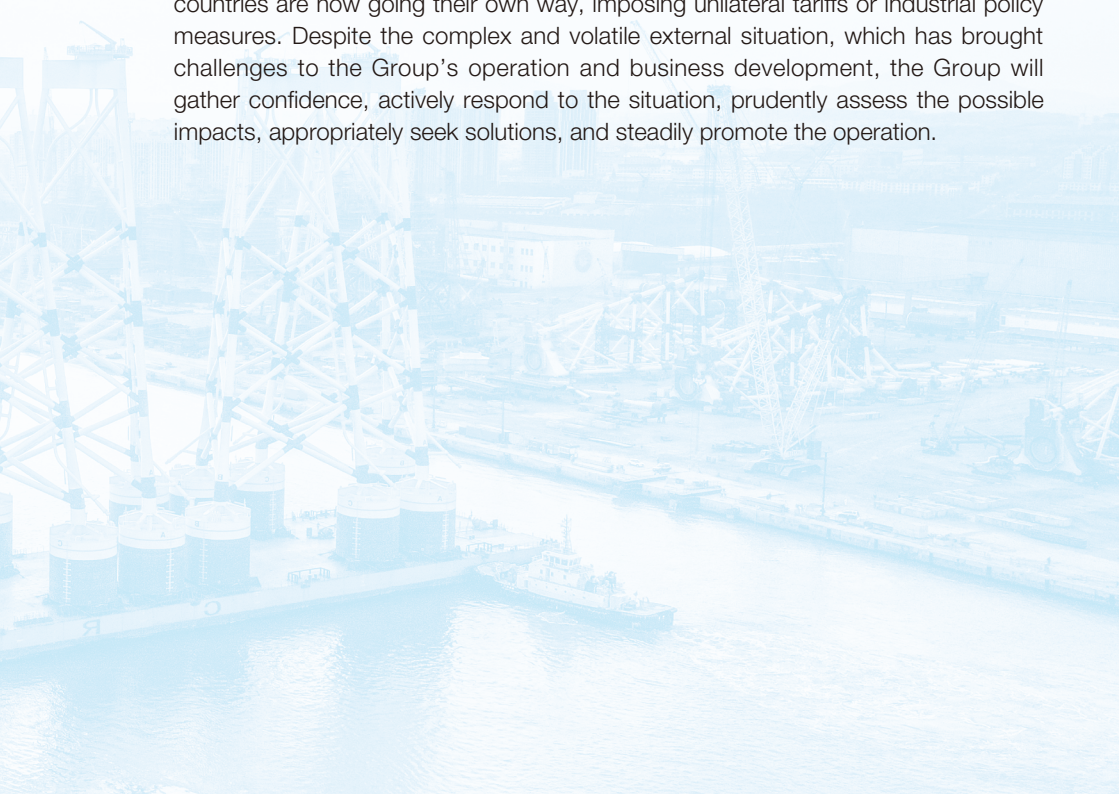
## Management Discussion and Analysis

### 2. FUTURE OUTLOOK

In the second half of the year, the Group will continue to regard market development as its core work, continue to promote the development of various businesses including offshore engineering, new energy equipment construction and technical support services, use various forms and channels to carry out market development activities, explore external opportunities for cooperation and strive to obtain sufficient new project orders.

In line with the progress of the projects, the Group may further renovate and update the site and facilities as appropriate to meet the needs of undertaking projects and enhance construction capabilities.

Nowadays, global regional conflicts continue to escalate political and economic tensions. According to the IMF's opinion, that the world's medium-term prospects will remain weak, and the multilateral trading system is gradually dismantling. More countries are now going their own way, imposing unilateral tariffs or industrial policy measures. Despite the complex and volatile external situation, which has brought challenges to the Group's operation and business development, the Group will gather confidence, actively respond to the situation, prudently assess the possible impacts, appropriately seek solutions, and steadily promote the operation.



## Directors Report and Corporate Governance

### INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK0.03 per share for the six months ended 30 June 2024.

The recommended interim dividend will be payable on Wednesday, 16 October 2024 to the shareholders of the Company whose names will appear on the register of members of the Company (the “Register of Members”) on Tuesday, 24 September 2024.

The Register of Members will be closed from Friday, 20 September 2024 to Tuesday, 24 September 2024 (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 Thursday, 19 September 2024.

