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## BUSINESS

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### OVERVIEW

#### Who We Are

Founded in 2018, we are a leading global green shipping equipment and system 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.

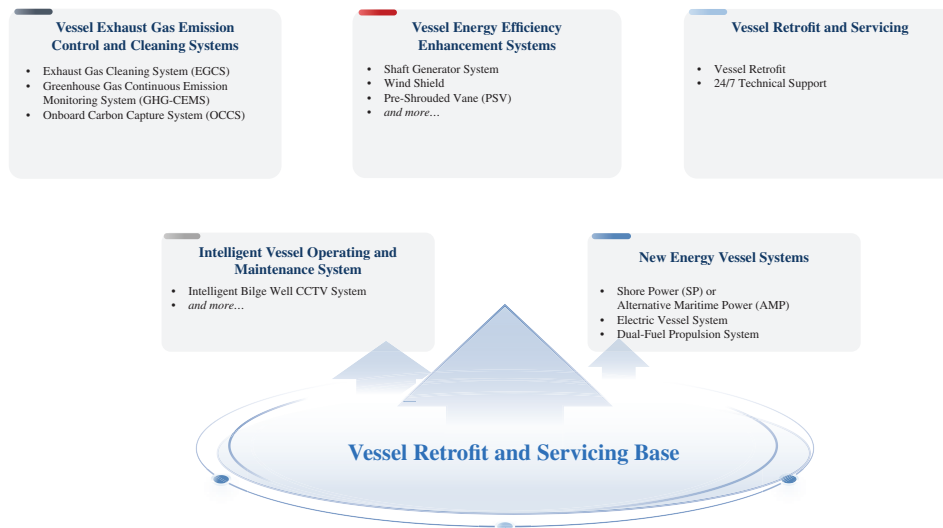
We have long committed to the customer-centric philosophy, comprehensively enhancing our core competence in product quality, technology innovation, service responsiveness, and cost control. Noting the longstanding customary practice of separating design, manufacture, installation, and operating and maintenance 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. Our one-stop service model effectively reduces management complexity and the vessel downtime for shipping companies, shipowners, and shipyards, creating exceptional value for our global shipping partners.

Since our inception, we have seized the opportunities arising from the green development and intelligentization of the global shipping industry leveraging our deep understanding of the same, and have rapidly developed into a market leader with one-stop service model, a complete product portfolio, and abundant technology reserves.

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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 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 systems 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 Customers

We have a stable and high-quality customer base. According to CIC, the top 10 global container shipping groups control 84.5% of the global container shipping volume capacity in 2025, and we have served six of them. In addition, according to CIC, we have served the world’s largest independent container shipowner in terms of owned capacity. In the sectors of bulk carriers and tankers, we maintain close cooperation with numerous internationally renowned shipping companies, shipowners, and shipyards. In addition, our customers include comprehensive shipping groups covering multiple vessel types, demonstrating our deep penetration in the diverse shipping market. As of December 31, 2025, our customers accounted for approximately 60% of the global container shipping capacity. We remain close to our customers and have gained their high recognition and long-term trust through continued technology upgrades, ongoing research and innovation, product quality optimization, and one-stop service model.

### OUR STRENGTHS

*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*

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. In this business line, our flagship EGCS has outstanding competitive strength in the global market. We are the first Chinese company that has successfully applied hybrid vessel desulfurization technology, as recognized by a certificate issued by the Zhejiang Provincial Department of Economy and Information Technology. Our EGCS has ranked first in the world in terms of revenue in 2025. In the field of decarbonization, leveraging our strong technological capabilities and precise grasp of industry trends, we have successfully developed GHG CEMS. According to our testing conducted from August to November 2025, our GHG CEMS can reduce emissions by 5% to 10% based on fuel coefficient calculations. This is the first in the world to have obtained certification international classification societies. Our onboard carbon capture system (OCCS) has been developed and applied based on chemical absorption by amines. According to our pilot tests conducted in December 2024, the OCCS’s carbon capture efficiency is over 90%, and we have provided customized designs for multiple international shipping companies, shipowners, and shipyards.

We are the second largest vessel energy efficiency enhancement system provider in the world in terms of revenue in 2025, according to CIC. Our flagship products in the vessel energy efficiency enhancement systems, such as shaft generator system and windshield, have widespread market recognition. As the International Maritime Organization continues to promote industry emission reductions through mandatory standards such as EEXI and CII, we have seized market opportunities and launched a range of products, including the shaft generator system, windshield, bulbous bow retrofit, high-efficiency propeller, pre-shrouded vanes, propeller boss cap fin, waste heat generator, variable frequency drive system, vessel auxiliary generator upgrade, and energy-efficient lighting retrofit system upgrade. This product matrix encompasses fluid dynamics optimization, energy recovery and utilization, powertrain efficiency enhancement, and refined energy consumption management. They combine technical synergy with scenario adaptability, allowing us to provide customized equipment and systems for different vessel types, routes, and operating needs, helping shipping companies, shipowners, and shipyards significantly reduce fuel consumption, improve carbon intensity ratings, and achieve their compliance cost-reduction and sustainable development goals.

In the sectors of vessel intelligentization and new energy, we have carried out advanced technology layout and commercialization. Leveraging the opportunities arising from upgrading the inland waterways and policies in favor of new energy, we have commercialized pure electric vessels to provide a scalable pathway for green shipping. In addition, we can upgrade traditional vessels with three alternative fuel supply systems: LNG, methanol, and ammonia, holding over 10 related

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core patents. We have completed the first methanol dual-fuel vessel certified by China Classification Society, and have achieved continued technical validation retrofitting various vessel types such as bulk carriers and container ships. Furthermore, we have applied AI technologies in building vessel-shore collaboration mechanism, focusing on vessel-shore coordination, human-vessel interaction, and device interconnection. We began validating our AI-empowered vessel decision support system in 2025. We have achieved large-scale application of intelligent monitoring systems for vessel bilge wells, with over 120 vessels delivered and over 40 orders pending fulfillment.

### ***Integrated one-stop service model efficiently addressing industry pain points and creating exceptional value for customers***

We have a deep understanding of the pain points in the green development of the global shipping industry, such as high compliance pressure, long retrofit cycle, high operating cost, and slow operating and maintenance response. 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. Our one-stop service model begins with the design stage, leverages intelligent technologies and our extensive product matrix, and comprehensively considers multiple factors such as vessel type, route characteristics, and operating mode. The one-stop service model enables us to maximize the value of assets at optimal costs for shipping companies, shipowners, and shipyards, with controlled process from design, manufacture, installation, to operating, maintenance, and upgrades, ensuring that we provide customers with technically advanced, economically reasonable, and long-term reliable products and services.

In carrying out manufacture and installation, we use our modular prefabrication technology to pre-assemble core equipment and piping in the factory and only conduct hoisting and integration on site, significantly improving quality and efficiency. For example, our EGCS installation cycle is significantly below the market average, with 18 days for open desulfurization towers and 33 days for hybrid desulfurization towers. According to CIC, the hybrid desulfurization tower installation cycle is 40% shorter than the industry average. This helps minimize vessel downtime, and, together with around-the-clock technical support and continued energy efficiency enhancement during the subsequent operating and maintenance phase, ensures that our products and services consistently meet customer expectations.

Through our one-stop service model, we not only help customers achieve compliance goals, but also create exceptional value for them by enhancing asset value, extending vessel operating lifespan, and reducing total lifecycle operating costs.

### ***Long-term, close relationship with global shipping companies, shipowners, and shipyards with opportunities for early participation in business initiatives***

We are a established, close business partner of the world’s leading shipping companies. We jointly explore the optimal paths for green development and intelligentization of the global shipping industry. According to CIC, the top 10 global container shipping groups control 84.5% of the global container shipping volume capacity in 2025, and we have served six of them. In addition, according to CIC, we have served the world’s largest independent container shipowner. In the sectors of bulk carriers and tankers, we maintain close cooperation with numerous internationally renowned shipping companies, shipowners, and shipyards. In addition, our customers include comprehensive shipping groups covering multiple vessel types, demonstrating our deep penetration in the diverse shipping market. The systems that we provide to leading shipping companies, shipowners, and shipyards have become increasingly diverse as we expand our business lines. Long-term, close relationships with global shipping companies, shipowners, and shipyards are the strongest proof of

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our robust product strengths, comprehensive service capabilities, and advanced research and development capabilities. These relationships could lay the foundation for our development opportunities and further growth potential.

- *Demand-Oriented Product Development.* Leveraging long-term, close relationships with global shipping companies, shipowners, and shipyards, we could precisely capture such customers’ core needs and pain points through regular communications, based on which we could jointly develop product concepts with customers. Throughout the entire product development process, we maintain deep collaboration with such customers, systematically carrying out product design, development, manufacture, and upgrade based on the needs of customers arising from actual shipping scenarios. We thus have become an indispensable strategic supplier in their business development, continually strengthening our competitive position.
- *Growing with Our Customers.* We jointly create value with our customers through mutual growth. We continually enhance our research and development capabilities and one-stop service model, further expanding our cooperation into vessel intelligentization and new energy alternatives. This also lays the foundation for our vertical expansion into modular delivery and retrofit for entire vessels, gradually achieving a closed-loop vertical coverage of the industry chain. It not only enhances our technological barriers and market entry thresholds but also deepens our relationships through continued value creation, achieving co-evolution and mutual growth with our customers.
- *Leading Market Development.* Our key customers serve as important trend indicators in the shipping industry. Through best practices with them, our products and services can be promoted and replicated to prospective customers. We see strategic value in such relationships as we seek guidance and insights to further penetrate the market.

### ***Commitment to “service is the product” leveraging our global sales and service network***

We are committed to “service is the product,” building a differentiated service system through standardized processes, customized adaptation, digital empowerment, and global coverage. We leverage a worldwide sales and service network and full lifecycle service capabilities to provide customers with comprehensive support that is compliant and secure, responsive without delay, cost-optimizable, and operationally efficient. This approach has won favors of numerous customers in the shipping industry and established a competitive barrier that is difficult to replicate.

We serve customers in the global shipping industry, which operate worldwide, managing extensive international fleets. We have established service points in 10 countries, including China, Singapore, Turkey, Greece, Germany, United States, Canada, India, United Arab Emirates and Bulgaria, building a 24/7 global sales and service network. This ensures that we can respond promptly to customer needs, provide high-quality delivery and technical support, and maintain a leading position in the global market.

Our global sales and service network provides a solid foundation for us to respond rapidly to customer needs and earn their trust. Leveraging a global service team with crew certificates, we have introduced inspection and sea trial with onboard support service. This ensures that our equipment and systems could quickly reach optimal operating conditions after installation, and enables immediate on-site repairs in case of any malfunctions.

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### ***Market-driven research and development capabilities that economically and efficiently address customer needs***

We conduct research and development to economically and efficiently address customer needs. With an agile mechanism, continued investment in research and development, and sophisticated technology reserve, we are able to quickly launch products and services in response to market demand, leading the industry direction.

Our agile research and development mechanism is centered on market demand. Through in-depth customer engagement and demand research, we identify customers’ pain points and industry trends, assess these pain points and trends in real time, and rapidly adapt and iterate our products and services. Our market-driven research and development capabilities gradually build up customer trust in us, which in turn allows us to uncover further customer needs for continued optimization and iteration. For example, a ship owner was once frustrated with plume, or the saturated wet vapor pre-cooled and condensed after being discharged into the air, which is a phenomenon typically resulting from the desulfurization of flue gas. We have responded by developing a prototype de-plume unit in just a few months as an ancillary component to the EGCS to minimize the plume.

We value the development of research and development centers and talents. 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 and 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.

