
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

Founded in 2018, we are a leading global green shipping equipment and systems provider. Green shipping equipment and systems refer to shipping equipment and systems that reduce greenhouse gas emissions, limit pollutant discharge, improve resource efficiency, and protect marine ecosystems, which minimize environmental impact of shipping. To meet the needs of global shipping companies, shipowners, and shipyards, we have developed five business lines: (i) vessel exhaust gas emission control and cleaning systems, (ii) vessel energy efficiency enhancement systems, (iii) vessel retrofit and servicing, (iv) intelligent vessel operating and maintenance systems, and (v) new energy vessel systems. These business lines encompass equipment design and manufacture to vessel retrofit, onboard installation, commissioning, and technical support, comprehensively contributing to ship value enhancement. According to CIC, we are the largest green shipping equipment and system provider in the world in terms of revenue in 2025.

We are the largest vessel exhaust gas emission control and cleaning system provider in the world in terms of revenue in 2025, according to CIC. Our flagship product in this business line, the exhaust gas cleaning system (EGCS), has ranked first in the world in terms of revenue in 2025. Also in this business line, our greenhouse gas continuous emission monitoring system (GHG CEMS) is the first in the world to have obtained certification by international classification societies. Our flagship product in the vessel energy efficiency enhancement systems, the shaft generator system, was launched in 2024 and delivered to customers with satisfaction in the same year. We are the second largest vessel energy efficiency enhancement system provider in the world in terms of revenue in 2025.

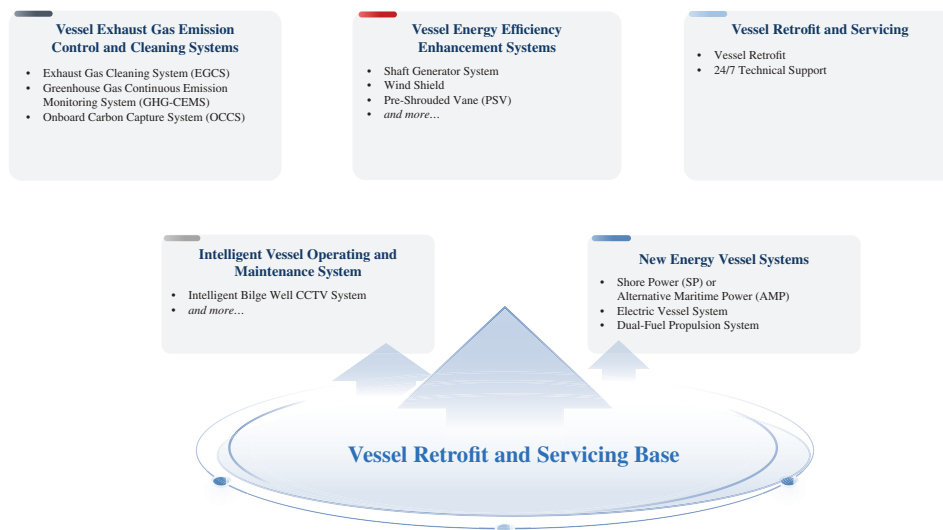
Over the years, we have expanded our business lines by leveraging our experience serving global shipping companies, shipowners, and shipyards and our insights on market trends. Our vessel retrofit and servicing line is supported by our intelligent vessel retrofit base that integrates research and development verification, modular intelligent manufacture, vessel retrofit, servicing, and global scheduling. We thus help shipping companies, shipowners, and shipyards preserve and increase the value of their vessel assets in a cost-effective fashion. In addition, in response to the market trends towards vessel intelligence and clean energy, we have introduced intelligent vessel operating and maintenance systems and new energy vessel systems, demonstrating our comprehensive technology reserves.

We have long committed to the customer-centric philosophy. Noting the longstanding customary practice of separating design, manufacture, installation, and operating and maintenance among different market participants who only attend to a particular stage, we are the first to introduce a one-stop service model, according to CIC. This model establishes a standardized management system and modular processing equipment, thereby significantly shortening the average operating cycle.

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Our Green Shipping Equipment and Systems

Our five business lines are policy compliant, economically efficient, and market ready.



Our Market Opportunities

There is continued demand for vessel emission control and cleaning globally. The global shipping industry accounts for over 80% of international trade transportation, while it remains a major source of global greenhouse gas and air pollutant emissions. According to CIC, the shipping industry accounted for 2.4% of global anthropogenic greenhouse gas emissions in 2024, and sulfur oxide (SOx) emissions have been significantly reduced since the implementation of the global sulfur cap in 2020, down from the previous 13% global share. However, there is high concentration of emissions within the shipping industry, with container ships, bulk carriers, and tankers contributing over 60% of the shipping industry’s carbon emissions in 2024. According to CIC, the top 10 global container shipping groups in terms of actual operational container shipping volume capacity controlled 84.5% of the global container shipping capacity in 2025. We tap the shipping fleets of global shipping groups, which well positions us to cover their emission control and cleaning needs.

There are further needs for vessel technology upgrades. The shipping industry has maintained steady development in recent years despite being a traditional, asset-heavy industry against a slowdown in global economic growth. It has become a broad testing ground for green and intelligent technology applications. The International Maritime Organization is strongly promoting industry emission reductions through mandatory standards such as Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII), while the European Union is tightening regional regulations through measures such as the European Union Emission Trading System and FuelEU Maritime. These regulatory developments have created a huge demand for technology upgrades. According to CIC, the global green shipping equipment and system market is expected to reach RMB151.6 billion in 2030, representing a CAGR of 31.7% from 2025 to 2030.

Finally, there is a surge in demand for vessel retrofit bases. According to CIC, approximately 40% of the operating vessels across the globe are aged over 25 years, resulting in significant demand for vessel retrofit. Leveraging our vessel retrofit and servicing base, we are able to efficiently undertake high-value-added upgrade and retrofitting tasks and thus capture the market growth.

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Our Financial and Operating Metrics

By Business Line

The following table sets forth a breakdown of our revenue, gross profit, and gross profit margin by business line for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2023			2024			2025			2026		
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin
	RMB	RMB	%	RMB	RMB	%	RMB	RMB	%	RMB	RMB	%
Vessel Exhaust Gas Emission Control and Cleaning Systems	2,334,052	801,376	34.3	1,881,690	705,398	37.5	1,566,494	617,503	39.4	611,270	214,732	35.1
Vessel Energy Efficiency Enhancement Systems	—	—	—	250,979	79,824	31.8	854,566	214,184	25.1	352,974	82,742	23.4
Vessel Retrofit and Servicing	21,705	2,233	10.3	222,671	33,113	14.9	924,266	158,615	17.2	326,298	59,318	18.2
Intelligent Vessel Operating and Maintenance Systems	—	—	—	8,504	5,289	62.2	63,549	28,350	44.6	23,409	13,447	57.4
New Energy Vessel Systems	8,954	3,737	41.7	24,910	10,842	43.5	52,100	13,840	26.6	3,626	728	20.1
Others ⁽¹⁾	4,052	3,831	94.5	8,744	7,224	82.6	40,199	30,174	75.1	5,894	3,870	65.7
Total	2,368,763	811,177	34.2	2,397,498	841,690	35.1	3,501,174	1,062,666	30.4	1,323,471	374,837	28.3
										2,507,000	872,284	34.8

Note:

(1) Primarily represents the sales of scrap materials.