### USE OF THE RAISED PROCEEDS

- (i) On 15 March 2017, the Company entered into a subscription agreement with Sanju Environmental Protection (Hong Kong) Limited (“Sanju HK”) and Golden Talent (HK) Technology company Limited (“Golden Talent”), pursuant to which the Company has conditionally agreed to allot and issue an aggregate of 803,562,111 subscription shares, of which Sanju HK and Golden Talent have conditionally agreed to subscribe for 641,566,556 shares and 161,995,555 shares respectively at the subscription price of HK\$1.20 per subscription share (the net subscription price is approximately HK\$1.197 per subscription share, and the close price of the share on 15 March 2017 was HK\$2.00) (the “Subscription”). The Subscription has been approved by the shareholders of the Company at the extraordinary general meeting held on 26 May 2017 and completed on 2 June 2017.



## Directors Report and Corporate Governance

### USE OF THE RAISED PROCEEDS (CONTINUED)

(i) (Continued)

The net proceeds from the Subscription was approximately HK\$962,000,000. As at 30 June 2024, the raised fund has been used as follows:

Plan of use of proceeds from the Subscription as stipulated in the circular of the Company dated 11 May 2017	Use of proceeds from the Subscription ended 30 June 2024	Plan of use of the outstanding balance of the proceeds from the Subscription
1. Approximately HK\$500 million for the working capital in engineering, procurement, installation and construction (“EPIC”) projects; and in built – transfer projects relating to the oil and gas equipment and facilities	All has been used as planned	–
2. Approximately HK\$250 million for the capital expenditure in improving and expanding the production facilities and office facilities in the Group’s Zhuhai operation	It was not used during the reporting period, and the aggregate amount used was HK\$197 million ( <i>Note a</i> )	The remaining approximately HK\$53 million is estimated be used in year 2024 to year 2025 as necessary
3. Approximately HK\$212 million for the general working capital of the Group	All has been used as planned	–

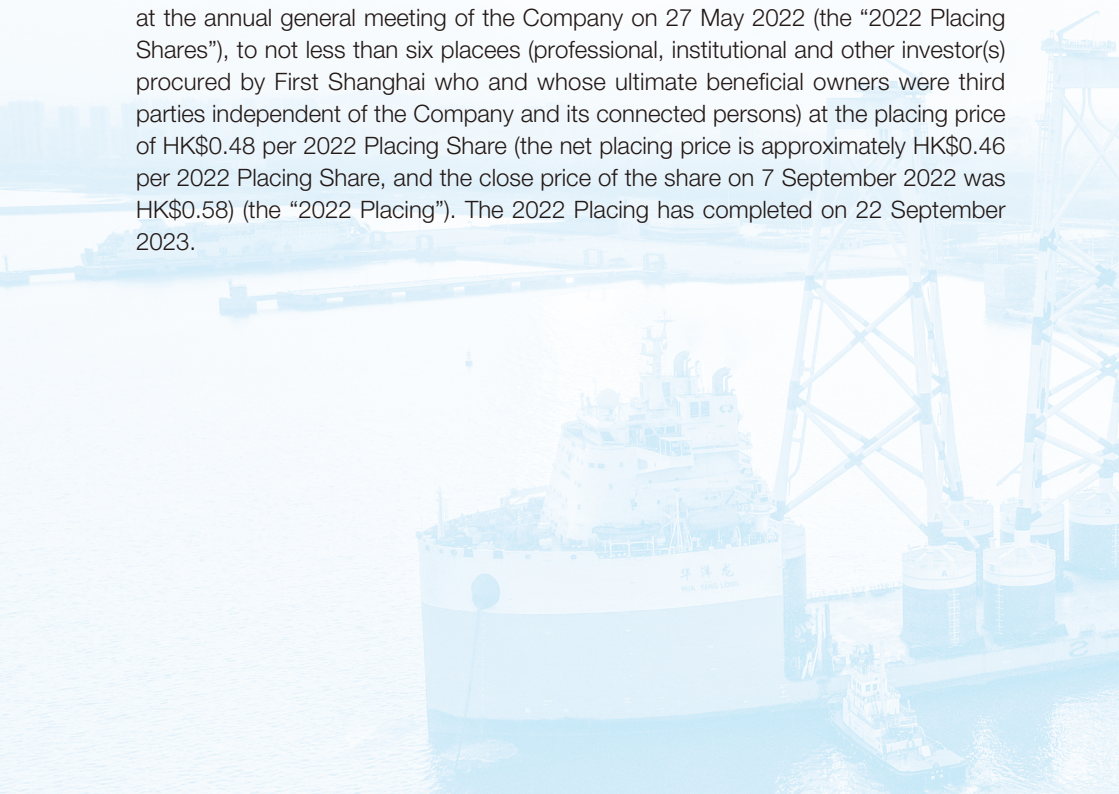
## Directors Report and Corporate Governance