We have five intermediate stage testing platforms and have independently built a 2,600-ton bulk carrier real-vessel testing platform, enabling full-scale operational condition simulation. Specifically, (i) the desulfurization and decarbonization intermediate stage testing platform can simulate the operation of vessel exhaust gas treatment systems; (ii) the ORC waste heat generator intermediate stage testing platform can verify the stability, efficiency, and equipment performance of the ORC system by simulating actual conditions, promoting technological iteration; (iii) the dual-fuel gas supply system intermediate stage testing platform can support the verification of storage, gasification, and control technologies for low-carbon fuels such as LNG and methanol; (iv) the 2,600-ton bulk carrier real-vessel testing platform is used for integrated real-vessel testing and demonstration applications of various energy-saving equipment; and (v) the electric real-vessel testing platform is used for onboard verification and performance evaluation of key technologies for electric vessels. These platforms are equipped with fluorescent spectrometers, laser mapping equipment, and advanced data acquisition systems, supporting a range of research and development from CFD simulation and module testing to real-vessel verification.

We have established close collaborative research and development mechanisms with many well-known universities in China. By leveraging their strong faculty and professional expertise, we are able to combine industry know-how and research, jointly tackling numerous core technological challenges in the green development and intelligentization of the shipping industry.

### ***Founding and management team with sharp market insights, leading our rapid growth***

Our founding and management team possess deep industry experience, sharp strategic insights, and high execution capabilities. Commanding decades of experience in the shipping, environmental protection, and energy sectors, the team track and tap the trends and policy shift in the green development and intelligentization of the global shipping industry and have led us to rapidly grow into an instrumental player in the global green shipping equipment and system market. Our controlling shareholder, Zhejiang Energy Group, is a top-tier, provincial state-owned energy

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enterprise rooted in Zhejiang Province with nationwide operations in China. As a large state-owned energy enterprise, our controlling shareholder is committed to green development and green energy, and has accumulated substantial experience, technological expertise, and talent in the energy and environmental protection industries. Our founding team have over 30 years of management experience in shipping and vessel engineering, with background of managing state-owned enterprises and carrying out market-oriented innovation. One of our founding team, Mr. Wang, is a recipient of the First Prize of the National Science and Technology Progress Award and previously served as general manager of a Fortune 500 company. Leveraging his sharp insights into international maritime policies and industry trends, shortly before the global sulfur cap implemented by the International Maritime Organization in 2018, Mr. Wang predicted the enormous market demand for green shipping and jointly established our Company with our controlling shareholder. He innovatively contributed to the extension of the land-based ultra-low emission technology into the global shipping industry.

Other members of our management team have an average of approximately 20 years of industry experience, coming from top global shipping groups, environmental technology firms, and energy groups, with expertise in research and development, manufacture, global marketing, and engineering management, forming a complementary matrix of professional capabilities. The management team possess outstanding global resource integration and strategy implementation abilities, leading us to (i) establish our overseas headquarters in Singapore in 2025, radiating into key shipping markets across Europe, Asia, and Africa, and (ii) establish a vessel retrofit base in Suzhou, Jiangsu Province, both of which strengthen our global layout. Since our inception, our business has covered major shipping regions in Europe, the Americas, and Asia, including traditional shipping markets such as Greece and Singapore, and have earned orders from leading customers in Europe and Japan.

### OUR STRATEGIES

***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***

We will continue to increase our investment in the research and development of vessel exhaust gas emission control and cleaning systems and vessel energy efficiency enhancement systems. We are advancing the development of our fourth-generation EGCS focusing on lightweight and modular iteration, while continuing to enhance the competitiveness of our leadership in EGCS, such as by continued refinement of installation cycle. In addition, we plan to optimize the dual alkali approach for our OCCS, develop rotor sails and waste heat utilization systems, and actively explore zero-carbon fuel technologies such as ammonia and hydrogen. Furthermore, we will horizontally expand the market applications of our mature products, including shaft generator system, windshield, and GHG CEMS. In sum, we plan to promote entire vessel delivery approach to leverage and expand our leadership in vessel exhaust gas emission control and cleaning systems and vessel energy efficiency enhancement systems.

***Accelerate the application of AI technology in the green shipping equipment and system industry and promote industrial implementation of advanced technologies***

We plan to promote the application of AI technology from sporadic implementation to systematic empowerment to enhance the overall vessel intelligentization and thus safe and efficient shipping. We will focus on developing advanced AI applications such as AI device management, AI-assisted diagnosis, intelligent customs clearance, and fuel-optimized navigation. These products will leverage large models, knowledge bases, and workflow integration to address systemic challenges such as complex vessel equipment maintenance, inconvenient crew training, and heavy documentation burden, promoting the application of AI technology toward decision-making support and automated execution.

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We plan to build a digital foundation encompassing the entire vessel lifecycle. This digital foundation will be achieved by creating a vessel-to-shore service data platform, a crew operating data platform, and a vessel IoT platform. This digital foundation is intended to empower key areas such as energy saving and emission reduction, shipping operations, mechanical maintenance, crew management, and port services. Ultimately, it will enable us to establish an open, collaborative, and intelligent shipping service ecosystem, providing solid support for an integrated intelligent shipping service system.

### *Further expand and strengthen our global sales and service network*

We will carry out our global expansion strategy with respect to our sales and service network along two aspects: further penetrating our key markets and further expanding into emerging shipping markets. We plan to strengthen strategic cooperation with leading international shipping companies, shipowners, and shipyards, leveraging our one-stop service model and customization capabilities. Meanwhile, we will actively explore emerging shipping markets such as Europe and Japan, leveraging our overseas headquarters in Singapore. By providing localized technical support and spare parts supply, we aim to minimize vessel downtime for customers, making service excellence one of our core competitive advantages.

### *Continue to build vessel retrofit and servicing bases to meet the growing customer demand*

In response to continued growth in market demand, we plan to build more vessel retrofit and servicing bases in coastal provinces such as Shandong, Jiangsu, and Fujian following our model base in Zhangjiagang. These new bases will integrate research and development verification, modular manufacture, vessel retrofit, and global scheduling. The Zhangjiagang base has a capacity to retrofit over 100 vessels annually and is equipped with green equipment production lines. Once such layout materializes with 3 to 5 bases operating by 2030, we aim to cover major shipping routes and comprehensively enhance large-scale delivery capabilities.

### *Selectively pursue strategic investments and acquisitions to enhance and strengthen our product and service deliveries*

We may from time to time selectively pursue strategic investments in and acquisitions of complementary businesses and services to enrich our products and services and build a comprehensive ecosystem with more value creation for our customers. We will assess industry trends for opportunities to deepen horizontal integration and vertical collaboration across the industry chain, comprehensively enhancing our product and service capabilities, and driving accelerated development of our business.

## OUR BUSINESS MODEL

We are a global green shipping equipment and system provider serving global shipping companies, shipowners, and shipyards, which in our case primarily include container shipping companies. Our business began with vessel exhaust gas emission control and cleaning systems, and has gradually expanded to include vessel energy efficiency enhancement systems, vessel retrofit and servicing, intelligent vessel operating and maintenance systems, and new energy vessel systems. We primarily delivered customized products that are specifically designed and manufactured based on the technical parameters and requirements of each vessel.

We have established service points in 10 countries, including China, Singapore, Turkey, Greece, Germany, United States, Canada, India, United Arab Emirates and Bulgaria, building a 24/7 global sales and service network.

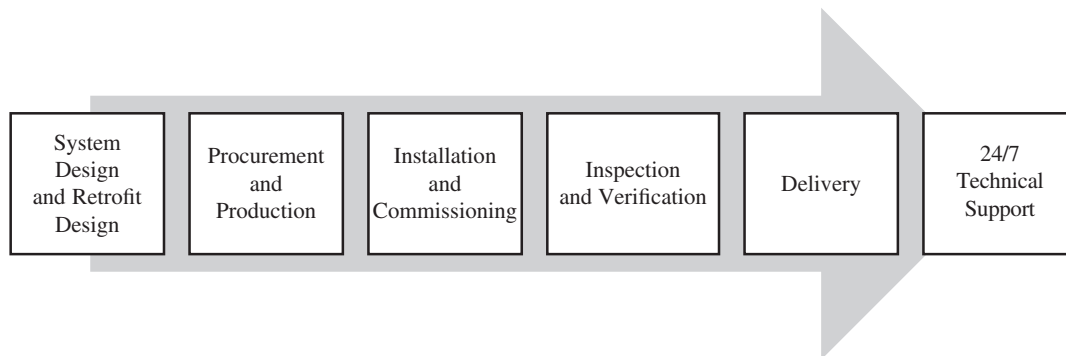
We have a manufacture base in Suzhou, Jiangsu Province. We (i) design and manufacture main structure and core components of our vessel exhaust gas emission control and cleaning systems and certain of our vessel energy efficiency enhancement systems, (ii) source other components and parts from third-party suppliers, and (iii) assemble complete products of the foregoing systems. We plan and arrange manufacture based on customer orders.

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We have a vessel retrofit and servicing base in Zhangjiagang, Jiangsu Province. We provide vessel retrofit and servicing in the Zhangjiagang base.

We adopt a one-stop service model when providing our products and services to our customers. We start by thoroughly assessing our customers’ requirements, ensuring that we fully understand their goals. This initial assessment allows us to produce a detailed work plan that encompasses design, manufacture, engineering, installation, testing, delivery, and 24/7 technical support. While we control the entire process, including whole system design and core component manufacture, some of the manufacture, modification, installation, and maintenance work is carried out by trusted external manufacturers, shipyards, and specialized maintenance technical service providers. This collaborative approach not only maintains high quality and efficiency but also allows us to carry out multiple deliveries simultaneously, significantly reducing both time and costs for our customers. Ultimately, we deliver tailored systems that optimize vessel performance and compliance while minimizing downtime, ensuring delivery of high-quality products and services. During the entire process, we typically station on-site managers for comprehensive management and prompt feedback to customers.

The following flowchart illustrates the process of our one-stop service model.



- *Design.* Our system design process involves a detailed evaluation of all critical parameters. Our retrofit design commences with collecting original vessel drawings and performing a 3D laser scan through an on-site survey. Concurrently, we perform preliminary engineering, encompassing the process design, the structural design, and the preliminary equipment selection. Once the point cloud data from the scan and the technical documentation for the selected equipment are complete, we proceed to the detailed modeling and engineering design phase.
- *Procurement and Production.* We manufacture large structural parts of our core products in-house and outsource non-core components to third-party suppliers. Our manufacturing protocol is fundamentally designed to comply with the stringent requirements of leading international classification societies. The production cycle is primarily determined by the scale and complexity of the systems. Intermediate inspection by classification societies will also influence the production schedule.
- *Installation and Commissioning.* Upon the vessel’s arrival at the shipyard, our prefabricated modules are lifted directly onto the vessel for installation and commissioning. This activity is integrated with additional engineering works required within the engine room.
- *Inspection and Verification.* After installation and commissioning, classification societies will conduct a comprehensive inspection and verification of our retrofit project.
- *Delivery.* We conduct appropriate procedures to prepare the vessels for delivery.
- *24/7 Technical Support.* We provide responsive 24/7 technical support services through our global service network in Southeast Asia, Europe, and North America.