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The following table sets forth a breakdown of the sales volume and average selling price of our main businesses by business line for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)
Vessel Exhaust Gas Emission Control and Cleaning Systems	152	15,356	221	8,514	242	6,473	103	5,935	148	5,184
Vessel Energy Efficiency Enhancement Systems	—	—	140	1,793	447	1,912	161	2,192	296	2,904
Vessel Retrofit and Servicing	162	134	421	529	3,371	274	1,080	302	1,596	501
Intelligent Vessel Operating and Maintenance Systems	—	—	115	74	545	117	186	126	275	109
New Energy Vessel Systems	3	2,985	10	2,491	14	3,721	2	1,813	12	2,744
Total	317		907		4,619		1,532		2,327	

- ***Vessel Exhaust Gas Emission Control and Cleaning Systems***

From 2023 to 2025, revenue and average selling price of vessel exhaust gas emission control and cleaning systems decreased, primarily because, in response to changes in market conditions, we undertook more newbuild vessel projects and smaller-scale EGCS projects, which generally had lower contract values than retrofit projects. In particular, newbuild vessel projects generally only involved the sale of our products, while retrofit projects generally involved the sale of our products as well as additional vessel retrofit design, installation, modification, and fitting and testing work. As a result, newbuild vessel projects generally had lower contract values than retrofit projects. The decrease in revenue is primarily because the decrease in average selling price more than offset the increase in sales volume. Revenue of our vessel exhaust gas emission control and cleaning systems increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to settlement with a customer for historic costs incurred in connection with certain products that were no longer required following adjustments to its fleet. The average selling price of this business line decreased from the five months ended May 31, 2025 to the same period in 2026, primarily because we continued to undertake more smaller-scale EGCS projects, which generally had lower contract values, in response to the current market demand.

Our EGCS business is primarily project-based and involves customized, non-standard projects. As a result, our gross profit margin may fluctuate within a reasonable range due to various factors, including project scope, construction period, raw material price fluctuations, installation requirements, product mix, and customer mix. The increase in gross profit margin from 2023 to 2024 was mainly due to a higher contribution from hybrid EGCS projects, which generally had a relatively higher gross profit margin. The further increase in gross profit margin in 2025 was mainly due to an one-off settlement income arising from a customer’s vessel replacement arrangement, which involved minimal corresponding cost. Excluding this one-off settlement income, the gross profit margin of our vessel exhaust gas emission control and cleaning systems in 2025 would be 33.7%, lower than 2024, primarily due to a lower revenue contribution from hybrid EGCS projects as compared with 2024. The increase in gross profit margin from the five months ended May 31, 2025 to the same period in 2026 was mainly due to the settlement with a customer for historic costs incurred in connection with certain products that were no longer required following adjustment to its fleet, which incurred minimal costs in the current period. Excluding this settlement income, our gross profit margin for the vessel exhaust gas emission control and cleaning systems for the five months ended May 31, 2026 was 38.8%, higher than the same period in 2025, primarily because certain EGCS projects recognized during the period achieved relatively higher gross profit margins, reflecting normal period-to-period fluctuations arising from the project-based nature of our EGCS business.

- ***Vessel Energy Efficiency Enhancement Systems***. Revenue from vessel energy efficiency enhancement systems was generated from 2024 and increased significantly in 2025, primarily because we began to receive batch orders from customers after the

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relevant product offerings became more stable. Revenue from this business line increased significantly from the five months ended May 31, 2025 to the same period in 2026, primarily because our products gained further market recognition, resulting in continued strong growth in orders and sales volumes. The decrease in gross profit margin from 2024 to 2025 was mainly due to the increased contribution from shaft generator systems, which generally involved more complex cost components and higher project costs. The higher project costs of our shaft generator systems were mainly due to their greater product complexity and higher installation costs. Compared with our other vessel energy efficiency enhancement systems that generally involve only raw materials and processing costs, shaft generator systems require additional electromechanical equipment, including generators and frequency converter cabinets, which in aggregate accounted for approximately half of the total cost of shaft generator systems in 2025. In addition, shaft generator systems need to be fitted to each vessel's existing engine and shaft setup and power requirements, which incur additional installation costs. Furthermore, as shaft generator systems were still at the stage of technical optimization and market rollout, their project costs were still in the process of being optimized. Nevertheless, the gross profit margin of our vessel energy efficiency enhancement systems increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to more favorable purchase prices secured through our enhanced bargaining power with suppliers, cost savings from further design optimizations, and deliveries of products with improved and higher gross profit margin, such as high-power shaft generator systems, PSVs, and wind shields.

- ***Vessel Retrofit and Servicing.*** Revenue, gross profit, and sales volume of vessel retrofit and servicing increased significantly in 2024 and 2025. This was mainly because we expanded from providing ancillary after-sales support for EGCS into a broader range of revenue-generating vessel retrofit and servicing offerings, including whole-vessel retrofit, spare parts sales, global technical support, voyage repair, and complex equipment repair services. Revenue, gross profit, and sales volume increased from the five months ended May 31, 2025 to the same period in 2026, mainly due to a higher level of project delivery. The increase in average selling price from 2023 to 2024 was mainly due to our expansion from technical support services in 2023 to additional vessel retrofit and repair services in 2024, while the decrease in 2025 was mainly due to the significant increase in the sales volume of technical support services and the resulting broader service scope and wider range of contract values. In particular, our technical support services in 2025 covered a wider range of services, from smaller spare parts-related support to larger voyage repair. The increase in average selling price from the five months ended May 31, 2025 to the same period in 2026 was mainly due to the delivery of projects with higher contract values as a result of more extensive and complex retrofit work. The gross profit margin increased from 2023 to 2025 mainly because of the increase in revenue contribution from higher-margin technical support services, such as global emergency repair. The gross profit margin decreased from the five months ended May 31, 2025 to the same period in 2026, primarily due to higher raw material procurement costs incurred for the projects delivered.
- ***Intelligent Vessel Operating and Maintenance Systems.*** Revenue from intelligent vessel operating and maintenance systems was generated from 2024 and increased significantly in 2025, primarily because we began trial sales in 2024 and received batch orders in 2025. Revenue increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to increased recognition and orders from our customers. The decrease in gross profit margin from 2024 to 2025 and from the five months ended May 31, 2025 to the same period in 2026 was mainly because we bore the cost for upgraded configurations made in response to customers' operational needs without raising the sales price, in order to facilitate long-term and wider range of cooperation with the customers.
- ***New Energy Vessel Systems.*** Revenue and sales volume of new energy vessel systems increased during the Track Record Period, primarily due to increased sales of shore power systems driven by the customer demand. The gross profit margin decreased in 2025 mainly because the shore power projects undertaken in 2025 were mainly retrofit projects, which generally involved higher costs. The increases in gross profit margin from the five months ended May 31, 2025 to the same period in 2026 were mainly due to (i) higher average selling prices for projects involving broader scopes of supply and more complex work, and (ii) lower installation fees secured under more favorable commercial terms with our suppliers. The fluctuations in average selling price were mainly due to differences in project scope and product mix.