### USE OF THE RAISED PROCEEDS (CONTINUED)

(i) (Continued)

*Note:*

- a. Due to the poor market conditions in 2018, 2019, 2021 and 2023 as there were lower-than-expected orders and insufficient workload and even the occurrence of project losses at the Zhuhai fabrication site, the Group took the initiative to slow down part of the investment in its Zhuhai site. The Group will gradually implement the investment in the production and office facilities in accordance with the market conditions, actual business requirement of the yard and its long-term planning.
- (ii) On 7 September 2022, First Shanghai Securities Limited (the “First Shanghai”) and the Company entered into a conditional placing agreement pursuant to which the Company has conditionally agreed to place, through First Shanghai on a best efforts basis, up to a maximum of 300,000,000 new shares of the Company, to be allotted and issued by the Company under the general mandate granted to the Directors at the annual general meeting of the Company on 27 May 2022 (the “2022 Placing Shares”), to not less than six placees (professional, institutional and other investor(s) procured by First Shanghai who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons) at the placing price of HK\$0.48 per 2022 Placing Share (the net placing price is approximately HK\$0.46 per 2022 Placing Share, and the close price of the share on 7 September 2022 was HK\$0.58) (the “2022 Placing”). The 2022 Placing has completed on 22 September 2023.



## Directors Report and Corporate Governance

### USE OF THE RAISED PROCEEDS (CONTINUED)

(ii) (Continued)

The net proceeds from the 2022 Placing were approximately HK\$138,866,500. As at 30 June 2024, the raised fund has been used as follows:

Plan of use of proceeds from the 2022 Placing as stipulated in the announcement of the Company dated 7 September 2023	Use of proceeds from the 2022 Placing as at 30 June 2024	Plan of use of the outstanding balance of the proceeds from the 2022 Placing
1. Approximately HK\$100 million for upgrading and renovating the Penglai site, including upgrading the equipment and facilities at the site	All has been used as planned	–
2. Approximately HK\$38,866,500 for the general working capital of the Group	All has been used as planned	–



## Directors Report and Corporate Governance

### USE OF THE RAISED PROCEEDS (CONTINUED)

(iii) On 15 February 2024, KGI Asia Limited (the “KGI”) and the Company entered into a conditional placing agreement pursuant to which the Company has conditionally agreed to place, through KGI on a best efforts basis, up to a maximum of 200,000,000 new shares of the Company, to be allotted and issued by the Company under the general mandate granted to the Directors at the annual general meeting of the Company on 28 June 2023 (the “2024 Placing Shares”), to not less than six placees (professional, institutional and other investor(s) procured by KGI who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons) at the placing price of HK\$0.42 per 2024 Placing Share (the net placing price is approximately HK\$0.411 per 2024 Placing Share, and the close price of the share on 15 February 2024 was HK\$0.465) (the “2024 Placing”). The 2024 Placing has completed on 7 March 2024, and 150,000,000 new shares were placed.

The net proceeds from the 2024 Placing were approximately HK\$61,509,000. As at 30 June 2024, the raised fund has been used as follows:

Plan of use of proceeds from the 2024 Placing as stipulated in the announcement of the Company dated 15 February 2024	Use of proceeds from the 2024 Placing as at 30 June 2024	Plan of use of the outstanding balance of the proceeds from the 2024 Placing
1. Approximately HK\$44,902,000 for Zhuhai Quay#2 construction at the existing Zhuhai site	Has not been used during the reporting period	The remaining approximately HK\$44,902,000 million is estimated be used in year 2024 to 2026
2. Approximately HK\$16,607,000 for the general working capital of the Group	All has been used as planned	-

## Directors Report and Corporate Governance

### SHARE OPTION

The Company's 2016 share option scheme ("2016 Share Option Scheme") was adopted by Shareholder's resolution at the Company's annual general meeting held on 8 June 2016 with a valid period of 10 years commencing on the date of adoption. Unless approval of the shareholders has been obtained, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 80,035,427 shares, representing 10% of the shares (800,354,278 shares) in issue on the date of the said annual general meeting.