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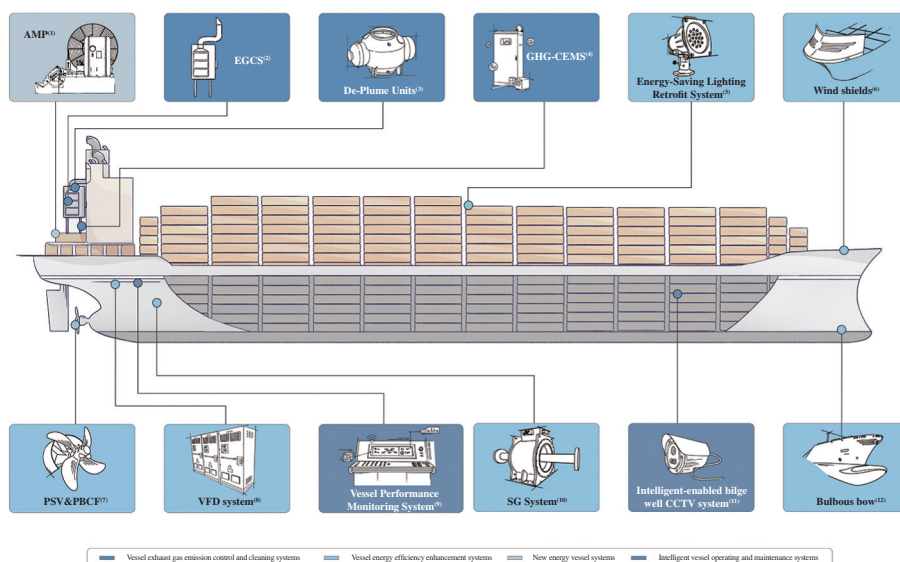
### Our Pricing Strategy

Our pricing policy is market-oriented. In determining our prices, we primarily consider prevailing market prices, together with cost-plus and value-based pricing principles. Our pricing is mainly based on equipment manufacturing costs, including raw materials, core components, and production labor, as well as technical service input, such as design and after-sale support. Key pricing factors include (i) project complexity and technical specifications, because larger vessels, higher engine power, limited retrofit space, or different technical solutions generally require more complex design and execution; (ii) compliance and certification costs, because different flag state and classification society requirements may require additional design work, certification, or system configuration; (iii) market competition and customer relationships, because we may adjust pricing for strategic customers or in response to market conditions, order visibility, and capacity utilization; and (iv) service scope, because projects involving installation, commissioning, or additional technical support generally command higher prices.

### OUR EQUIPMENT AND SYSTEMS

Our business lines include (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 equipment and systems encompass all major stages of vessel newbuild and retrofit, including system and retrofit design, procurement, manufacture, installation and commissioning, and maintenance and spare parts servicing, supporting the green development and intelligentization of the global shipping industry. With an extensive global supply chain of over 600 high-quality suppliers and a seasoned commissioning team with deep on-site experience, we offer highly reliable execution marked by shortened installation windows and responsive worldwide maintenance support, ensuring efficient delivery and consistent customer satisfaction.

The following diagram illustrates some of our products that could be applied on a vessel.



#### Notes:

- (1) alternative maritime power, a shoreside electrical supply system that lets a berthed vessel shut down its auxiliary engines and run on grid electricity.
- (2) exhaust gas cleaning system, an IMO-approved onboard installation that removes sulfur oxides and particulate matter from ship engine exhaust gases.
- (3) an onboard device that removes moisture from treated exhaust gas and heats the gas to prevent visible white smoke from forming.

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- (4) greenhouse-gas continuous emission monitoring system, an internationally certified analytical suite that automatically measures and records the concentration and mass flow of specified greenhouse-gas species in ship exhaust gases in real time.
- (5) an onboard lighting system that replaces conventional lights with high-efficiency modules to reduce lighting power consumption, fuel costs, and carbon emissions, while improving illumination and ease of use.
- (6) an onboard structure that improves a vessel’s aerodynamic profile to reduce wind resistance during navigation, thereby lowering fuel consumption and carbon emissions.
- (7) pre-shrouded vanes, a hydrodynamic energy-saving device mounted just ahead of the propeller that generates a controlled pre-swirl in the inflow, straightens the wake, and thereby recovers rotational energy losses to improve propulsive efficiency and cut fuel consumption.
- (8) variable frequency drive system, an onboard control system that automatically adjusts pump speed based on actual operating needs to save energy while maintaining normal equipment operation.
- (9) an onboard system that monitors vessel energy consumption and operating conditions in real time, analyzes energy use and costs based on voyage plans and route features, and supports route, speed, and trim optimization as well as ship-shore data synchronization and energy efficiency management.
- (10) shaft generator system, an onboard power generation system that uses surplus power from the main engine to supply electricity to the vessel, reducing the use of auxiliary generators and saving fuel.
- (11) an onboard monitoring system that tracks liquid level changes in cargo hold bilge wells and provides automatic alerts to assist crew drainage operations, timely identify leakage, and reduce the need for manual cargo hold inspections.
- (12) a vessel bow structure that reduces wave resistance and optimizes water flow, helping the vessel sail at an economical speed and thereby lowering energy costs and carbon emissions.

### Vessel Exhaust Gas Emission Control and Cleaning Systems

Our vessel exhaust gas emission control and cleaning systems comprise a suite of environmental control and monitoring systems, including EGCS, GHG-CEMS, and OCCS. Collectively, these systems provide both regulatory compliance assurance and broader carbon-related value creation for shipping companies, shipowners, and shipyards. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, revenue from vessel exhaust gas emission control and cleaning systems was RMB2.33 billion, RMB1.88 billion, RMB1.57 billion, RMB611.3 million, and RMB767.3 million, respectively, accounting for 98.5%, 78.5%, 44.7%, 46.2%, and 30.6% of our total revenue, respectively.

The principal representative products within this business line are summarized below.

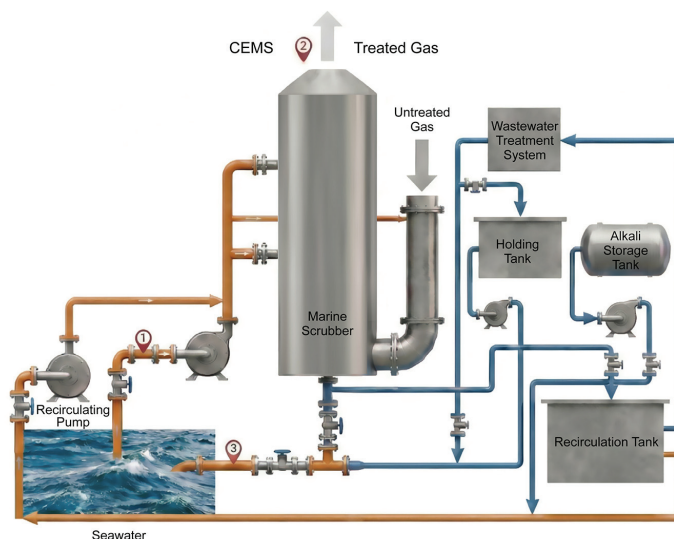
#### *Exhaust Gas Cleaning System (EGCS)*

- *Our Flagship Offering.* EGCS serves as our flagship and distinctive product line, whose desulfurizing efficiency can meet the most stringent emission standards to date.
- *Flexible Structural Configurations.* The EGCS is available in two major structural configurations — open loop and hybrid — covering different installation and operating needs. The open loop system, which further consists of two sub-designs, namely encased tower and naked tower, features an open framework that allows greater installation flexibility and easier access for maintenance, making it adaptable to a wider range of vessel types. The naked tower sub-design eliminates the traditional casing through system reconstruction and pipeline optimization. While ensuring that desulfurization efficiency and operating costs remain stable, the naked tower sub-design achieves considerable reduction in overall costs and shortens the installation cycle, achieving a dual breakthrough in efficiency and economy, according to our internal assessment conducted in January 2026. The hybrid system provides an enclosed, integrated structure that allows the vessels to operate in legally prohibited discharge areas while enabling the sustained global operations. Recognizing the issue of plume, or the saturated wet vapor pre-cooled and condensed after being discharged into the air, which is a phenomenon typically resulting from the desulfurization of flue gas, we have developed the de-plume unit as an ancillary component to the EGCS to minimize the plume.
- *Multiple Product Advantages.* Our EGCS shares the following core advantages:

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- long service life, with system durability designed for years of operations;
- high utilization rate of desulfurization products, with the hybrid system and the open loop system maintaining a utilization rate of over 90% and 99% in 2025, respectively;
- efficient installation, supported by mature engineering processes that allow for relatively short installation periods; and
- flexible vessel applicability, with structural designs that can be adapted to various vessel types and layout requirements.

The following diagram illustrates the operating process and crucial components of our EGCS.



In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the delivery volume of our EGCS was 152, 142, 147, 69, and 119 units, respectively, and the delivery volume of our de-plume unit was nil, 10, 43, 11, and 18 units, respectively.

### ***Greenhouse Gas Continuous Emission Monitoring System (GHG-CEMS)***

- ***Product Features.*** Our GHG-CEMS provides comprehensive monitoring of greenhouse gas and supports multi-point measurement for main engines, auxiliary engines, and boilers. Equipped with a gas concentration analyzer that reaches the ppb-level and a gas flow monitoring system, the system can conduct accurate analysis of the concentrations of greenhouse gases such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O), as well as dynamic measurement of exhaust gas flow. It is capable of real-time output of greenhouse gas emission data and cumulative greenhouse gas emission intensity.
- ***Product Advantages.*** Our GHG-CEMS leverages advanced optical sensing and laser spectroscopy technologies to achieve the ppb-level measurement of multi-component greenhouse gases. From research and development to manufacturing, the system design fully takes into account harsh maritime environmental factors such as vessel navigation jolts, mechanical vibration, high-low temperature alternating loads, and high salt spray corrosion, ensuring stable operation under all types of extreme working conditions. Equipped with an exclusive patented gas flow detection system, it accurately captures the actual mass flow of exhaust gas from shipborne equipment such as main engines, auxiliary engines, and boilers, providing core metrological data for emission accounting. In addition, the system is

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configured with a dual isolated intelligent analysis system consisting of local and cloud modules. The local terminal enables real-time data storage and report display, while the cloud platform supports multi-device data aggregation, anomaly early warning, trend analysis, and automatic generation of compliance reports. This dual-architecture design not only guarantees data security and meets the requirements of localized equipment operation and maintenance, but also satisfies business needs for remote monitoring and cross-regional data sharing.

### ***Onboard Carbon Capture System (OCCS)***

- *Product Features.* Our OCCS captures exhaust gas, mostly CO<sub>2</sub>, to liquefy and compress it through the carbon capture and regeneration system and then transport the liquid CO<sub>2</sub> to onshore plant for further processing. Recognizing their potential to drive future growth, we have actively explored this technology, including through collaboration with universities. The purpose of our OCCS system is for customers to meet International Maritime Organization’s GHG emission targets by capturing exhaust gas, which mostly consist of carbon dioxide (CO<sub>2</sub>) and dust from EGCS. The OCCS system can reduce payments from carbon taxes and trading and aligns with the aim of International Maritime Organization’s GHG Emission Strategy in the long run.
- *Product Advantages.* Our OCCS system can be tailored to various vessel specifications and successfully validated through pilot tests. This absorbent demonstrates a CO<sub>2</sub> capture rate of over 90%.

### **Vessel Energy Efficiency Enhancement Systems**

We offer a comprehensive menu-based portfolio of vessel energy efficiency enhancement systems, primarily comprising shaft generator system, wind shield, and pre-shrouded vane (PSV), among others. These equipment and systems collectively enable significant fuel savings and direct reductions in core operating costs, while enhancing vessels’ energy EEXI and CII performance, thereby strengthening the overall competitiveness and asset value of our fleet in an increasingly efficiency and compliance-driven market.

The principal representative products within this business line are summarized below.