By Major Products or Services

The following table sets forth a breakdown of our revenue, gross profit, and gross profit margin by major products and services for the periods indicated.

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	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2023			2024			2025			2026		
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin
		RMB	%		RMB	%		RMB	%		RMB	%

(in thousands, except percentages)

(Unaudited)

SUMMARY

The following table sets forth a breakdown of our sales volume and average selling price by major products and services for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Sales Volume ⁽¹⁾	Average Selling Price	Sales Volume ⁽¹⁾	Average Selling Price	Sales Volume ⁽¹⁾	Average Selling Price	Sales Volume ⁽¹⁾	Average Selling Price	Sales Volume ⁽¹⁾	Average Selling Price
	(RMB in thousands)		(RMB in thousands)		(RMB in thousands)		(RMB in thousands)		(RMB in thousands)	
EGCS	152	15,356	142	13,110	147	10,310	69	8,615	119	6,268
Shaft Generator System	—	—	11	11,835	50	10,335	20	9,252	50	11,827
Vessel Retrofit	—	—	3	15,871	77	7,319	26	8,967	30	10,866
Technical Support	162	134	416	137	3,293	68	1,054	88	1,564	87
Intelligent Bilge Well CCTV System	—	—	4	287	60	304	33	309	64	282
Shore Power	3	2,985	10	2,491	14	3,721	2	1,813	12	2,744
Total	317		586		3,641		1,204		1,839	

Note:

(1) Represents the number of units sold, except for vessel retrofit and technical support services, which are presented based on the number of retrofitted vessels and the number of service orders, respectively.

- EGCS.** Revenue and average selling price of EGCS decreased from 2023 to 2025, primarily due to changes in product and project mix, including a higher proportion of newbuild vessel projects, which generally did not involve retrofit installation work, and market competition. Revenue of EGCS increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to settlement with a customer for historic costs incurred in connection with certain products that were no longer required following adjustments to its fleet. The average selling price of EGCS decreased from the five months ended May 31, 2025 to the same period in 2026, primarily because we continued to undertake more smaller-scale EGCS projects in response to market demand. The gross profit margin increased from 2023 to 2025, mainly due to a higher contribution from hybrid EGCS projects, which generally had a relatively higher gross profit margin. The gross profit margin increased from the five months ended May 31, 2025 to the same period in 2026, primarily because of the settlement with a customer for historic costs incurred in connection with certain products that were no longer required following adjustments to its fleet, which incurred minimal costs in the current period.
- Shaft Generator Systems.** Revenue and sales volume of shaft generator systems increased significantly in 2025, primarily because we received batch orders from customers after the relevant product offering became more stable. Revenue and sales volume increased significantly from the five months ended May 31, 2025 to the same period in 2026, primarily because our products gained further market recognition, resulting in continued strong growth in orders and sales volumes. The decrease in average selling price and gross profit margin in 2025 reflected the pricing level under batch sales and the relatively complex cost structure and higher project costs of shaft generator systems. The increase in average selling price from the five months ended May 31, 2025 to the same period in 2026 was mainly due to a higher level of high-power shaft generator systems delivered during the period, as systems with higher power ratings generally had higher selling prices. The gross profit margin of our shaft generator systems increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to more favorable purchase prices secured through our enhanced bargaining power with suppliers, cost savings from further design optimizations, and more deliveries of high-power shaft generator systems, which generally have a higher gross profit margin.

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- ***Vessel Retrofit.*** Revenue and sales volume of vessel retrofit were generated from 2024 and increased significantly in 2025, primarily because we expanded our vessel retrofit and servicing capabilities resulting from the commencement of operations of our Zhangjiagang vessel retrofit and servicing base and us undertaking more vessel retrofit projects. The increase in revenue and sales volume from the five months ended May 31, 2025 to the same period in 2026 was mainly due to a higher level of project delivery. The decrease in average selling price in 2025 was mainly due to the broader mix of vessel types served in 2025, including bulk carriers and engineering vessels, which generally had lower unit prices than the container vessel projects completed in 2024. The increase in average selling price from the five months ended May 31, 2025 to the same period in 2026 was mainly due to the delivery of projects with higher contract values as a result of more extensive and complex retrofit work. The decrease in gross profit margin from 2024 to 2025 was mainly due to the limited number of vessel retrofit projects completed in 2024, which made the gross profit margin in 2024 less representative, while the gross profit margin in 2025 reflected a broader project mix and a more normalized profitability level. The increase in gross profit margin from the five months ended May 31, 2025 to the same period in 2026 was mainly because the increase in revenue allows the fixed costs, including site rental, equipment depreciation, and personal costs, to be spread over a larger revenue base.
- ***Technical Support.*** Revenue, gross profit, and sales volume of technical support increased during the Track Record Period, primarily because we expanded from providing ancillary after-sales support for EGCS into broader revenue-generating technical support services, including global technical support, voyage repair, complex equipment repair, and other on-site technical services. The decrease in average selling price in 2025 was mainly due to the significant increase in sales volume and the broader range of technical support projects undertaken, including projects of varying contract values. The average selling price remained stable from the five months ended May 31, 2025 to the same period in 2026. The gross profit margin increased during the Track Record Period mainly because we continued to upgrade and expand the scope of our technical support services from spare parts support to broader services, such as global emergency repair, which enhanced the profitability of such services as the business scaled up.
- ***Intelligent Bilge Well CCTV System.*** Revenue and sales volume of intelligent bilge well CCTV systems were generated from 2024 and increased significantly in 2025, primarily because we began trial sales in 2024 and received batch orders in 2025. Revenue and sales volume increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to the increased recognition and orders from our customers. The gross profit margin decreased from 2024 to 2025 and from the five months ended May 31, 2025 to the same period in 2026, mainly because we bore the cost for upgraded configurations made in response to customers’ operational needs without raising the sales price, in order to facilitate long-term and a wider range of cooperation with the customers.
- ***Shore Power.*** Revenue and sales volume of shore power increased during the Track Record Period, primarily due to increased customer procurement. The decrease in gross profit margin in 2025 was mainly because the shore power projects undertaken in 2025 were mainly retrofit projects, which generally involved higher costs. The increases in gross profit margin from the five months ended May 31, 2025 to the same period in 2026 were mainly due to (i) higher average selling prices for projects involving broader scopes of supply and more complex work, and (ii) lower installation fees secured under more favorable commercial terms with our suppliers. The fluctuations in average selling price were mainly due to differences in project scope and product mix.