The 2016 Share Option Scheme enables the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. Eligible participants include all full time employee, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above of the Group, substantial Shareholders of each member of the Group, associates of the Directors and substantial Shareholders of any member of the Group, trustee of any trust pre-approved by the Board; and any advisor (professional or otherwise), consultant, distributor, supplier, agent, customer, joint venture partner, services provider to the Group whom the Board considers, in its sole discretion, has contributed or contributes to the Group.

The general scheme limit of the 2016 Share Option Scheme has been refreshed and approved by Shareholder's resolution at the Company's annual general meeting held on 8 June 2018. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 163,401,638 shares, representing 10% of the shares (1,634,016,389 Shares) in issue on the date of the said annual general meeting.

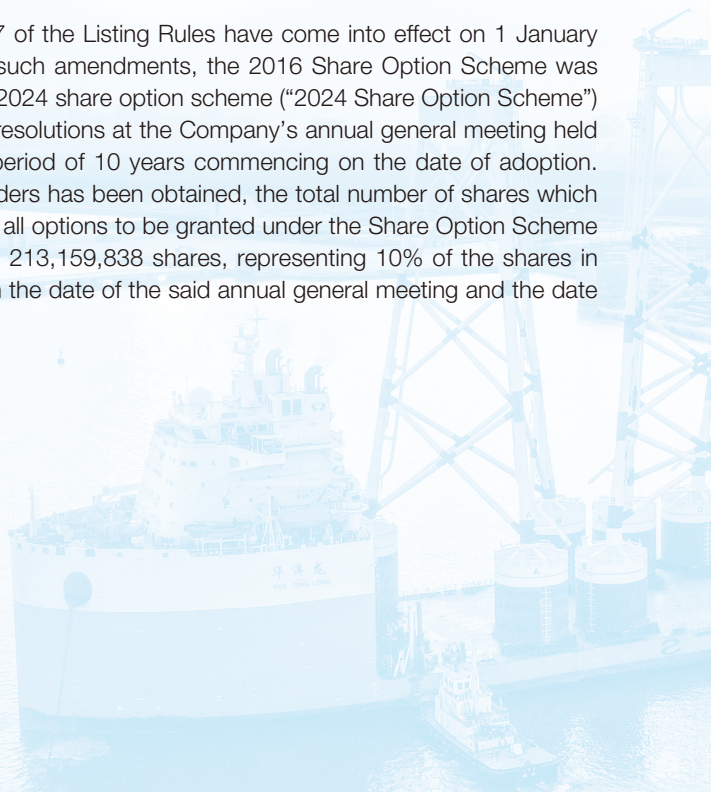
## Directors Report and Corporate Governance

### SHARE OPTION (CONTINUED)

The general scheme limit of the 2016 Share Option Scheme has been further refreshed and approved by Shareholder's resolution at the Company's annual general meeting held on 27 May 2022. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 168,130,638 shares, representing 10% of the shares (1,681,306,389 Shares) in issue on the date of the said annual general meeting and approximately 7.89% of the shares (2,131,598,389 shares) on the date of this interim report.

According to the terms of the 2016 Share Option Schemes, the offer of grant of the share options should be accepted within 28 days from the date of grant and the consideration for the grant of the options should be HK\$1.00. The options may be exercised in accordance with the terms of the 2016 Share Option Scheme and conditions under applicable award documents at any time during the exercise period as determined by the Board which shall in any event not be more than ten years from the date of grant.

The amendments to Chapter 17 of the Listing Rules have come into effect on 1 January 2023. In order to comply with such amendments, the 2016 Share Option Scheme was terminated and the Company's 2024 share option scheme ("2024 Share Option Scheme") was adopted by Shareholder's resolutions at the Company's annual general meeting held on 11 June 2024 with a valid period of 10 years commencing on the date of adoption. Unless approval of the shareholders has been obtained, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 213,159,838 shares, representing 10% of the shares in issue (2,131,598,389 shares) on the date of the said annual general meeting and the date of this report.



## Directors Report and Corporate Governance

### SHARE OPTION (CONTINUED)

The purpose of the 2024 Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants to: (i) recognise and/or reward their contributions or potential contribution to the Group and provide them with an opportunity to acquire a proprietary interest in the Company; (ii) give incentives to such individuals in order to encourage and retain them for the continual operation and development of the Group; (iii) provide additional incentives for such individuals to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate them to maximise the value of the Company for the benefit of both the selected Eligible Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected Eligible Participants directly with those of the Shareholders through ownership of Shares.