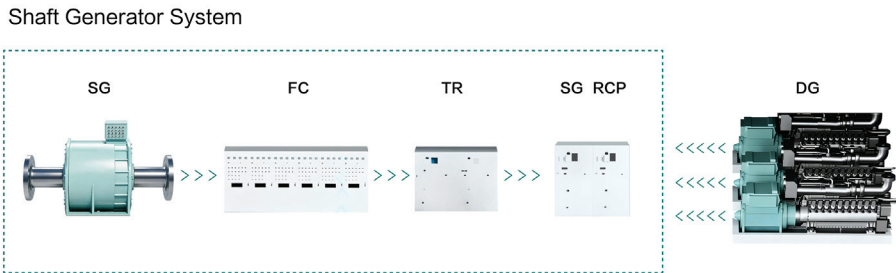
### ***Shaft Generator System***

- *Flagship Product.* Our shaft generator system is one of our flagship vessel energy efficiency enhancement systems, converting surplus propulsion power into electrical energy to reduce reliance on auxiliary generators and lower the labor and maintenance costs, lower fuel consumption and emissions, and materially enhance vessels’ EEXI and CII performance. It delivers stable power output and is suitable for a wide range of retrofit and new-built applications.
- *Functional Capabilities and Technical Features.* The system supports multiple configurations, including electrically excited synchronous generator (EESG) model, which is energized by a direct current delivered from an exciter through a carbon brush and slip ring assembly, and compact permanent magnet synchronous generator (PMSG) model, which incorporates embedded permanent magnets, requiring no external excitation current or sliding electrical contacts. The system offers both integral and half-half type of structural options. Specifically, the PMSG model is capable of sustaining a lifespan of over 10 years and thus eliminates the need for additional components and has the advantages of being more maintenance-friendly, more compact, and lighter weight, making it more popular in the current market due to its higher efficiency.

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- *Multiple Product Advantages.* Our shaft generator system offers the following core advantages:
  - extensive power coverage, with models developed to support the largest container vessels (up to 24,000 twenty-foot equivalent units) to meet the growing demand for large-scale energy-efficiency retrofits;
  - independent shaft alignment and torsional vibration calculation capabilities, supported by comprehensive assessment of the risks of shaft generator modification to the original shaft system;
  - installation flexibility, with the capability to flexibly adjust the design and installation layouts of the equipment to accommodate diverse vessel layouts and retrofit conditions according to the project requirements to minimize costs and modifications;
  - extensive experience in modification, with high efficiency and short procurement timeline and project completion cycles taking approximately three months from order placement to the completion of installation and troubleshooting;
  - systematic approach, with the shaft generators undergoing the testing process in the factory to reduce the risk of incompatibility;
  - enhanced scalability and reliability, strengthened through proprietary installation innovations and strategic collaborations with leading industry partners; and
  - dedicated teams and global service network, with skilled and experienced onboard commissioning and maritime service and maintenance teams to provide global coverage and solve any issues promptly with shaft generator systems.

The following diagram illustrates the operating process of our shaft generator system.



Notes:

|        |                                                                                                                                                                     |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SG     | shaft generator, which is installed on the vessel’s main propulsion shaft and converts surplus power from the main engine into electricity for onboard use          |
| FC     | frequency converter, which regulates frequency and voltage to enable the shaft generator to operate in parallel with the diesel generators                          |
| TR     | transformer, which converts the output voltage from the frequency converter to match the vessel’s existing electrical system and supplies electricity to the vessel |
| SG RCP | shaft generator remote control panel, which controls and protects the shaft generator system and executes remote operating commands                                 |
| DG     | diesel engine, which burns fuel to generate electricity as the vessel’s existing power source                                                                       |

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the delivery volume of our shaft generator system was nil, 11, 50, 20, and 50 units, respectively.

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***Wind Shield***

- *Product Features.* Our wind shield reduces the air resistance and optimizes the aerodynamic flow around the hull, delivering enhanced performance through high-fidelity CFD optimization and simulations.
- *Product Advantages.* Unlike experience-based traditional designs, our optimization uses parametric deformation and automatic optimization for numerical computation to achieve an almost optimal shape in computational domain. As a result, our wind shield enables meaningful fuel-saving performance through significant drag reduction, delivers structurally efficient and lightweight designs without compromising strength, and achieves high design accuracy through advanced simulation technologies and collaborations with leading research laboratories, including the largest wind tunnel lab of the scientific research institutions in China.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the delivery volume of our wind shield was nil, 14, 44, 21, and 41 units, respectively.

***Pre-Shrouded Vane (PSV)***

- *Product Features and Development.* PSV consists of guide vanes and a duct, which is capable of improving the inflow uniformity in the upper half-plane of the propeller, enhancing the efficiency of the propeller’s wake. Unlike traditional designs, we use automatic optimization and a number of parameters to design and optimize the PSV, achieving optimal results in the computational domain and progressively controlling accuracy throughout the manufacturing process to ensure quality and energy efficiency performance. During the manufacturing process, our material selection follows stringent standards. We test the PSV in well-recognized towing tanks with strong international reputations.
- *Product Advantages.* Compared with the normal designs, our optimization uses parametric deformation and automatic optimization for numerical computation to achieve optimal performance in the computational domain. Energy savings of approximately 3% to 6% will be achieved, depending on the vessel types.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the delivery volume of our PSV was nil, nil, five, one, and 43 units, respectively.

The following table sets forth other vessel energy efficiency enhancement systems that we can provide or are in development.

| Name                                                | Main Functions                                                                                                                                                                                                        |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bulbous Bow Retrofit . . . . .                      | It helps the vessel sail at the economical speed for lower energy cost and carbon emissions through the reduction of wave resistance and optimization of the flow field.                                              |
| Energy-Efficient Lighting Retrofit System . . . . . | It replaces old, power-hungry lights with energy-efficient lighting systems, saving significant fuel or energy, cutting CO <sub>2</sub> emissions, reducing maintenance due to longer life with better light quality. |
| Propeller Boss Cap Fin . . . . .                    | It achieves energy savings by recovering wasted rotational energy around the propeller hub from the wake of the propeller.                                                                                            |

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| Name                                                      | Main Functions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variable Frequency Drive System . . . . .                 | It is primarily used to control the operation of equipment such as seawater pumps, cabin fans, low-temperature pumps, and high temperature pumps. It automatically adjusts the speed of the equipment through frequency conversion technology to achieve energy-saving effects. The system utilizes PID closed-loop precision control, capable of precisely adjusting the operating status of equipment based on real-time changes in temperature and pressure, ensuring stable system operation. |
| Air Lubrication System (in development) . . . . .         | It reduces fuel consumption and emissions by creating a carpet of air bubbles under the hull, which lessens the friction between the vessel and the seawater, allowing it to glide more easily.                                                                                                                                                                                                                                                                                                   |
| Rotor Sail (in development) . .                           | It is a spinning cylinder that generates thrust providing additional propulsion to reduce fuel consumption and emissions, acting as an auxiliary wind propulsion system.                                                                                                                                                                                                                                                                                                                          |
| Waste Heat Power Generation System (in development) . . . | It captures and converts normally wasted heat into clean electricity.                                                                                                                                                                                                                                                                                                                                                                                                                             |

### Vessel Retrofit and Servicing

#### *Our Vessel Retrofit and Servicing Base*

Our vessel retrofit and servicing base is located at the southern bank of the Yangtze River at Zhangjiagang, Jiangsu Province, close to the Beijing-Shanghai Highway with easy access from surrounding major cities. It features a sub-100,000-ton dry dock and a 50,000-ton dry dock. As of the Latest Practicable Date, the Zhangjiagang base had 302 employees, including 105 professional technicians. The Zhangjiagang base has a capacity to retrofit over 100 vessels annually and is equipped with green equipment production lines. We actively work with nearby suppliers to establish our own production facilities for core components near the Zhangjiagang base. This approach significantly reduces transportation time and enhances the speed of on-site service responses.

#### *Key Stages and Features of Our Vessel Retrofit and Servicing*

Leveraging the capabilities of our Zhangjiagang base, we provide vessel retrofit and servicing to customers by assessing and recommending applicable retrofit plans based on a vessel’s technical parameters with estimated packaged price. After a customer confirms our plan and price, we start the retrofit design by collecting original vessel drawings and performing a 3D laser scan through an on-site survey. Concurrently, we perform preliminary engineering of the equipment or system. Once the point cloud data from the scan and the technical documentation for the selected equipment are complete, we proceed to the detailed modeling and engineering design phase. Our manufacture protocol is fundamentally designed to comply with the stringent requirements of leading international classification societies. Similarly, customers would send their own professionals to conduct on-site acceptance inspections and top customers in the industry often have even stricter quality requirements for products than classification societies do. The retrofit cycle is primarily determined by the scale and complexity of the retrofit. Intermediate inspection by classification societies will also influence the completion schedule. The time required to complete the retrofit of a single vessel, calculated from its arrival at the shipyard to its departure, generally ranges from approximately three weeks to approximately three months, with an average of 36 days.

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We allow customers to choose the retrofit that fits their needs and fulfill such tasks simultaneously in our Zhangjiagang base. A customer may choose retrofit leveraging all our other equipment and systems to fulfill their emission control and energy saving goals. Throughout the process, we advise the customers on the appropriate solutions that fit their needs, which cover technical scheme design, core equipment manufacture, installation management, system integration and commissioning, and global maintenance support, resolving industry pain points such as prolonged retrofit cycles, complex multi-interface coordination, and high technical integration requirements through standardized management and modularized engineering work flow. Our vessel retrofit and servicing emphasizes multi-dimensional system optimization and vessel-specific customization, supported by advanced engineering design, flexible layout planning, and strong multi-product integration capabilities, enabling us to deliver equipment and systems that balance operating efficiency, onboard space constraints, installation compatibility, and long-term maintainability across diverse retrofit scenarios.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, we completed retrofit for nil, three, 77, 26, and 30 vessels, respectively.

### ***24/7 Technical Support***

We provide responsive 24/7 technical support including onboard commissioning through our global network in Southeast Asia, Europe, and North America. Specifically, our technical support is available in countries such as China, Germany, Greece, Singapore, Turkey, and United States, with additional support provided through local partners in Canada, the United Kingdom, India, and the United Arab Emirates. We have provided technical support services covering over 140 ports and terminals across more than 40 countries and regions. As part of our commitment to excellence, we offer comprehensive technical support that ensures our customers experience optimal performance from their vessel retrofit. For example, our services include technical service, fault inspection and troubleshooting, scientific maintenance planning, spare parts supply, crew training, and technical retrofit. We specialize in providing green shipping equipment and systems spare parts, offering onboard repair services and technical support, and have extensive experience to meet customers' requirements.

We have formed our dedicated technical support teams, including the commissioning team, the warranty in or out service team, spare parts sales team, and shipyard retrofit team that are readily available to address any queries and provide ongoing maintenance and assistance tailored to individual vessel needs. We have implemented the plan to ensure our technical support teams are equipped with necessary skills by providing comprehensive technical training, expanding service coverage and capabilities, and establishing robust remote technical support. With a focus on sustainability and efficiency, we are committed to ensuring that key systems operate at optimal performance over the long term following service completion. Our proactive approach includes regular check-ins, training sessions for crew members, and access to a network of local experts, ensuring that our customers remain informed and empowered as they navigate the transition to greener maritime operations.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, we fulfilled 162, 416, 3,293, 1,054, and 1,564 technical support orders, respectively.

### **Intelligent Vessel Operating and Maintenance Systems**

Our intelligent vessel operating and maintenance systems primarily include intelligent bilge well CCTV system. In addition, we also provide vessel performance monitoring system, which remotely tracks energy consumption and operating efficiency, providing critical data visualization for optimized performance. Furthermore, we are exploring AI applications in other vessel operating and maintenance scenarios. These systems reduce inspection and maintenance complexity, reduce operating risks and time costs, and materially improve labor efficiency for vessel operators.

#### ***Intelligent Bilge Well CCTV System***

- *Representative Intelligent Vessel Operating and Maintenance System.* Our intelligent bilge well CCTV system provides intelligent supervision of one of the most critical yet traditionally difficult-to-monitor onboard areas to achieve real-time monitoring and warning of potential risks, enhancing operating visibility and strengthening the digital foundation for vessel-wide intelligent management.