By Geographical Locations

The following table sets forth a breakdown of our revenue, gross profit, and gross profit margin by geographical locations for the periods indicated.

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- **Europe.** Revenue from Europe increased during the Track Record Period, mainly due to the increase in sales to Customer A. The gross profit margin increased from 2023 to 2024, primarily due to the increase in sales of hybrid EGCS, which generally had higher gross profit margins. The gross profit margin decreased in 2025, mainly because vessel energy efficiency enhancement systems and vessel retrofit and servicing contributed a higher proportion of revenue in Europe, and these business lines generally had relatively lower gross profit margins. The gross profit margin increased from the five months ended May 31, 2025 to the same period in 2026, mainly because of higher revenue contribution from vessel energy efficiency enhancement systems, which now have a higher level of gross profit margin as a result of more favorable purchase prices secured through our enhanced bargaining power with suppliers and cost savings from further design optimization. In particular, we delivered more high-power shaft generator systems during this period, which generally have a higher level of gross profit margin.
- **Asia.** Revenue from Asia decreased in 2024 and remained relatively stable in 2025. The decrease in 2024 was mainly due to the decrease in revenue from Zhejiang Energy Atlas, our sole distributor, as a result of the vessel schedule and project delivery cycle of the end customer under the distributorship arrangement, namely Customer D. Revenue from Asia increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to the delivery of projects with higher contract values. The gross profit margin decreased in 2024, mainly because the relevant projects primarily involved bulk carriers, which generally had a lower gross profit margin. The gross profit margin increased in 2025, mainly due to the increased contribution from equipment supply for newbuild container vessels, which generally had a higher gross profit margin. The gross profit margin decreased from the five months ended May 31, 2025 to the same period in 2026, mainly because of the higher procurement costs of raw materials for the projects delivered.
- **Africa.** Revenue from Africa was generated from 2024 and increased significantly in 2025, mainly due to the revenue contribution from a vessel green retrofit project with a large transaction value in 2025. The gross profit margin decreased from 44.7% in 2024 to 8.6% in 2025, mainly because revenue in 2024 primarily related to the sales of EGCS, while revenue in 2025 primarily related to whole-vessel retrofit projects, which generally had a lower gross profit margin due to higher overall project costs. We did not generate revenue from Africa for the five months ended May 31, 2026, primarily because the orders from existing customers had been completed in prior periods, while our ongoing projects remained under execution and had not yet reached the delivery stage during this period.
- **Americas.** Revenue and gross profit from the Americas were generated from 2024 and increased significantly in 2025, primarily due to our successful expansion of our customer base in the Americas and the resulting increase in sales of vessel exhaust gas emission control and cleaning systems. Our revenue and gross profit from the Americas increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to the increased sales of EGCSs. Our gross profit margin from the Americas remained relatively stable in 2024 and 2025. Our gross profit margin from the Americas increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to higher revenue contribution from our vessel exhaust gas emission control and cleaning systems, which now have a higher level of gross profit margin.
- **Oceania.** Revenue from Oceania increased in 2024 and decreased in 2025 primarily due to the change of customer structure. Revenue from Oceania decreased from the five months ended May 31, 2025 to the same period in 2026, primarily because certain orders from existing customers had been completed, resulting in fewer orders being delivered during this period. The gross profit margin in 2023, 2024, and 2025 remained relatively stable, with fluctuations mainly due to changes in product and service mix. The gross profit margin decreased from the five months ended May 31, 2025 to the same period in 2026, primarily due to a higher level of revenue contribution from vessel retrofit and servicing, which generally have a lower gross profit margin.

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The following table sets forth a breakdown of our revenue by key countries or regions, both in absolute amount and as a percentage of our total revenue for the periods indicated. We define key countries or regions as the top six countries or regions in terms of revenue generation in the latest applicable period during the Track Record Period, namely for the five months ended May 31, 2026.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except percentages)</i>										
<i>(Unaudited)</i>										
Cyprus	874,250	36.9	1,373,102	57.3	2,148,517	61.4	756,259	57.1	1,662,134	66.3
Singapore	59,723	2.5	292,613	12.2	252,746	7.2	120,856	9.1	436,626	17.4
Chinese Mainland	783,998	33.1	185,930	7.8	286,947	8.2	142,636	10.8	131,716	5.3
Canada	—	—	—	—	65,768	1.9	7,910	0.6	52,860	2.1
Panama	—	—	—	—	163,418	4.7	59,593	4.5	48,940	2.0
The Netherlands	—	—	—	—	41,487	1.2	10,882	0.8	40,421	1.6
Total	1,717,971	72.5	1,851,646	77.3	2,958,883	84.6	1,098,137	82.9	2,372,696	94.7

OUR STRENGTHS

We believe that the following strengths differentiate us from our competitors:

- a leading global green shipping equipment and system provider, with substantial leadership in vessel exhaust gas emission control and cleaning systems and vessel energy efficiency enhancement systems;
- integrated one-stop service model efficiently addressing industry pain points and creating exceptional value for customers;
- long-term, close relationship with global shipping companies, shipowners, and shipyards with opportunities for early participation in business initiatives;
- commitment to “service is the product” leveraging our global sales and service network;
- market-driven research and development capabilities that economically and efficiently address customer needs; and
- founding and management team with sharp market insights, leading our rapid growth.

For details, see “Business — Our Strengths.”

OUR STRATEGIES

We are committed to advancing our position in the industry and achieving sustained business growth through the following strategic initiatives:

- further strengthen our leadership in vessel exhaust gas emission control and cleaning systems and vessel energy efficiency enhancement systems, and continually launch high quality, cost-effective products and services;
- accelerate the application of AI technology in the green shipping equipment and system industry and promote industrial implementation of advanced technologies;
- further expand and strengthen our global sales and service network;
- continue to build vessel retrofit and servicing bases to meet the growing customer demand; and
- selectively pursue strategic investments and acquisitions to enhance and strengthen our product and service deliveries.

For details, see “Business — Our Strategies.”

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CUSTOMERS AND SUPPLIERS

Our customers primarily consist of leading domestic and international shipping companies, shipowners, and shipyards. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, revenue generated from our top five customers in each applicable period accounted for 84.7%, 69.5%, 77.0%, 71.6%, and 88.1% of our total revenue, respectively, and revenue generated from our largest customer in each applicable period accounted for 36.9%, 57.3%, 66.0%, 57.6% and 68.1% of our total revenue, respectively.

Our suppliers primarily include providers of marine engineering materials, mechanical and electrical components, and specialized process equipment.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, purchases from our top five suppliers in each applicable period accounted for 36.1%, 35.4%, 31.5%, 32.8%, and 34.9% of our total purchases, respectively, and purchases from our largest supplier in each applicable period accounted for 12.0%, 12.4%, 9.5%, 12.5%, and 13.0% of our total purchases, respectively.