Pursuant to the terms of the 2024 Share Option Scheme, Eligible Participants include the Employee Participants and Related Entity Participants. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis.

The offer of grant of the share options under the 2024 Share Option Scheme should be accepted within 28 days from the date of grant with no consideration. The options may be exercised in accordance with the terms of the 2024 Share Option Scheme and conditions under applicable award documents at any time during the exercise period as determined by the Board which shall in any event not be more than ten years from the date of grant. The vesting period for options shall not be less than 12 months. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in some specific circumstances.

The remaining life of the 2024 Share Option Scheme is approximately 9 years and 10 months as at the date of this report.

## Directors Report and Corporate Governance

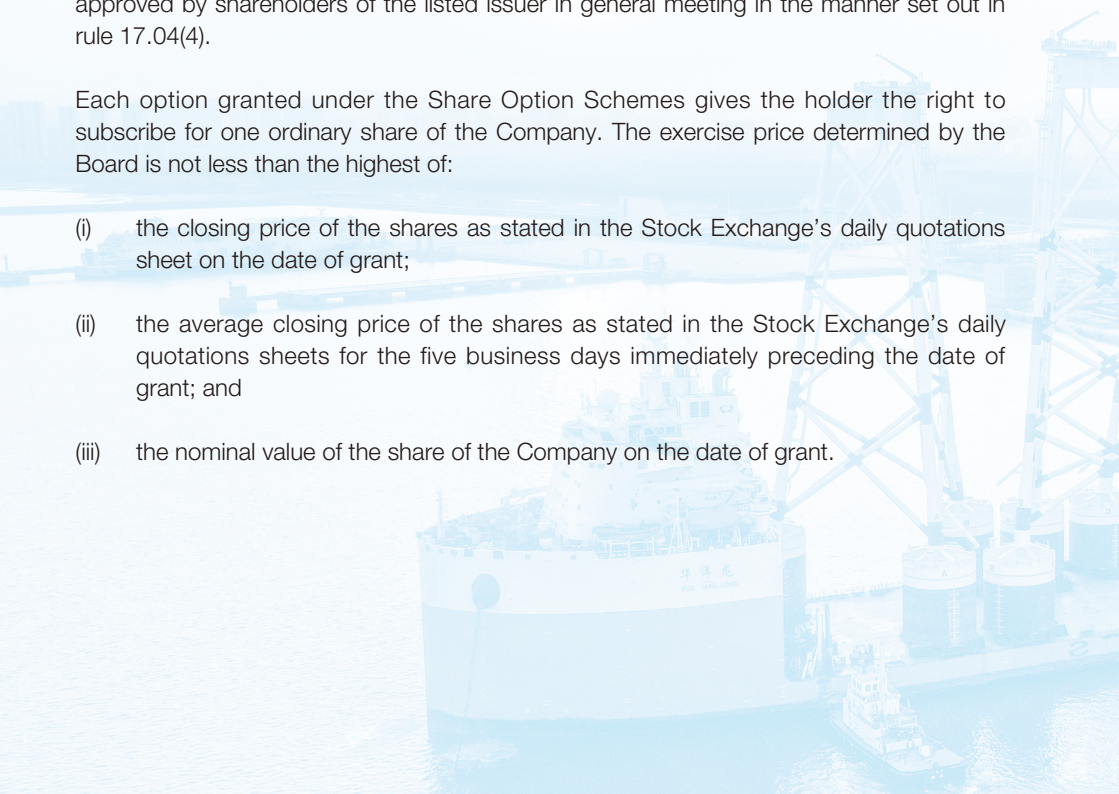
### SHARE OPTION (CONTINUED)

Where any grant of options to a participant would result in the shares issued and to be issued in respect of all options granted to such person (excluding any options lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of shares of the Company in issue, such grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

Where any grant of options to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all options granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of options must be approved by shareholders of the listed issuer in general meeting in the manner set out in rule 17.04(4).

Each option granted under the Share Option Schemes gives the holder the right to subscribe for one ordinary share of the Company. The exercise price determined by the Board is not less than the highest of:

- (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;
- (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of the share of the Company on the date of grant.