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- *Functional Features.* The system integrates real-time video monitoring, leak and overflow detection, automated alarm and smart event recording, and oil-water identification, supported by explosion-proof cameras and high-protection grade hardware designed for harsh bilge well environments.
- *System Advantages.* Our system delivers enhanced safety by reducing manual entry into confined and hazardous bilge spaces, improves management efficiency through centralized visualization and data-driven oversight, and enables rapid response to abnormal conditions, thereby reducing operational risks and maintenance workload.
- *Deployment and Reliability Strengths.* Featuring flexible installation configurations, industry-grade explosion-proof cameras, and compatibility with vessel network systems, the system provides stable performance under extreme onboard conditions and supports scalable deployment across multiple bilge well locations.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the delivery volume of our intelligent bilge well CCTV system was nil, four, 60, 33, and 64 units, respectively.

### ***Current and Future Explorations***

We are currently developing and exploring the commercialization of AR vessel equipment intelligent management platform, vessel situation awareness assistance system, and intelligent troubleshooting system. These innovative systems leverage advanced technologies to enhance maritime operations: (i) the AR vessel equipment intelligent management platform utilizes AR and AI for efficient equipment management and real-time reporting; (ii) the vessel situation awareness assistance system employs multi-camera technology and AI analysis for comprehensive navigation safety; and (iii) the intelligent troubleshooting system for rapid fault diagnosis and repair guidance.

### **New Energy Vessel Systems**

Our new energy vessel systems address customers’ growing needs for green fuel adoption, encompassing shore power or alternative maritime power, electric vessels, and dual-fuel propulsion systems. These systems support shipping operators in transitioning smoothly toward future marine fuels and strengthening their readiness for the evolving global energy landscape.

The principal representative products within this portfolio are summarized below.

### ***Shore Power (SP) or Alternative Maritime Power (AMP)***

- *Product Features.* To meet relevant requirements of mandating the use of SP or AMP for specific vessels in certain counties and regions, our SP or AMP system supplies stable shore-side electricity to berthed vessels with seamless connection, achieving a smooth transition from ship electricity to shore-side electricity, enabling the shutdown of onboard auxiliary engines and reducing fuel consumption, emissions, noise, and air pollution. The system adopts a modular and highly flexible architecture, offering both fixed and mobile configurations to accommodate diverse vessel types and port conditions to comply with the mandate of using SP or AMP.
- *Product Advantages.* Our SP or AMP system provides strong adaptability through containerized, plug-and-play configurations, supports seamless integration with shipside and port-side interfaces, and ensures reliable power transfer with safety-certified components, such as cable reel and cable management system, high-voltage receiving panel and connection panels, uninterrupted power supply units, and monitoring control systems, which be connected to the original ship’s power distribution system to achieve uninterrupted power switching.

In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the delivery volume of our shore power system was three, 10, 14, two, and 12 units, respectively.

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### *Electric Vessel System*

Our electric vessel system integrates vessel design, electric propulsion, and intelligent energy management into a unified system, providing customers with complete vessels designed to achieve zero direct exhaust emissions rather than standalone power system components.

- *Product Features.* Our electric vessels utilize lithium iron phosphate battery systems, real-time battery management system (BMS), and distributed electric propulsion, supporting both fixed-charging, and swappable-battery architectures to meet diverse operational requirements.
- *Product Advantages.* The system delivers high operating efficiency and safety through long-cycle batteries, fast energy replenishment through charging or modular swap stations, and optimized hull-power integration that reduces overall energy consumption.
- *Application Value.* By significantly lowering fuel and maintenance costs while eliminating direct emissions, our electric vessels provide operators — particularly in inland waterway routes — with a commercially viable pathway toward green, compliant, and cost-efficient operations.
- *Application Scenario.* We have retrofitted a traditional fuel vessel into electric vessel resulting in saving nearly two-thirds of energy costs and reducing carbon dioxide emissions by 56 tons per year based on the vessel’s operations.

### *Dual-Fuel Propulsion System*

The dual-fuel propulsion system allows vessels to run on two different fuels, typically with traditional and new energy fuels, enabling seamless switching for flexibility, cost savings, and compliance with stricter environmental rules by drastically cutting emissions. In the field of dual-fuel propulsion system retrofit, we are capable of technology research and development, system design, actual vessel retrofit, and global maritime service and maintenance. We currently offer three types of new energy vessels with dual-fuel propulsion systems. Each of them uses diesel fuel and a choice from LNG, methanol, or ammonia fuels. We own over 10 important registered patents relating to dual fuels.

The following table sets forth the competitive advantages and applications of our new energy vessels.

|                                            | Competitive Advantage                                                                                                                                                                                       | Application                                                                                          |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <b><u>LNG Fuel Vessel</u></b> . . . . .    | 20% reduction in carbon emission, significant reduction in NO <sub>x</sub> , and nearly zero emission in SO <sub>x</sub> and particulate matter                                                             | mature technology and well-developed infrastructure, suitable for ocean shipping                     |
| <b><u>Methanol Fuel Vessel</u></b> . . . . | 95% reduction in CO <sub>2</sub> to green methanol and 10% to 15% reduction in CO <sub>2</sub> to gray methanol, 80% reduction in NO <sub>x</sub> , zero emission in SO <sub>x</sub> and particulate matter | convenient to store and transport, highly compatible with existing systems, popular among shipowners |
| <b><u>Ammonia Fuel Vessel</u></b> . . . .  | zero-carbon fuel, containing no carbon elements                                                                                                                                                             | an important power option for future ocean shipping                                                  |

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Our technological achievements have reached the leading level in China, with some reaching the advanced level internationally. Specifically, we have successfully retrofitted the China’s first pure methanol electric vessel by designing and manufacturing the methanol supply system including a methanol supply skid and double-walled methanol supply piping. We also are the first to have retrofitted the existing vessel’s engine into the methanol dual-fuel engine in China, recognized by CCS Product Certification. Therefore, our new energy vessel systems do not rely on traditional fuels.

### 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             |                  |                     | 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 | Revenue          | Gross Profit   | Gross Profit Margin |
|                                                                    | RMB                                | RMB            | %                   | RMB              | RMB            | %                   | RMB              | RMB              | %                   | RMB                               | RMB            | %                   | RMB              | RMB            | %                   |
|                                                                    | (in thousands, except percentages) |                |                     |                  |                |                     |                  |                  |                     | (Unaudited)                       |                |                     |                  |                |                     |
| 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                | 767,297          | 388,966        | 50.7                |
| Vessel Energy Efficiency Enhancement Systems . . . . .             | —                                  | —              | —                   | 250,979          | 79,824         | 31.8                | 854,566          | 214,184          | 25.1                | 352,974                           | 82,742         | 23.4                | 859,534          | 340,494        | 39.6                |
| 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                | 799,995          | 105,954        | 13.2                |
| Intelligent Vessel Operating and Maintenance Systems . . . . .     | —                                  | —              | —                   | 8,504            | 5,289          | 62.2                | 63,549           | 28,350           | 44.6                | 23,409                            | 13,447         | 57.4                | 30,083           | 10,445         | 34.7                |
| 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                | 32,922           | 10,987         | 33.4                |
| Others <sup>(1)</sup> . . . . .                                    | 4,052                              | 3,831          | 94.5                | 8,744            | 7,224          | 82.6                | 40,199           | 30,174           | 75.1                | 5,894                             | 3,870          | 65.7                | 17,169           | 15,438         | 89.9                |
| <b>Total . . . . .</b>                                             | <b>2,368,763</b>                   | <b>811,177</b> | <b>34.2</b>         | <b>2,397,498</b> | <b>841,690</b> | <b>35.1</b>         | <b>3,501,174</b> | <b>1,062,666</b> | <b>30.4</b>         | <b>1,323,471</b>                  | <b>374,837</b> | <b>28.3</b>         | <b>2,507,000</b> | <b>872,284</b> | <b>34.8</b>         |

Note:

(1) Primarily represents the sales of scrap materials.

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                 |
| <b>Total . . . . .</b>                                             | <b>317</b>                      |                       | <b>907</b>   |                       | <b>4,619</b> |                       | <b>1,532</b>                      |                       | <b>2,327</b> |                       |

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- ***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 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

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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 because 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 of this business line 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 a 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 during the Track Record Period 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.

| For the Year Ended December 31,    |              |                     |         |              |                     |         |              |                     | For the Five Months Ended May 31, |              |                     |         |              |                     |
|------------------------------------|--------------|---------------------|---------|--------------|---------------------|---------|--------------|---------------------|-----------------------------------|--------------|---------------------|---------|--------------|---------------------|
| 2023                               |              |                     | 2024    |              |                     | 2025    |              |                     | 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 | Revenue | Gross Profit | Gross Profit Margin |
| RMB                                | RMB          | %                   | RMB     | RMB          | %                   | RMB     | RMB          | %                   | RMB                               | RMB          | %                   | RMB     | RMB          | %                   |
| (in thousands, except percentages) |              |                     |         |              |                     |         |              |                     |                                   |              |                     |         |              |                     |
| (Unaudited)                        |              |                     |         |              |                     |         |              |                     |                                   |              |                     |         |              |                     |

EGCS . . . . . 2,334,052 802,441 34.4 1,861,666 699,771 37.6 1,515,592 597,825 39.4 594,431 207,386 34.9 745,909 379,949 50.9

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|                                              | For the Year Ended December 31,    |                |                     |                  |                |                     |                  |                |                     | For the Five Months Ended May 31, |                |                     |                  |                |                     |
|----------------------------------------------|------------------------------------|----------------|---------------------|------------------|----------------|---------------------|------------------|----------------|---------------------|-----------------------------------|----------------|---------------------|------------------|----------------|---------------------|
|                                              | 2023                               |                |                     | 2024             |                |                     | 2025             |                |                     | 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 | Revenue          | Gross Profit   | Gross Profit Margin |
|                                              | RMB                                | RMB            | %                   | RMB              | RMB            | %                   | RMB              | RMB            | %                   | RMB                               | RMB            | %                   | RMB              | RMB            | %                   |
|                                              | (in thousands, except percentages) |                |                     |                  |                |                     |                  |                |                     | (Unaudited)                       |                |                     |                  |                |                     |
| Shaft Generator System . . . . .             | —                                  | —              | —                   | 130,186          | 36,892         | 28.3                | 516,741          | 119,794        | 23.2                | 185,036                           | 36,819         | 19.9                | 591,345          | 208,129        | 35.2                |
| Vessel Retrofit . . . . .                    | —                                  | —              | —                   | 47,613           | 7,799          | 16.4                | 563,525          | 65,022         | 11.5                | 233,136                           | 24,097         | 10.3                | 325,979          | 46,945         | 14.4                |
| Technical Support . . . . .                  | 21,705                             | 976            | 4.5                 | 57,092           | 14,755         | 25.8                | 224,943          | 90,584         | 40.3                | 93,163                            | 35,222         | 37.8                | 136,618          | 54,357         | 39.8                |
| Intelligent Bilge Well CCTV System . . . . . | —                                  | —              | —                   | 1,146            | 477            | 41.6                | 18,233           | 3,579          | 19.6                | 10,208                            | 3,193          | 31.3                | 18,023           | 56             | 0.3                 |
| Shore Power . . . . .                        | 8,954                              | 3,929          | 43.9                | 24,910           | 10,843         | 43.5                | 52,100           | 13,840         | 26.6                | 3,626                             | 729            | 20.1                | 32,922           | 10,987         | 33.4                |
| <b>Total . . . . .</b>                       | <b>2,364,711</b>                   | <b>807,346</b> |                     | <b>2,122,613</b> | <b>770,537</b> |                     | <b>2,891,134</b> | <b>890,644</b> |                     | <b>1,119,599</b>                  | <b>307,446</b> |                     | <b>1,850,797</b> | <b>700,424</b> |                     |

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 <sup>(1)</sup>     | Average Selling Price | Sales Volume <sup>(1)</sup> | Average Selling Price | Sales Volume <sup>(1)</sup> | Average Selling Price | Sales Volume <sup>(1)</sup>       | Average Selling Price | Sales Volume <sup>(1)</sup> | 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                 |
| <b>Total . . . . .</b>                       | <b>317</b>                      |                       | <b>586</b>                  |                       | <b>3641</b>                 |                       | <b>1,204</b>                      |                       | <b>1,839</b>                |                       |

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

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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 primarily 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.