RESEARCH AND DEVELOPMENT

Since our inception, our continued investment in research and development has supported our consistent growth by enabling us to continually enhance our product portfolio and advance our technological capabilities, including recruiting, training, and retaining technology talents with rich experience.

We have established a provincial key enterprise research institute, which covers product development, technology management, electrical control development, integration technology, digital information, and numerical simulation. As of May 31, 2026, we had a 134-personnel research and development team. As of the same date, we own over 50 invention patents in the fields of vessel desulfurization, dual-fuel supply, and carbon capture, with core technologies winning the First Prize of Zhejiang Provincial Science and Technology Progress, and multiple products receiving certification from international classification societies.

SALES AND MARKETING

Our sales and marketing strategy aims to strengthen brand recognition, expand market reach, and enhance customer relationships through a multi-dimensional sales network, proactive customer engagement, and integrated marketing initiatives.

We adopt an “all-staff marketing” approach, with marketing responsibilities shared across departments and supported by senior technical managers who participate directly in customer engagement. Sales activities are primarily coordinated by the marketing department, with other departments participating in customer development, technical communication, service support, and other marketing-related activities based on project needs.

We primarily adopt a direct sales model while we sell some of our products through sales agents. Under our direct sales model, we directly market and sell our products to customers. Under our sales agent model, sales agents assist us in marketing our products and introducing customers, while we enter into sales contracts directly with customers and deliver products directly to them. We focus on developing long-cycle relationships with major overseas shipping companies, shipowners, and shipyards, supported by strong customer stickiness and recurring orders. Our products are sold to customers, in numerous countries, including Germany, Greece, Singapore, Japan, China, Cyprus, Turkey, Liberia, the United Kingdom, Canada, Norway, Italy, India, the Netherlands, and Panama.

The following table sets forth a breakdown of our revenue, gross profit, and gross profit margin by sales channel for the periods indicated.

SUMMARY

	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2023			2024			2025			2026		
	Gross Profit		Gross Profit	Gross Profit		Gross Profit	Gross Profit		Gross Profit	Gross Profit		Gross Profit
	Revenue	RMB	Margin %	Revenue	RMB	Margin %	Revenue	RMB	Margin %	Revenue	RMB	Margin %
<i>(in thousands, except percentages)</i>												
					</							

(in thousands, except percentages)

(Unaudited)

SUMMARY

The following table sets forth a breakdown of our sales volume and average selling price for our principal businesses by sales channel for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)	(Units)	(RMB in thousands)
Direct Sales . . .	260	6,182	895	2,594	4,619	758	1,532	864	2,327	1,077
Distributorship .	57	13,358	12	6,335	—	—	—	—	—	—
Total	317		907		4,619		1,532		2,327	

- Direct Sales.** Revenue, gross profit, and sales volume from direct sales increased during the Track Record Period, primarily due to our increased direct supply of products and services to customers, including sales conducted with the support of sales agents. The increase was mainly driven by the growth of vessel energy efficiency enhancement systems, vessel retrofit and servicing, and other direct customer projects. From 2023 to 2025, the average selling price decreased, mainly due to changes in product and service mix, including the increased contribution from lower unit-price products and services. The average selling price from direct sales increased from the five months ended May 31, 2025 to the same period in 2026, primarily due to deliveries of projects with higher contract values, including high-power generator systems which generally have a higher selling price and vessel retrofit that involved more extensive and complex retrofit work. The gross profit margin increased from 2023 to 2024, mainly due to changes in product and project mix, and decreased in 2025, mainly due to the increased contribution from lower-margin business lines and products, including shaft generator systems and vessel retrofit and servicing. The gross profit margin increased from the five months ended May 31, 2025 to the same period in 2026, mainly due to (i) the increased gross profit margin from vessel exhaust gas emission control and cleaning systems as a result of settlement with a customer for historic costs incurred in connection with certain products that were no longer required following adjustments to its fleet and (ii) the increased gross profit margin from vessel energy efficiency enhancement systems as a result of more favorable purchase prices secured through our enhanced bargaining power with suppliers, cost savings from further design optimizations, and deliveries of products with higher gross profit margin, such as high-power shaft generator systems, PSVs, and wind shields.
- Distributorship.**

Zhejiang Energy Atlas was our sole distributor during the Track Record Period and became our sales agent in December 2024 for the purposes of reducing the amount of connected transactions and facilitating management through a unified sales model. Accordingly, our distributorship revenue ceased in 2025 following the change in cooperation model with Zhejiang Energy Atlas.

The decrease in distributorship revenue from RMB761.4 million in 2023 to RMB76.0 million in 2024 was mainly due to Customer D and its related party’s vessel schedule and project delivery cycle. Customer D and its related party placed orders in earlier years based on their vessel retrofit, maintenance, and newbuilding plans, and the relevant projects were substantially delivered in 2023.

The gross profit margin of distributorship was higher than that of direct sales, mainly because the distributorship arrangement involved a single distributor and a single type of product, primarily for container vessels, which generally had a relatively higher gross profit margin. The gross profit margin further increased from 2023 to 2024, mainly because the proportion of direct equipment supply for newbuild vessels increased significantly in 2024, which generally had a higher gross profit margin.

SUMMARY

PRODUCTION FACILITIES

As of the Latest Practicable Date, we operated two production facilities. Our Suzhou production base in Jiangsu Province, China undertakes the production of core components of our green shipping equipment and systems, with steel being our principal raw material. Our vessel retrofit and servicing base in Zhangjiagang, Jiangsu Province, China undertakes vessel retrofit and servicing.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following summary of our consolidated financial information during the Track Record Period should be read together with our consolidated financial statements and the related notes set forth in the Accountants’ Report in Appendix I to this document, as well as “Financial Information.”

Our Financial Achievement

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, our return on equity was 97.8%, 61.6%, 54.0%, 23.5%, and 34.3%, respectively. Meanwhile, we emphasize on shareholder returns. In 2023, 2024, and 2025, our annual dividend rate was 56.4%, 37.0%, and 54.3%, respectively.

Our revenue slightly increased from RMB2.37 billion in 2023 to RMB2.40 billion in 2024, and increased by 46.0% from RMB2.40 billion in 2024 to RMB3.50 billion in 2025. Our revenue increased by 89.4% from RMB1.32 billion for the five months ended May 31, 2025 to RMB2.51 billion for the same period in 2026. Our operating profit slightly increased from RMB621.1 million in 2023 to RMB625.5 million in 2024, and increased by 23.6% from RMB625.5 million in 2024 to RMB773.3 million in 2025. Our operating profit increased significantly from RMB277.3 million for the five months ended May 31, 2025 to RMB622.1 million for the same period in 2026.