## Directors Report and Corporate Governance

### SHARE OPTION (CONTINUED)

From 1 January 2018 to 30 June 2024, the Board approved to grant and the Company has granted options to Directors and other eligible participants. Details of the options granted are as follows:

#### (i) Options granted in on 9 January 2018

Vesting period:	12 months
Exercise period:	9 January 2019 to 8 January 2028
Exercise price (HK\$):	2.14
Closing price of the Shares immediately before the date of granting the options (HK\$):	2.11

Name of grantee	Number of options as at 1 January 2024	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2024	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
<b>Directors:</b>							
Wang Lishan	2,300,000	-	-	-	-	2,300,000	0.11%
Cao Yunsheng (resigned on 24 June 2024)	8,000,000	-	-	-	-	8,000,000	0.38%
Liu Yunian (resigned on 12 January 2024)	1,500,000	-	-	-	-	1,500,000	0.07%
Tang Hui (appointed on 24 June 2024)	1,500,000	-	-	-	-	1,500,000	0.07%
Zhao Wuhui (appointed on 12 January 2024)	1,500,000	-	-	-	-	1,500,000	0.07%
<b>Other Employees</b>	16,000,000	-	-	-	600,000	15,400,000	0.72%
<b>Total</b>	<b>30,800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000</b>	<b>30,200,000</b>	<b>1.42%</b>

## Directors Report and Corporate Governance

### SHARE OPTION (CONTINUED)

#### (ii) Options granted on 24 April 2020

Vesting period:	Subject to certain performance targets decided by the Board
Exercise period:	1 April 2021 to 23 April 2026
Exercise price (HK\$):	0.48
Closing price of the Shares immediately before the date of granting the options (HK\$):	0.465

Name of grantee	Number of options as at 1 January 2024	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2024	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
<b>Directors:</b>							
Cao Yunsheng (resigned on 24 June 2024)	146,000	-	-	-	-	146,000	0.007%
Liu Yunian (resigned on 12 January 2024)	365,000	-	-	-	-	365,000	0.017%
Tang Hui (appointed on 24 June 2024)	146,000	-	-	-	-	146,000	0.007%
Zhao Wuhui (appointed on 12 January 2024)	156,000	-	-	-	-	156,000	0.007%
<b>Other Employees</b>	3,488,000	-	-	-	2,612,000	876,000	0.041%
<b>Total</b>	<b>4,301,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,612,000</b>	<b>1,689,000</b>	<b>0.079%</b>

## Directors Report and Corporate Governance

### SHARE OPTION (CONTINUED)

#### (iii) Options granted on 10 June 2021

Vesting period:	Nil
Exercise period:	10 June 2021 to 9 June 2024
Exercise price (HK\$):	1.50
Closing price of the Shares immediately before the date of granting the options (HK\$):	1.48

Name of grantee	Number of options as at 1 January 2024	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2024	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
Tang Hui (appointed on 24 June 2024)	6,500,000	-	-	-	6,500,000	-	-
Zhao Wuhui (appointed on 12 January 2024)	6,500,000	-	-	-	6,500,000	-	-
Employees	71,000,000	-	-	-	71,000,000	-	-
<b>Total</b>	<b>84,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,000,000</b>	<b>-</b>	<b>-</b>



## Directors Report and Corporate Governance

### SHARE OPTION (CONTINUED)

#### (iv) Options granted on 9 November 2023

Vesting period:	12 Months
Exercise period:	9 November 2024 to 8 November 2028
Exercise price (HK\$):	0.52
Closing price of the Shares immediately before the date of granting the options (HK\$):	0.54

Name of grantee	Number of options as at 1 January 2024	Number of options exercised during the period	Weighted average closing price of the Shares immediately before the dates of exercise (HK\$)	Number of options cancelled during the period	Number of options lapsed in accordance with the term of the options or the Share Option Scheme during the period	Number of options outstanding as at 30 June 2024	Shareholding percentage of the underlying shares for the Options in the share capital of the Company
<b>Directors:</b>							
Cao Yunsheng (resigned on 24 June 2024)	18,000,000	-	-	-	-	18,000,000	0.84%
Liu Yunian (resigned on 12 January 2024)	8,000,000	-	-	-	-	8,000,000	0.38%
Han Guimao (resigned on 12 January 2024)	1,800,000	-	-	-	-	1,800,000	0.08%
Tang Hui (appointed on 24 June 2024)	8,000,000	-	-	-	-	8,000,000	0.38%
Zhao Wuhui (appointed on 12 January 2024)	8,000,000	-	-	-	-	8,000,000	0.38%
Choy Suk Yuk	1,800,000	-	-	-	-	1,800,000	0.08%
Cheung Ngar Tat Eddie	1,800,000	-	-	-	-	1,800,000	0.08%
Tam Kin Yip	1,800,000	-	-	-	-	1,800,000	0.08%
<b>Other Employees</b>	70,000,000	-	-	-	-	70,000,000	3.28%
<b>Total</b>	<b>119,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,200,000</b>	<b>5.59%</b>

## Directors Report and Corporate Governance

### SHARE OPTION (CONTINUED)

There is no performance target attached to the options granted.