- ***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 of vessel retrofit from the five months ended May 31, 2025 to the same period in 2026 was primarily 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 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

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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 during the Track Record Period 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.

| For the Year Ended December 31,    |              |                     |         |              |                     |         |              |                     | For the Five Months Ended May 31, |              |                     |         |              |                     |      |
|------------------------------------|--------------|---------------------|---------|--------------|---------------------|---------|--------------|---------------------|-----------------------------------|--------------|---------------------|---------|--------------|---------------------|------|
| 2023                               |              |                     | 2024    |              |                     | 2025    |              |                     | 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 | Revenue | Gross Profit | Gross Profit Margin |      |
| RMB                                | RMB          | %                   | RMB     | RMB          | %                   | RMB     | RMB          | %                   | RMB                               | RMB          | %                   | RMB     | RMB          | %                   |      |
| (in thousands, except percentages) |              |                     |         |              |                     |         |              |                     | (Unaudited)                       |              |                     |         |              |                     |      |
| Europe . . . . .                   | 876,994      | 308,245             | 35.1    | 1,502,574    | 584,202             | 38.9    | 2,316,573    | 659,073             | 28.5                              | 857,068      | 227,274             | 26.5    | 1,796,412    | 663,658             | 36.9 |
| Asia . . . . .                     | 1,471,290    | 497,646             | 33.8    | 777,390      | 218,377             | 28.1    | 737,709      | 297,494             | 40.3                              | 357,125      | 108,956             | 30.5    | 596,112      | 167,951             | 28.2 |
| Africa . . . . .                   | —            | —                   | —       | 8,202        | 3,665               | 44.7    | 158,857      | 13,708              | 8.6                               | 14,764       | 6,272               | 42.5    | —            | —                   | —    |
| Americas . . . . .                 | —            | —                   | —       | 28,646       | 9,005               | 31.4    | 250,640      | 79,592              | 31.8                              | 72,665       | 23,582              | 32.5    | 101,799      | 36,998              | 36.3 |
| Oceania . . . . .                  | 20,478       | 5,286               | 25.8    | 80,686       | 26,441              | 32.8    | 37,394       | 12,799              | 34.2                              | 21,849       | 8,754               | 40.1    | 12,677       | 3,677               | 29.0 |
| 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 |

- 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 grossprofit 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 due to 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.

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- **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. The gross profit margin from the Americas increased from the five months ended May 31, 2025 to the same period in 2026, mainly because of 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 remained relatively stable in 2024 and 2025, with fluctuations mainly due to changes in product and service mix. The gross profit margin then 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.

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         |
| <b>Total . . . . .</b>                    | <b>1,717,971</b>                | <b>72.5</b> | <b>1,851,646</b> | <b>77.3</b> | <b>2,958,883</b> | <b>84.6</b> | <b>1,098,137</b>                  | <b>82.9</b> | <b>2,372,696</b> | <b>94.7</b> |

## OUR TECHNOLOGIES

We adopt a model that integrates research and production to effectively translate scientific results into tangible productivity. This approach not only strengthens our technological capabilities but also ensures that our research and development efforts are closely aligned with market demands. We can quickly apply innovative technologies to our products, particularly in areas such as energy enhancement, where we have made significant advancements.

Moreover, our research team has excelled in converting technological achievements into practical applications. These achievements not only create new growth opportunities for our company but also contribute to the overall development of the industry. Moving forward, we aim to conduct further research and gather more insights to highlight our innovation capabilities and industry impact.

### Advanced Environmental and Energy-Efficiency Technologies

We have developed a comprehensive suite of technologies supporting vessel emission reduction and vessel energy-efficiency enhancement, covering exhaust gas treatment, multi-pollutant continuous monitoring, aerodynamic and hydrodynamic optimization, and propulsion-energy conversion. These technologies deliver measurable fuel savings, increase economic returns and the value of vessel assets, improved EEXI and CII performance, and lifecycle-optimized operating efficiency across diverse vessel types.

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For example, our EGCS is available in hybrid and open-loop configurations. According to CIC, our EGCS has ranked first in the world in terms of revenue in 2025. According to CIC, the top 10 global container shipping groups control 84.5% of the global container shipping volume capacity in 2025, and we have served six of them.

Our stern propulsion system is an energy-efficient system integrated into the vessel's propulsion system. It consists of pre-shrouded vane and propeller boss cap fin. The system improves the uniformity of the inflow of the upper half plane of the propeller and reduces the pressure at the rear of the hub, and thus, optimizing energy consumption. By improving the propeller propulsion efficiency, the system significantly reduces fuel consumption and emissions, improves vessel's CII, and promotes the development of green shipping.

### **Integrated Marine Engineering and Retrofit Delivery Capabilities**

Our engineering capabilities span full-chain vessel retrofit technologies, including structural re-engineering, modularized system integration, propulsion-power alignment, and multi-product configuration design. Through standardized project management, modular engineering tools, mature installation processes, and a global supplier network, we achieve reliable execution, shortened installation cycles, and high-compatibility delivery across complex retrofit scenarios.

### **Intelligent Vessel Operating Technologies**

Our intelligent vessel technology stack integrates AI-based perception, automated monitoring, data analytics, and digital-twin-enabled supervision. Representative innovations include intelligent bilge well CCTV system, AR vessel equipment intelligent management platform, vessel situation awareness assistance system, intelligent troubleshooting system, and vessel performance monitoring system, reduce labor intensity and inspection risks, enhance onboard situational awareness, and enable data-driven decision-making for troubleshooting and predictive maintenance.

### **Electrification and New-Energy Propulsion Technologies**

We apply a comprehensive suite of technologies to maritime electrification, integrating vessel design, electric propulsion, lithium-iron-phosphate battery systems, battery-management systems, distributed propulsion control, and shore-side SP or AMP systems. Our new-energy technology capabilities allow operators to achieve zero direct exhaust emissions or dual-fuel propulsion, strengthen readiness for future marine fuels, and reduce long-term energy and maintenance costs.

## **RESEARCH AND DEVELOPMENT**

We believe that our commitment to research and development is the cornerstone of our growth strategy and a key driver of our competitive advantage. As the industry increasingly prioritizes sustainability, our vessel retrofit and servicing is at the forefront of innovation, specializing in research and development of advanced technologies. We are currently developing product portfolios including the onboard carbon capture system that significantly reduces greenhouse gas emissions, along with the dual-fuel propulsion system that offer enhanced fuel flexibility and operational compliance. Additionally, we are pioneering the air lubrication system that minimizes hull friction, maximizing fuel economy. Our innovative rotor sail harnesses wind energy to further optimize performance, while our waste heat power generation system captures and repurposes waste heat to improve energy utilization onboard. Together, these systems along with our intelligent products exemplify our commitment to transforming the maritime landscape through sustainable and efficient technologies, driving the transition to greener operations.

### **Our Capability**

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

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research and development team. As of the same date, we had 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.

### Research and Development Process

Our research and development are market-driven and deeply integrated with customer needs. Leveraging years of experience in the green shipping equipment and systems industry, we have formed a structured yet flexible research and development mechanism. Our research and development process mainly consists of the following stages:

- ***Integration of Research and Development and Market Insights.*** Our research planning is closely connected with customer needs, regulatory trends, and vessel operational scenarios. By closely tracking industry trends and customer demand for greener and more intelligent shipping solutions, we have identified emerging needs and developed corresponding technologies and products.
- ***Product Testing and Pilot Validation.*** Following design completion, we conduct laboratory tests and small-scale pilot trials to assess product performance and reliability. Current pilot-stage projects are designed to enhance vessel energy efficiency, while intelligent products incorporate sensing and data-analysis capabilities to support intelligent monitoring and fault diagnosis. Iterative testing ensures functional stability and readiness for large-scale deployment.
- ***Innovating and Optimizing Legacy Products.*** We routinely innovate and optimize our legacy products to ensure they meet customers’ latest requirements. For instance, we continually discuss, refine, and enhance our designs of EGCS based on the feedback from customers and the industry to better meet on-site construction requirements, steering towards a future that is more compact, energy-efficient, and intelligent. Additionally, our expansion sleeves, which shortens delivery times and reduce production costs, are evolving from a 3MW capacity to a breakthrough of 4MW. We successfully retrofitted vessels with our 4.3-MW expansion sleeve.
- ***Collaboration-Driven Innovation.*** We collaborate with leading universities to strengthen research depth in areas requiring advanced modeling or experimental facilities. A notable example is the windshield system developed in collaboration with a leading university. We leveraged its wind-tunnel resources and have achieved full industrialization with over 180 orders and around 100 deliveries. Such collaborations allow us to leverage academic resources to further strengthen our product portfolio.

### 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.

#### Sales Team and Strategy

- 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

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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 clients in numerous countries, including Germany, Greece, Singapore, Japan, China, Cyprus, Turkey, Liberia, the United Kingdom, Canada, Norway, Italy, and India.

### Sales Agents

During the Track Record Period, we have engaged sales agents to leverage their expertise and market presence in local market. By leveraging on their market insights, promotion capabilities, and customer outreach, we have successfully expanded our sales network and experienced growth in customers. We pay these sales agent service fees for their services in helping us expand our sales network. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, we recorded sales agent service fees of RMB25.2 million, RMB46.2 million, RMB36.0 million, RMB14.8 million, and RMB17.1 million, respectively. In addition, in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, our revenue generated through sales agents was RMB487.6 million, RMB533.1 million, RMB537.0 million, RMB225.1 million, and RMB268.2 million, respectively, accounting for 20.6%, 22.2%, 15.3%, 17.0%, and 10.7% of our total revenue in the same periods, respectively. We directly enter into sales contracts with our customers who are connected to us through the sales agents. According to CIC, such sales arrangements are common practices in the shipping industry.

The following summary sets forth the typical salient terms of the agreements between us and third-party sales agents:

- Duration. The duration of the agreements is typically one to three years.
- Commission. The sales agents are usually entitled to an agency commission fee, generally being certain percentage of the contract price, from the sales of our equipment and systems.
- Sales Agents’ Responsibilities. Sales agents are responsible for the promotion and sales of our equipment and systems through ways such as market research, advertising, and the preparation of commercial proposals.
- Intellectual Property. We retain all intellectual property rights relating to our products and designs.
- Termination. The agreements can be terminated by mutual consent. In addition, either party may terminate the agreements in the event of force majeure, an uncured breach after written notice, or a clear refusal by the other party to perform the agreement.

### Marketing and Branding Efforts

We are committed to establishing ZEME as a globally recognized brand associated with innovation and quality. Our marketing and branding efforts include:

- Strengthened Global Presence and Market Recognition. We have continued to expand our international footprint through overseas visits, major maritime exhibitions, and strategic customer engagement, deepening our presence in Europe and Asia and establishing long-term cooperation with leading global shipping companies, shipowners, and shipyards. These efforts have significantly enhanced our visibility and brand recognition in the global green shipping equipment and system market.
- High-Quality Delivery and Service Reputation. Our one-stop service model — from design and manufacture to installation, commissioning, and 24/7 technical support — supported by service points in 10 countries, has reinforced customer trust and contributed to high customer loyalty, further strengthening our brand reputation globally.

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- Multi-Channel Brand Communication.** We enhance our brand influence through an integrated communication approach that leverages online platforms, sector-leading media, and participation in industry events. Our major project achievements have been reported by national and provincial media, and selected cases have been included in an official compilation by the State-Owned Assets Supervision and Administration Commission, further elevating our brand profile in the industry.