Summary of Results of Operations

The following table sets forth our consolidated statements of profit or loss for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)						(Unaudited)			
Revenue	2,368,763	100.0	2,397,498	100.0	3,501,174	100.0	1,323,471	100.0	2,507,000	100.0
Cost of sales	(1,557,586)	(65.8)	(1,555,808)	(64.9)	(2,438,508)	(69.6)	(948,634)	(71.7)	(1,634,716)	(65.2)
Gross profit	811,177	34.2	841,690	35.1	1,062,666	30.4	374,837	28.3	872,284	34.8
Other income and gains	51,674	2.2	103,064	4.3	114,393	3.3	47,924	3.6	32,252	1.3
Selling and distribution expenses	(35,080)	(1.5)	(59,561)	(2.5)	(55,677)	(1.6)	(22,250)	(1.7)	(29,102)	(1.2)
Administrative expenses	(13,496)	(0.6)	(28,905)	(1.2)	(43,579)	(1.2)	(18,298)	(1.4)	(22,123)	(0.9)
Research and development costs	(84,757)	(3.6)	(120,781)	(5.0)	(137,090)	(3.9)	(50,214)	(3.8)	(53,688)	(2.1)
Impairment losses on financial assets . .	(3,296)	(0.1)	(2,490)	(0.1)	(11,977)	(0.3)	(5,437)	(0.4)	(5,864)	(0.2)
Other expenses	—	—	—	—	(18,742)	(0.5)	(201)	(0.0)	(59,349)	(2.4)
Finance costs	(5,887)	(0.2)	(12,270)	(0.5)	(14,756)	(0.4)	(6,337)	(0.5)	(6,504)	(0.3)
Profit before tax . .	720,335	30.4	720,747	30.1	895,238	25.6	320,024	24.2	727,906	29.0
Income tax expenses	(99,250)	(4.2)	(95,241)	(4.0)	(121,932)	(3.5)	(42,707)	(3.2)	(105,802)	(4.2)

SUMMARY

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)						(Unaudited)			
Profit for the year/period	621,085	26.2	625,506	26.1	773,306	22.1	277,317	21.0	622,104	24.8
Attributable to:										
Owners of the parent	621,085	26.2	625,506	26.1	773,306	22.1	277,317	21.0	622,104	24.8
Profit for the year/period	621,085	26.2	625,506	26.1	773,306	22.1	277,317	21.0	622,104	24.8

Revenue

From 2023 to 2025, we generated our revenue primarily from vessel exhaust gas emission control and cleaning systems. We also provide vessel energy efficiency enhancement systems, vessel retrofit and servicing, intelligent vessel operating and maintenance systems, and new energy vessel systems. We have been continually diversifying our product and service mix. As a result, our revenue from vessel exhaust gas emission control and cleaning systems accounted for 98.5%, 78.5%, 44.7%, 46.2%, and 30.6% of our total revenue in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively. In addition, for the five months ended May 31, 2026, vessel energy efficiency enhancement systems and vessel retrofit and servicing also became our major revenue drivers, contributing to 34.3% and 31.9% of our revenue for the same period, respectively.

The following table sets forth a breakdown of our revenue by business line both in absolute amount and as a percentage of our total revenue for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)						(Unaudited)			
Vessel Exhaust Gas Emission Control and Cleaning Systems	2,334,052	98.5	1,881,690	78.5	1,566,494	44.7	611,270	46.2	767,297	30.6
Vessel Energy Efficiency Enhancement Systems	—	—	250,979	10.5	854,566	24.4	352,974	26.7	859,534	34.3
Vessel Retrofit and Servicing	21,705	0.9	222,671	9.3	924,266	26.4	326,298	24.7	799,995	31.9
Intelligent Vessel Operating and Maintenance Systems	—	—	8,504	0.4	63,549	1.8	23,409	1.7	30,083	1.2
New Energy Vessel Systems	8,954	0.4	24,910	1.0	52,100	1.5	3,626	0.3	32,922	1.3
Others ⁽¹⁾	4,052	0.2	8,744	0.4	40,199	1.2	5,894	0.4	17,169	0.7
Total	2,368,763	100.0	2,397,498	100.0	3,501,174	100.0	1,323,471	100.0	2,507,000	100.0

Note:

(1) Primarily represents the sales of scrap materials.

During the Track Record Period, contribution from vessel energy efficiency enhancement systems and vessel retrofit and servicing to our overall revenue grew significantly.

Cost of Sales

Our cost of sales primarily consists of (i) materials expenses, (ii) modification service fee, (iii) outsourcing processing fee, and (iv) staff costs.

SUMMARY

The following table sets forth a breakdown of our cost of sales by nature both in absolute amount and as a percentage of total cost of sales for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except percentages)</i>						<i>(Unaudited)</i>			
Materials expenses	616,983	39.6	715,366	46.0	1,149,727	47.1	418,531	44.1	913,101	55.9
Modification service fee ⁽¹⁾	853,379	54.8	692,834	44.5	902,078	37.0	383,115	40.4	498,942	30.5
Outsourcing processing fee ⁽²⁾	38,116	2.4	49,385	3.2	109,950	4.5	46,198	4.9	65,098	4.0
Staff Costs	11,157	0.7	37,589	2.4	84,956	3.5	31,252	3.3	50,654	3.1
Warranty costs	23,235	1.5	28,303	1.8	44,249	1.8	12,249	1.3	14,693	0.9
Others	14,716	0.9	32,331	2.1	147,548	6.1	57,289	6.0	92,228	5.6
Total	1,557,586	100.0	1,555,808	100.0	2,438,508	100.0	948,634	100.0	1,634,716	100.0

Notes:

- (1) Refer to fees incurred for vessel retrofit-related services, such as installation fees.
- (2) Refer to outsourcing charges incurred during the production process, such as fees paid to third-party processors for processing materials.

Gross Profit and Gross Profit Margin

Gross profit represents the difference between revenue and cost of sales. Gross profit margin represents gross profit as a percentage of total revenue. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, our gross profit was RMB811.2 million, RMB841.7 million, RMB1.06 billion, RMB374.8 million, and RMB872.3 million, respectively, with gross profit margin of 34.2%, 35.1%, 30.4%, 28.3%, and 34.8% for the respective periods.