The purpose of the Share Option Schemes is to reward the eligible participants who have contributed to the Group, and to motivate the eligible participants to optimize their performance and efficiency for the benefit of the Group, as well as, to attract and retain the eligible participants whose contributions are, will or are expected to be beneficial to the Group. The number of options to be granted is based on the work performance and potential contributions of the Grantees, and the value of the options depends on the business performance of the Group, to which the Grantee will directly contribute. In view of the above, the remuneration committee of the Company considered the grant of options, with performance target attached, is not necessary and aligned with the purpose of the Share Option Schemes.

The options are subject to vesting conditions and earlier termination as provided under the Share Option Schemes and respective applicable award documents, which provided for the circumstance which the options shall lapse and not be exercisable if the Grantees cease to be an employee of the Group. The remuneration committee and the board of the Company consider that it is not necessary to have additional clawback mechanism as the Share Option Scheme already provided the lapse and cancellation of options in different scenarios and provided enough protection to the Company's interests.

The number of options available for grant under the Share Option Schemes at the 1 January 2024 and 30 June 2024 are 48,930,638 and 213,159,838 respectively.

The number of shares that may be issued in respect of option granted under all schemes of the Company during the period	The weighted average number of shares in issue of the Company for the period	Percentage
151,089,000	2,043,991,246	7.39%

## Directors Report and Corporate Governance

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

At 30 June 2024, the interests and short positions of each Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571) (“SFO”), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding
Wang Lishan	Interest of a controlled corporation (Note 2)	396,911,278 (L)	18.62%
	Beneficial owner	29,628,000 (L)	1.39%
	Share options	2,300,000 (L)	0.11%
Tang Hui	Beneficial owner	2,000,000 (L)	0.09%
	Share options	9,646,000 (L)	0.45%
Zhao Wuhui	Beneficial owner	6,000,000 (L)	0.28%
	Share options	9,656,000 (L)	0.45%

Notes:

- The letter “L” denotes a long position in the Shares.
- These Shares are held by Cheung Hing Investments Limited, which is wholly-owned by Mr. Wang Lishan.

## Directors Report and Corporate Governance

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION (CONTINUED)

Save as disclosed above, at no time during the period was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the Directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or any its specified undertakings or other associated corporations.

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

At 30 June 2024, in addition to those of the Directors and chief executives already disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of Part XV of the SFO shows that the Company had been notified of the following substantial shareholders' interests and/or short positions, being 5% or more of the Company's issued share capital:

Name of Shareholder	Capacity	Number of Shares (Note 1)	Percentage of shareholding
Sanju Environmental protection (Hong Kong) Limited	Beneficial owner (Note 2)	641,566,556 (L)	30.10%
Beijing Haixin Energy Technology Co., Ltd. (北京海新能源科技股份有限公司)	Interest of a controlled corporation (Note 2)	641,566,556 (L)	30.10%
Cheung Hing Investments Limited	Beneficial owner (Note 3)	396,911,278 (L)	18.62%

## Directors Report and Corporate Governance

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Name of Shareholder	Capacity	Number of Shares (Note 1)	Percentage of shareholding
Wang Lishan	Interest of a controlled corporation (Note 3)	396,911,278 (L)	18.62%
	Beneficial owner	29,628,000 (L)	1.39%
	Share options	2,300,000 (L)	0.11%
Capital Pilot Limited	Person having a security interest in shares (Note 4)	161,995,555 (L)	7.60%
Shiu Shu Ming	Interest of a controlled corporation (Note 4)	161,995,555 (L)	7.60%
Hong Man Chu	Interest of spouse (Note 5)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%
Lo Chun Yim	Interest of a controlled corporation (Note 6)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%
Golden Talent (HK) Technology Co., Limited	Beneficial owner (Note 6)	161,995,555 (L)	7.60%
		161,995,555 (S)	7.60%