The following table sets forth a breakdown of our revenue, gross profit, and gross profit margin 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             |                |                     |
|                        | Revenue                            | Gross Profit   | Gross Profit Margin | 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            | %                   | RMB              | RMB            | %                   |
|                        | (in thousands, except percentages) |                |                     |                  |                |                     |                  |                  |                     | (Unaudited)                       |                |                     |                  |                |                     |
| Direct Sales . . .     | 1,607,373                          | 497,847        | 31.0                | 2,321,475        | 801,979        | 34.5                | 3,501,174        | 1,062,666        | 30.4                | 1,323,471                         | 374,837        | 28.3                | 2,507,000        | 872,284        | 34.8                |
| Distributorship . .    | 761,390                            | 313,330        | 41.2                | 76,023           | 39,711         | 52.2                | —                | —                | —                   | —                                 | —              | —                   | —                | —              | —                   |
| <b>Total . . . . .</b> | <b>2,368,763</b>                   | <b>811,177</b> | <b>34.2</b>         | <b>2,397,498</b> | <b>841,690</b> | <b>35.1</b>         | <b>3,501,174</b> | <b>1,062,666</b> | <b>30.4</b>         | <b>1,323,471</b>                  | <b>374,837</b> | <b>28.3</b>         | <b>2,507,000</b> | <b>872,284</b> | <b>34.8</b>         |

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                 | —            | —                     | —                                 | —                     | —            | —                     |
| <b>Total . . . . .</b>    | <b>317</b>                      |                       | <b>907</b>   |                       | <b>4,619</b> |                       | <b>1,532</b>                      |                       | <b>2,327</b> |                       |

- 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

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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.

## PRODUCTION

### **Our Production Facility**

We fulfill core orders through our in-house production capacity, while outsourcing certain production capacity to meet the specific demands of various customers. By leveraging the capabilities of the upstream and downstream supply chain, we ensure flexibility and efficiency in addressing diverse market needs.

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.

The equipment and machinery that we use for production are all owned by us, mainly including welding, cutting, and grinding machines. The useful lives of these machines generally range from 4 to 10 years. For details of the depreciation method of our equipment and machinery, see Note 14 to the Accountants’ Report included in Appendix I to this document.

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The following table sets forth our production capacity, production volume, and utilization rate of our Suzhou production base.

|                                                      | For the Year Ended December 31, |      |                    | For the Five Months Ended May 31, |      |
|------------------------------------------------------|---------------------------------|------|--------------------|-----------------------------------|------|
|                                                      | 2023                            | 2024 | 2025               | 2025                              | 2026 |
| <b>Green Shipping Equipment and Systems</b>          |                                 |      |                    |                                   |      |
| Production Capacity <sup>(1)</sup> (units) . . . . . | 100                             | 100  | 120                | 50                                | 50   |
| Production Volume (units) . . . . .                  | 109                             | 78   | 132                | 56                                | 48   |
| Utilization Rate (%) . . . . .                       | 109.0 <sup>(2)</sup>            | 78.0 | 110 <sup>(2)</sup> | 112.0 <sup>(2)</sup>              | 96.0 |

*Notes:*

- (1) Estimated based on a combination of factors, including the number of production workers, the size of the production site, and our production experience, and assuming the production workers work on a shift basis, with each worker working eight hours per day and 300 days per year.
- (2) Our utilization rate exceeded 100% in 2023 and 2025 (including for the five months ended May 31, 2025), primarily due to increased manpower allocation in response to higher market demand. As advised by our PRC Legal Advisor, the above-100% utilization rate did not violate applicable PRC laws and regulations in any material respects, on the basis that (i) our production activities were not subject to any government-approved production capacity limit, and (ii) based on the PRC Legal Advisor’s public searches and our confirmation, we had not been subject to any rectification order, administrative penalty, or other regulatory measure in this regard.

We engaged additional temporary outsourced workers in 2023 and 2025 (including for the five months ended May 31, 2025), to support the increased manpower allocation. As advised by our PRC Legal Advisor, the outsourced labor arrangements did not violate applicable PRC laws and regulations in any material respects, on the basis that (i) our PRC Legal Advisor had reviewed the relevant contracts, management policies, qualification documents of the outsourced workers, and had not identified any material non-compliance, and (ii) based on the PRC Legal Advisor’s public searches and our confirmation, we had not been subject to any rectification order, administrative penalty, or other regulatory measure arising from these arrangements.

The production capacity of our Suzhou production base increased from 2024 to 2025, primarily because we added one production line and increased on-site headcount. The production capacity for our Suzhou production base remained stable for each of the five months ended May 31, 2025 and 2026. The production volume increased from 2024 to 2025 in response to the increased market demands for our green shipping equipment and systems. The utilization rate increased from 2024 to 2025 in order to meet increasing market demand. Our production volume and utilization rate decreased from 2023 to 2024 because we fulfilled certain orders in 2024 using equipment and systems that had been pre-manufactured in 2023, which allowed us to prepare for expected customer demand in advance and respond more flexibly to changes in vessel delivery schedules. For the same reason, our production volume and utilization rate decreased from the five months ended May 31, 2025 to the five months ended May 31, 2026.

The following table sets forth our production capacity, production volume, and utilization rate of our Zhangjiagang vessel retrofit and servicing base.

|                                                        | For the Year Ended December 31, |      |      | For the Five Months Ended May 31, |      |
|--------------------------------------------------------|---------------------------------|------|------|-----------------------------------|------|
|                                                        | 2023                            | 2024 | 2025 | 2025                              | 2026 |
| <b>Vessel Retrofit and Servicing</b>                   |                                 |      |      |                                   |      |
| Production Capacity <sup>(1)</sup> (vessels) . . . . . | —                               | 15   | 100  | 41                                | 41   |
| Production Volume (vessels) . . . . .                  | —                               | 3    | 82   | 34                                | 32   |

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|                                | For the Year Ended December 31, |      |      | For the Five Months Ended May 31, |      |
|--------------------------------|---------------------------------|------|------|-----------------------------------|------|
|                                | 2023                            | 2024 | 2025 | 2025                              | 2026 |
| Utilization Rate (%) . . . . . | —                               | 20.0 | 82   | 82.9                              | 78.0 |

*Note:*

- (1) Determined based on the investment project filing certificate held by our Zhangjiagang vessel retrofit and servicing base.

Our Zhangjiagang vessel retrofit and servicing base commenced operations near the end of 2024. Following an initial ramp-up period, our production capacity, production volume, and utilization rate increased significantly in 2025, primarily driven by the increase in order volume. Our production capacity remained stable for each of the five months ended May 31, 2025 and 2026. Our production volume and utilization rate decreased slightly because vessels completed during the five months ended May 31, 2026 generally required more retrofit work per vessel.

We may adjust our production capacity from time to time based on our operational conditions and market demand.

### Critical Production Machinery and Equipment

During the Track Record Period, most of our production machinery and equipment were purchased in China.

The following table sets forth information regarding the major machinery and equipment owned by us as of May 31, 2026.

| Machinery and Equipment                                  | Purpose/Function                                                                                                   | Age (months) | Repair and Maintenance History | Time for Replacement or Upgrade |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------|---------------------------------|
| Horizontal Boring and Milling Machining Center . . . . . | Boring, side hole machining, and thread tapping                                                                    | 13           | Semi-annual maintenance        | By 2035                         |
| CNC Gantry Machining Center . . . . .                    | Machining the end face and arc surfaces of locking assemblies, drilling holes, thread milling, and surface milling | 13           | Semi-annual maintenance        | By 2035                         |
| CNC Double Column Vertical Lathe . . . . .               | Turning the outer diameters and inner bores of the inner and outer rings of locking assemblies                     | 11           | Semi-annual maintenance        | By 2035                         |
| Hydraulic Press . . .                                    | Manufacturing pressing plates for PSV                                                                              | 9            | Semi-annual maintenance        | By 2035                         |

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| <b>Machinery and Equipment</b>                           | <b>Purpose/Function</b>                                     | <b>Age (months)</b> | <b>Repair and Maintenance History</b> | <b>Time for Replacement or Upgrade</b> |
|----------------------------------------------------------|-------------------------------------------------------------|---------------------|---------------------------------------|----------------------------------------|
| Four-Roll Plate Bending Machine . . . . .                | Rolling carbon steel plates into cylindrical shapes         | 40                  | Semi-annual maintenance               | By 2027                                |
| Wire Electrical Discharge Machine . . . . .              | Cutting the inner and outer rings of locking assemblies     | 13                  | Semi-annual maintenance               | By 2035                                |
| Forklift . . . . .                                       | Transporting materials                                      | 14                  | Semi-annual maintenance               | By 2028                                |
| X-ray Fluorescence Spectrometer . . .                    | Analyzing material composition                              | 69                  | Annual maintenance                    | By 2027                                |
| Plate Bending Machine . . . . .                          | Rolling carbon steel plates into cylindrical shapes         | 86                  | Semi-annual maintenance               | By 2029                                |
| Plasma Cutting Machine . . . . .                         | Cutting and blanking of carbon steel plates                 | 86                  | Annual maintenance                    | By 2029                                |
| CNC Laser Cutting Machine . . . . .                      | Cutting and blanking of stainless steel plates              | 12                  | Semi-annual maintenance               | By 2030                                |
| Loader . . . . .                                         | Loading and unloading copper ore sand                       | 14                  | Semi-annual maintenance               | By 2030                                |
| CNC Pipe and Tube Intersecting Cutting Machine . . . . . | Cutting pipes for intersecting joints                       | 9                   | Semi-annual maintenance               | By 2030                                |
| Radial Drilling Machine . . . . .                        | Drilling holes in outfitting components                     | 9                   | Quarterly maintenance                 | By 2030                                |
| Hydraulic Press Brake . . . . .                          | Bending edges of outfitting components                      | 14                  | Semi-annual maintenance               | By 2030                                |
| Hydraulic Pipe Bending Machine . . . . .                 | Bending pipes                                               | 9                   | Quarterly maintenance                 | By 2030                                |
| 15T Electric Flatbed Trolley .                           | Short-distance transport of equipment                       | 9                   | Monthly maintenance                   | By 2030                                |
| Portal Crane . . . . .                                   | Transporting vessel supplies and installing large equipment | 2                   | Annual maintenance                    | By 2031                                |
| Fiber Laser Bevel Cutting Machine . . . . .              | Bevel cutting and blanking                                  | 3                   | Annual maintenance                    | By 2031                                |
| Mobile Shore Power Converter . . . . .                   | Supplying shore power to vessels during maintenance         | 0                   | Annual maintenance                    | By 2031                                |
| Tower Crane . . . . .                                    | Supporting hatch cover repair                               | 3                   | Annual maintenance                    | By 2031                                |

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### OUR OUTSOURCING ARRANGEMENTS

During the Track Record Period, we outsourced the processing of certain non-core components of our products and installation and set-up process to third-party manufacturing service providers to maintain a flexible production model and respond to changing market demand.

For processing work, the outsourced partners mainly provide auxiliary manufacturing services by carrying out physical processing and assembly for our products such as EGCSs and wind shields based on the drawings, technical specifications, and process standards provided by us, including cutting, rolling, panel assembly, block assembly, nozzle and filler installation, pickling and passivation, and tightness tests. For installation and set-up work, the outsourced partners mainly perform on-site execution work, such as steel structure and outfitting installation, piping and cabling, equipment lifting and fixing, coating, and routine supporting tests, under our project requirements and technical guidance. We remain responsible for, and maintain overall control over, the outsourced work process. Before the work begins, we set the product design, technical specifications, process standards, production plan, and inspection requirements, and provide the main materials and components. During the work process, we monitor the progress and key quality steps, and require rectification where necessary. Before delivery, we conduct quality inspections, system commissioning, and final acceptance to ensure that the outsourced work meets our technical and quality requirements.