The following table sets forth a breakdown of our gross profit and gross profit margins by business line for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except percentages)</i>						<i>(Unaudited)</i>			
Vessel Exhaust Gas Emission Control and Cleaning Systems	801,376	34.3	705,398	37.5	617,503	39.4	214,732	35.1	388,966	50.7
Vessel Energy Efficiency Enhancement Systems	—	—	79,824	31.8	214,184	25.1	82,742	23.4	340,494	39.6
Vessel Retrofit and Servicing	2,233	10.3	33,113	14.9	158,615	17.2	59,318	18.2	105,954	13.2
Intelligent Vessel Operating and Maintenance Systems	—	—	5,289	62.2	28,350	44.6	13,447	57.4	10,445	34.7
New Energy Vessel Systems	3,737	41.7	10,842	43.5	13,840	26.6	728	20.1	10,987	33.4
Others	3,831	94.5	7,224	82.6	30,174	75.1	3,870	65.7	15,438	89.9
Total	811,177	34.2	841,690	35.1	1,062,666	30.4	374,837	28.3	872,284	34.8

SUMMARY

Summary of the Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of May 31, 2026
	2023	2024	2025	
	(RMB in thousands)			
Total current assets	1,632,470	2,164,710	2,828,458	3,441,463
Total non-current assets	339,624	503,960	422,421	677,823
Total assets	1,972,094	2,668,670	3,250,879	4,119,286
Total current liabilities	1,097,729	1,356,252	1,332,266	1,752,774
Total non-current liabilities	1,505	155,318	209,751	451,845
Total liabilities	1,099,234	1,511,570	1,542,017	2,204,619
Net current assets	534,741	808,458	1,496,192	1,688,688
Net assets	872,860	1,157,100	1,708,862	1,914,666
Share capital	—	225,000	225,000	225,000
Paid-in capital	22,141	—	—	—
Reserves	850,719	932,100	1,483,862	1,689,666
Total equity	872,860	1,157,100	1,708,862	1,914,666

Our total equity was RMB872.9 million, RMB1.16 billion, RMB1.71 billion, and RMB1.91 billion as of December 31, 2023, 2024, and 2025 and May 31, 2026, respectively. Our total equity increased from RMB872.9 million as of December 31, 2023 to RMB1.16 billion as of December 31, 2024, primarily due to RMB625.5 million profit for the year and RMB8.7 million equity-settled share-based payments, partially offset by RMB350.0 million dividends declared in 2024. Our total equity increased from RMB1.16 billion as of December 31, 2024 to RMB1.71 billion as of December 31, 2025, primarily due to RMB773.3 million profit for the year and RMB10.4 million equity-settled share-based payments, partially offset by RMB231.7 million dividends declared in 2025. Our total equity increased from RMB1.71 billion as of December 31, 2025 to RMB1.91 billion as of May 31, 2026, primarily due to RMB622.1 million profit for the period and RMB4.3 million equity-settled share-based payments, partially offset by RMB420.0 million dividends declared.

We had net current assets of RMB534.7 million, RMB808.5 million, RMB1.50 billion, and RMB1.69 billion as of December 31, 2023, 2024, and 2025 and May 31, 2026, respectively. Our net current assets positions as of each of these dates were primarily attributable to cash and cash equivalents, trade receivables, and inventories, partially offset by our trade payables, contract liabilities, other payables and accruals, and interest-bearing bank loans.

Our net current assets increased from RMB1.50 billion as of December 31, 2025 to RMB1.69 billion as of May 31, 2026. The increase was mainly due to (i) an increase in cash and cash equivalents of RMB710.5 million, (ii) a decrease in contract liabilities of RMB185.5 million, and (iii) an increase in trade receivables of RMB129.2 million, partially offset by (y) an increase in other payables and accruals of RMB444.9 million, and (z) a decrease in prepayments, other receivables, and other assets of RMB152.1 million.

Our net current assets increased from RMB808.5 million as of December 31, 2024 to RMB1.50 billion as of December 31, 2025. The increase was mainly due to (i) an increase in inventories of RMB553.6 million, (ii) a decrease in interest-bearing bank loans and other borrowings of RMB283.9 million, and (iii) an increase in prepayments, other receivables, and other assets of RMB223.9 million, partially offset by (y) an increase in contract liabilities of RMB370.7 million, and (z) a decrease in trade receivables of RMB213.3 million.

Our net current assets increased from RMB534.7 million as of December 31, 2023 to RMB808.5 million as of December 31, 2024. The increase was mainly due to (i) an increase in cash and cash equivalents of RMB273.9 million, (ii) an increase in trade receivables of RMB148.4

SUMMARY

million, and (iii) an increase in prepayments, other receivables, and other assets of RMB105.5 million, partially offset by (y) an increase in trade payables of RMB164.5 million and, (z) an increase in interest-bearing bank loans and other borrowings of RMB99.5 million.

Summary of the Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated cash flow statements for the periods indicated.

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(Unaudited)	
Net cash flows from operating activities	250,908	559,595	633,394	182,526	755,675
Net cash flows (used in)/ generated from investing activities	(10,997)	(5,981)	(26,667)	(12,039)	15,403
Net cash flows used in financing activities	(17,677)	(287,613)	(493,067)	(354,196)	(18,807)
Net increase/(decrease) in cash and cash equivalents	222,234	266,001	113,660	(183,709)	752,272
Cash and cash equivalents at the beginning of the year/period	186,758	414,073	687,982	687,982	793,768
Effect of foreign exchange rate changes, net	5,081	7,908	(7,874)	(266)	(41,805)
Cash and cash equivalents at the end of the year/period	414,073	687,982	793,768	504,007	1,504,235

Key Financial Ratios

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2023	2024	2025	2025	2026
	(Unaudited)				
Gross profit margin (%) . . .	34.2	35.1	30.4	28.3	34.8
Net profit margin (%)	26.2	26.1	22.1	21.0	24.8

	As of December 31,			As of May 31,	
	2023	2024	2025	2025	2026
Current ratio ⁽¹⁾ (times)	1.5	1.6	2.1	2.0	
Quick ratio ⁽²⁾ (times)	1.1	1.3	1.4	1.5	
Gearing ratio ⁽³⁾ (%)	38.2	52.3	21.0	34.1	

Notes:

- (1) Current ratio is calculated as total current assets divided by total current liabilities.
- (2) Quick ratio is calculated as total current assets less inventories divided by total current liabilities.
- (3) Gearing ratio is calculated as total indebtedness (including interest-bearing bank and other borrowings and lease liabilities) divided by total equity.

SUMMARY

RISK FACTORS

There are certain risks relating to an investment in our Shares. These risks can be characterized as (i) risks relating to our business and industry; (ii) risks relating to doing business in China; and (iii) risks relating to the [REDACTED]. We believe that the most significant risks that we face include the following:

- our growth is subject to the market demand for green shipping equipment and systems;
- our business is subject to uncertainties arising from changes and developments in global regulatory policies supporting the green transition of the shipping industry;
- we operate in a competitive market and may not be able to compete successfully against our existing and future competitors;
- if we fail to innovate or effectively respond to the rapidly evolving market dynamics, our business, financial condition, and results of operations would be adversely affected;
- the concentration in the sales of our vessel exhaust gas emission control and cleaning systems and to a limited number of customers may affect our revenue and profitability;
- we may experience occasional delays in project delivery or implementation and may also face risks of order deferrals or cancellations due to changes in customers’ fleet planning;
- fluctuations in exchange rates could have a material adverse effect on our business, financial condition, and results of operations;
- potential unsatisfactory performance or defects in our products may result in repairs or replacements, which could increase our costs, harm our reputation, and adversely affect our sales;
- our business prospect may be shaped by the successful launch of new green shipping equipment and systems and execution of our planned business initiatives, which involve additional uncertainties and risks; and
- price fluctuations or supply instability of raw materials may adversely affect our business, financial condition, and results of operations.