## Directors Report and Corporate Governance

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Notes:

1. The letters "L" and "S" denote a long position and short position in the shares respectively.
2. These shares are held by Sanju Environmental Protection (Hong Kong) Limited, which is wholly-owned by Beijing Haixin Energy Technology Co., Ltd. (北京海新能源科技股份有限公司).
3. These shares are held by Cheung Hing Investments Limited, which is wholly-owned by Mr. Wang Lishan.
4. These shares are held by Capital Pilot Limited, which is wholly-owned by Mr. Shiu Shu Ming.
5. Ms. Hong Man Chu is the spouse of Mr. Lo Chun Yim.
6. These shares are held by Golden Talent (HK) Technology Co., Limited, which is beneficially and wholly-owned by Mr. Lo Chun Yim.

### 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 during the reporting period.

## Directors Report and Corporate Governance

### CORPORATE GOVERNANCE

The Company had adopted the Corporate Governance Code (the “Corporate Governance Code”) introduced in Appendix 14 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 2024, save for the deviations from the code provisions as follows:

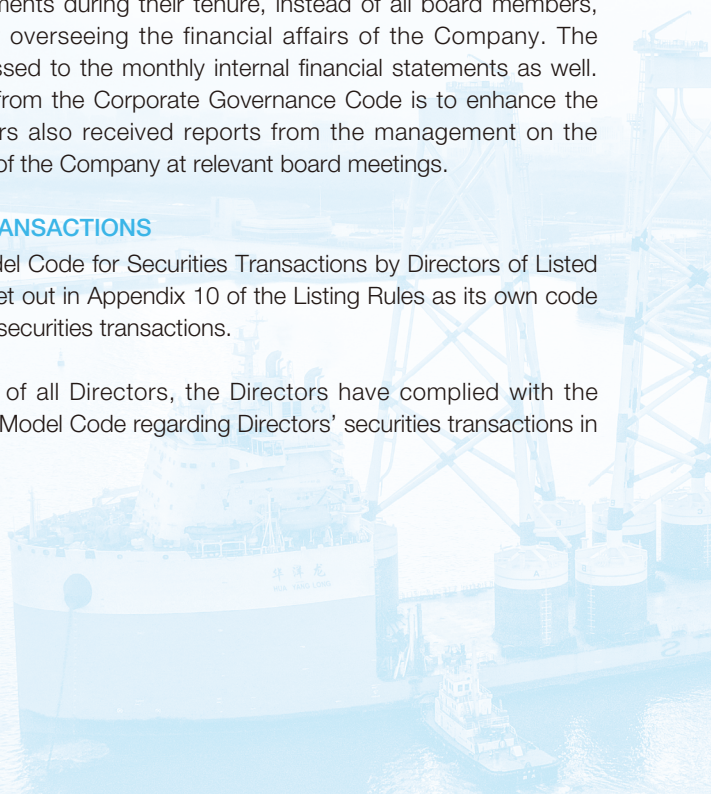
“Under Code Provision D.1.2, Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail.”

The Company provides Mr. Cao Yunsheng, Mr. Tang Hui and Mr. Zhao Wuhui 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 10 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.



## Directors Report and Corporate Governance

### 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 2024 with no disagreement 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 2024



## Corporate Information

### SHARE INFORMATION

Listing place : Main Board of The  
Stock Exchange of  
Hong Kong Limited

Stock code : 03303

Listing date : 21 September 2006

Stock name : Jutal Oil Ser

Issued shares : 2,131,598,389 ordinary  
shares

Website : <http://www.jutal.com>

### BOARD OF DIRECTORS

#### Executive directors

Mr. Wang Lishan (*Chairman*)  
Mr. Tang Hui (*President*)  
Mr. Zhao Wuhui

#### Independent non-executive directors

Ms. Choy So Yuk, *BBS, JP*  
Mr. Tam Kin Yip  
Mr. Cheung Ngar Tat Eddie  
Mr. Zhang Hua

### COMPANY REPRESENTATIVE

Mr. Zhao Wuhui  
Ms. Leung Fung Yee Alice

### COMPANY SECRETARY

Ms. Leung Fung Yee Alice

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

### HEADQUARTERS IN THE PRC

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As to Cayman Islands law:  
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KY1-1111, Cayman Islands

### AUDITOR

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Certified Public Accountants  
11th Floor  
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28 Yun Ping Road, Causeway Bay  
Hong Kong

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Cayman Islands

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

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