CONTROLLING SHAREHOLDERS AND CONNECTED TRANSACTIONS

As of the Latest Practicable Date, Zhejiang Technology Environmental Group is a joint stock company with limited liability established in the PRC and is owned by Zhejiang Energy Group as to 51% and Zhejiang Changguang Group as to 49% respectively, Zhejiang Energy Group is owned by SASAC of Zhejiang Provincial People’s Government (浙江省人民政府國有資產監督管理委員會) as to 90% and Zhejiang Social Security as to 10% respectively, Zhejiang Changguang Group is wholly owned by Zhejiang Energy Group, Zhejiang Social Security is wholly owned by Zhejiang Caikai Group and Zhejiang Caikai Group is wholly owned by Zhejiang Provincial Department of Finance (浙江省財政廳). As of the Latest Practicable Date, our Company was owned as to approximately 54.20% by Zhejiang Technology Environmental Group. Immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED]), Zhejiang Technology Environmental Group will hold approximately [REDACTED] of the total issued share capital of our Company.

Therefore, Zhejiang Technology Environmental Group, Zhejiang Changguang Group and Zhejiang Energy Group will constitute a group of Controlling Shareholders under the Listing Rules immediately upon completion of the [REDACTED].

SUMMARY

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in any business which competes or is likely to compete, either directly or indirectly with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules. On [●], each of our Controlling Shareholders executed the Non-Competition Undertaking Letter in favor of our Company. For further details, see “Relationship with Controlling Shareholders — Non-Competition Undertaking” in this document.

We have entered into certain transactions which will constitute continuing connected transactions under Chapter 14A of the Listing Rules after [REDACTED]. For further details, see “Connected Transactions” in this document.

DIVIDEND

We are a joint stock company incorporated under PRC laws. According to the PRC Company Law, a PRC-incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, determined under PRC GAAP, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds exceeds 50% of its registered capital. We may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisor, no dividend will be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, if any, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund exceeds 50% of our registered capital.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, our Company declared dividends of RMB150.6 million, RMB350.0 million, RMB231.7 million, RMB231.7 million, and RMB420.0 million, respectively, all of which had been paid in full. See Note 12 to the Accountants’ Report included in Appendix I to this document for details. We currently do not have a formal dividend policy. The dividend policy for the next three years will be determined by our Directors based on our profitability, cash flow position, future capital expenditure requirements, and operational development needs.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral, or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral, or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations. Litigation or any other legal or administrative proceeding, regardless of the outcome, can have an adverse impact on our business, financial condition, and results of operations. See “Risk Factors — Risks Relating to Our Business and Industry — We may be involved in lawsuits, claims, regulatory investigations, or legal proceedings in our ordinary course of business, which could materially and adversely affect our reputation, business, financial condition, and results of operations.”

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

SUMMARY

[REDACTED]

The statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] are newly [REDACTED] in the [REDACTED], (ii) the [REDACTED] for the [REDACTED] is not exercised, and (iii) [REDACTED] Shares are [REDACTED] and outstanding following the [REDACTED] of the [REDACTED]:

	Based on the [REDACTED] of HK\$[REDACTED] per H Share	Based on the [REDACTED] of HK\$[REDACTED] per H Share
[REDACTED] of our Shares ⁽¹⁾	Approximately HK\$[REDACTED] million	Approximately HK\$[REDACTED] million
Unaudited [REDACTED] adjusted consolidated net tangible assets per [REDACTED] ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in [REDACTED] immediately upon [REDACTED] of the [REDACTED].
- (2) The unaudited [REDACTED] adjusted consolidated net tangible assets per [REDACTED] is calculated after making the adjustments referred to in the section headed “Appendix II — Unaudited [REDACTED] Financial Information” to this document.

[REDACTED]

Based on the [REDACTED] of HK\$[REDACTED] per Share, the total estimated [REDACTED] in relation to the [REDACTED] is RMB[REDACTED] million (HK\$[REDACTED] million) assuming no new Shares are [REDACTED] under the [REDACTED] immediately prior to the [REDACTED]. Such estimated total [REDACTED] include (i) [REDACTED] related [REDACTED] of RMB[REDACTED] million (HK\$[REDACTED] million), (ii) fees and expenses of our legal advisors and reporting accountant of RMB[REDACTED] million (HK\$[REDACTED] million), and (iii) other fees and expenses of RMB[REDACTED] million (HK\$[REDACTED] million).

As of May 31, 2026, we incurred [REDACTED] of RMB[REDACTED] million, of which RMB[REDACTED] million was charged to our consolidated statements of profit or loss and RMB[REDACTED] million will be deducted from equity upon [REDACTED]. We expect to incur additional [REDACTED] of RMB[REDACTED] million (HK\$[REDACTED] million), of which RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be charged to our consolidated statements of profit or loss and RMB[REDACTED] million (HK\$[REDACTED] million) will be deducted from equity from [REDACTED].

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of HK\$[REDACTED] million assuming no exercise of the [REDACTED], based on an assumed [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share, after deducting [REDACTED] and [REDACTED] and other estimated [REDACTED] paid and payable by us in relation to the [REDACTED].

In line with our strategies, we plan to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used to advance our strategic mergers and acquisitions despite our historical organic growth strategy during the Track Record

SUMMARY

Period, in order to establish a high-quality green shipping equipment manufacture and service system, thereby promoting our integrated capabilities in eco-friendly equipment manufacture and vessel retrofit, and our one-stop service capabilities for core products as we have validated our vessel retrofit and servicing business and intend to ramp up this business quickly to respond to increasing market demand;

- approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used to enhance our research and development capabilities and technologies to accelerate our investment in research and development from 2027 to 2030, compared to the level of our similar investment during the Track Record Period, as our management plans to diversify our products and services and boost future growth through new vessel energy efficiency enhancement systems, new energy vessel systems, and application of AI technologies, and to facilitate the commercialization of forward-looking technologies;
- approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used to expand production facilities from 2027 to 2030; and
- approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED] million, will be used for working capital and other general corporate purposes.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business has continued to experience strong growth momentum following the Track Record Period. Particularly, both our revenue and net profit have shown an upward trend. In addition, from June 1, 2026 to June 30, 2026, we entered into 592 contracts with an aggregate contract value of RMB287.1 million, as compared with 288 contracts with an aggregate contract value of RMB223.7 million for the corresponding period in 2025. These results reflected the continued demand for our products and services and the successful execution of our growth strategy.

Our Directors have confirmed that up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since May 31, 2026, being the end date of the periods reported in Appendix I to this document and there is no event since May 31, 2026 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.