The following table sets forth a breakdown of the proportions of in-house and outsourced production, in terms of capacity utilization, for our key products during the Track Record Period.

|                                             | For the Year Ended December 31, |               |               | For the Five Months Ended May 31, |               |
|---------------------------------------------|---------------------------------|---------------|---------------|-----------------------------------|---------------|
|                                             | 2023                            | 2024          | 2025          | 2025                              | 2026          |
| <b>Green Shipping Equipment and Systems</b> |                                 |               |               |                                   |               |
| Processing                                  |                                 |               |               |                                   |               |
| In-House . . . . .                          | 66.86%                          | 62.64%        | 58.81%        | 55.40%                            | 55.65%        |
| Outsourced . . . . .                        | 33.14%                          | 37.36%        | 41.19%        | 44.60%                            | 44.35%        |
| <b>Total . . . . .</b>                      | <b>100.0%</b>                   | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                     | <b>100.0%</b> |
| Installation and Set-Up                     |                                 |               |               |                                   |               |
| In-House . . . . .                          | 0.0%                            | 4.3%          | 20.6%         | 20.1%                             | 22.3%         |
| Outsourced . . . . .                        | 100.0%                          | 95.7%         | 79.4%         | 79.9%                             | 77.7%         |
| <b>Total . . . . .</b>                      | <b>100.0%</b>                   | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                     | <b>100.0%</b> |
| <b>Vessel Retrofit</b>                      |                                 |               |               |                                   |               |
| In-House . . . . .                          | —                               | 100.00%       | 100.00%       | 100.00%                           | 100.00%       |
| Outsourced . . . . .                        | —                               | 0.00%         | 0.00%         | 0.00%                             | 0.00%         |
| <b>Total . . . . .</b>                      | <b>—</b>                        | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                     | <b>100.0%</b> |

We primarily engaged outsourced partners in providing our green shipping equipment and systems.

The increase in the use of outsourced processing service in our green shipping equipment and systems in the Track Record Period was mainly due to our expansion into new business lines. As we were still building in-house production capacity for certain new products during the ramp-up stage, we increased our use of third-party processors to meet growing market demand and delivery needs. We relied less on outsourced partners for the installation and set-up process, primarily because of the commencement of operation of our Zhangjiagang vessel retrofit and servicing base.

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The table below sets out the number of outsourced partners engaged by us by service category during the Track Record Period:

|                                                                 | For the Year Ended December 31, |            |            | For the Five Months Ended May 31, |            |
|-----------------------------------------------------------------|---------------------------------|------------|------------|-----------------------------------|------------|
|                                                                 | 2023                            | 2024       | 2025       | 2025                              | 2026       |
| Outsourced Processing Installation and Set-Up Service . . . . . | 9                               | 24         | 18         | 17                                | 11         |
|                                                                 | 106                             | 153        | 343        | 167                               | 327        |
| <b>Total . . . . .</b>                                          | <b>115</b>                      | <b>177</b> | <b>361</b> | <b>184</b>                        | <b>338</b> |

The following table sets forth a summary of our purchases from the outsourced partners during the Track Record Period:

|                                                                 | For the Year Ended December 31, |                |                | For the Five Months Ended May 31, |                |
|-----------------------------------------------------------------|---------------------------------|----------------|----------------|-----------------------------------|----------------|
|                                                                 | 2023                            | 2024           | 2025           | 2025                              | 2026           |
| <i>(RMB in thousands)</i>                                       |                                 |                |                |                                   |                |
| Outsourced Processing Installation and Set-Up Service . . . . . | 34,847                          | 61,938         | 58,836         | 37,352                            | 28,122         |
|                                                                 | 850,646                         | 578,420        | 912,032        | 347,377                           | 489,640        |
| <b>Total . . . . .</b>                                          | <b>885,493</b>                  | <b>640,358</b> | <b>970,868</b> | <b>384,728</b>                    | <b>517,762</b> |

The following table sets forth a summary of the background of our major outsourced partners, being the three largest outsourced processing partners and installation and set-up partners in terms of transaction amount during the Track Record Period:

|                                           | Outsourced Partners  | Background of the Outsourced Partners                                                                                                                                                                      |
|-------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outsourced Processing . . . . .           | Outsourced Partner A | A company established in 2022, primarily engaged in ship port services, machinery and electrical equipment sales, marine engineering equipment sales, and labor services.                                  |
|                                           | Outsourced Partner B | A large state-owned shipping group established in 2016, primarily engaged in international shipping, shipping auxiliary services, logistics, marine engineering equipment, and related technical services. |
|                                           | Outsourced Partner C | A company established in 2005, primarily engaged in general equipment manufacturing, machinery installation, parts processing, environmental protection equipment manufacturing, and related services.     |
| Installation and Set-Up Service . . . . . | Supplier D           | A medium-sized shipyard in Zhoushan, Zhejiang, primarily engaged in the repair, conversion, and construction of civilian vessels.                                                                          |
|                                           | Supplier K           | A large shipyard in Zhoushan, Zhejiang, primarily providing construction, repair, and conversion services for civilian vessels.                                                                            |
|                                           | Supplier H           | A large conglomerate in China, primarily engaged in ship building and marine equipment manufacturing.                                                                                                      |

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To our best knowledge and save for ordinary course business relationships us, none of the major outsourced partners or their respective ultimate beneficial owners or directors had any past or present family, business, employment, trust, financing, or other relationship with us, our subsidiaries, shareholders, directors, senior management, or any of their respective associates.

We did not rely on any particular outsourced partner during the Track Record Period. For outsourced processing, the largest outsourced processing partner accounted for 44.9%, 22.0%, 24.9%, 18.7%, and 22.3% of our outsourced processing fees in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively. For installation and set-up service, the largest partner accounted for 13.7%, 15.8%, 9.1%, 12.1%, and 7.0% of our outsourced installation and set-up service fees in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively.

We maintained a broad pool of outsourced partners during the Track Record Period. In particular, the number of installation and set-up service partners increased from 106 in 2023 to 327 in the five months ended May 31, 2026. We select outsourced partners on a project-by-project basis, taking into account their technical capabilities, track record, execution capacity, dock availability, geographic location, service quality, delivery schedule, and quotation.

In addition, we have implemented measures to manage potential reliance on outsourced partners, including maintaining a qualified partner list, conducting ongoing performance reviews, engaging alternative partners where appropriate, and enhancing our own servicing capabilities through our Zhangjiagang vessel retrofit and servicing base.

The following summary sets forth the typical outsourcing arrangements between us and our third-party service providers.

- ***Scope of Service.*** Outsourced partners are responsible for the processing and installation and set-up of certain of our products according to our specifications, quantity, and time line.
- ***Contractual Terms.*** The contractual terms reflect the agreed construction and delivery period, which varies depending on project complexity and deliverable quantity.
- ***Delivery and Payment Terms.*** The processors and installation and set-up service providers will deliver at the site of construction, and we will usually inspect and pay within 30 days after receipt of invoice.
- ***Warranty.*** Our processors and installation and set-up service providers typically provide a 18-month warranty for repair and replacement of relevant items if quality issues arise during the warranty period.
- ***Termination.*** The contract may be terminated by mutual consent.

## QUALITY CONTROL

We have implemented a comprehensive quality control system that governs every stage of our operations — from design and production to final inspection. We have established specific quality control procedures including self-inspection, photo-taking, routine inspection, visual inspection, documentation, and measurement. This system is fundamental to enhancing our technical expertise and ensuring high quality of our products.

Our quality management framework clearly delineates the responsibilities of each department, creating a structured mechanism for coordinated action. For example, our procurement department is tasked with overseeing our suppliers and partners to guarantee that all materials and equipment meet our stringent quality criteria. At the core of our framework is the quality and safety

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department, which is responsible for establishing and managing the quality and safety standards for all critical and special processes. The department operates a closed-loop system: it continuously gathers data from critical processes, performs rigorous analysis to assess quality performance, and translates these findings into actionable strategies for process refinement and the progressive elevation of our quality goals.

Our quality control procedures are formulated in compliance with applicable laws and regulations and the requirements of classification societies, and form an integral part of our management standard system. Our procedures for core products impose rigorous controls on fabrication, subcontractors, installation, and random inspections. We enforce these standards with a suite of tools — including detailed checklists, fabrication protocols, and inspection plans — ensuring that every phase is standardized and meticulously documented for full traceability.

We are committed to complying with the applicable production and sales laws, regulations, and national and industrial standards. We have been accredited with the certification issued by ABS Quality Evaluations, attesting that our quality management system applicable to design, installation, and technical services of ship environment protection equipment and vessel energy efficiency enhancement system is in compliance with the ISO9001:2015 standards. Further, our shipyard is certified by Lloyd’s Register Quality Assurance to the Quality Management System Standards ISO 9001 and Occupational Health and Safety Management System Standards OHSAS 18000. In addition, it is in the process of obtaining approval from ABS Register Quality Assurance for the Environmental Management System ISO 14001. The shipyard is also recognized by classification societies such as ABS, CCS, NK, and LR.

## CUSTOMERS AND SUPPLIERS

### Our Customers

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.

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The following table sets forth certain information regarding our customers in each period during the Track Record Period.

| Customer                                      | Transaction Amount<br>(RMB in thousands) | Percentage<br>of Total<br>Revenue<br>(%) | Year of<br>Commencement<br>of Business<br>Relationship | Customer<br>Background                                                                                                                                                                                                                                                                                     | Products or Services<br>Purchased                                                                                                                                          | Credit Terms                                                   | Payment<br>Methods | Origin of Business<br>Relationship |
|-----------------------------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------|------------------------------------|
| <b>For the Five Months Ended May 31, 2026</b> |                                          |                                          |                                                        |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                            |                                                                |                    |                                    |
| Customer A . .                                | 1,706,210                                | 68.1                                     | 2018                                                   | A large multinational shipping group established in 1970, providing comprehensive technical management, crew manning, safety and compliance, and ship building supervision services, with over 200,000 employees, owning and managing over 1,000 container ships, the world's largest container ship fleet | EGCS, shaft generator systems, wind shields, deplume units, GHG-CEMS, shore power, vessel retrofit and servicing, and intelligent vessel operating and maintenance systems | Credit terms: 7-30 days<br>Payment terms: 60 days              | Wire transfer      | Through business development visit |
| Customer B . .                                | 337,397                                  | 13.5                                     | 2025                                                   | A BVI-incorporated international shipping company established in 2024, primarily engaging in dry bulk shipping, covering major routes for global commodity trade, including West Africa, Western Australia, and Brazil, controlling four vessels with an aggregate value exceeding US\$120.0 million       | Vessel retrofitting and servicing                                                                                                                                          | Credit terms: 90 days<br>Payment terms: 3 years by installment | Wire transfer      | Through industry referral          |

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| Customer               | Transaction Amount<br>(RMB in thousands) | Percentage<br>of Total<br>Revenue<br>(%) | Year of<br>Commencement<br>of Business<br>Relationship | Customer<br>Background                                                                                                                                                                                                                                                                                                                                                         | Products or Services<br>Purchased | Credit Terms                                                      | Payment<br>Methods | Origin of Business<br>Relationship                                              |
|------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------|
| Customer C . . .       | 62,770                                   | 2.5                                      | 2025                                                   | A Singapore-based international shipping company and an Asian container liner enterprise, established in 1993, operating a 25-ship fleet, with approximately 400 employees                                                                                                                                                                                                     | EGCS and technical support        | Credit terms: 90 days<br>Payment terms: 90 days                   | Wire transfer      | Through business development contact                                            |
| Customer D . . .       | 52,860                                   | 2.1                                      | 2025                                                   | A renowned international shipping group established in 2000, with more than 20 years of experience in the global shipping industry and over 7,000 employees                                                                                                                                                                                                                    | EGCS and shore power systems      | Credit terms: 30-60 days<br>Payment terms: 3 years by installment | Wire transfer      | Through Zhejiang Energy Atlas                                                   |
| Customer E . . .       | 48,284                                   | 1.9                                      | 2024                                                   | A large conglomerate in China established in 2019, primarily engaged in ship building and marine equipment manufacturing, with total assets exceeding RMB1.00 trillion, approximately 180,000 employees, and more than 50 shipbuilding enterprises in its group, the world's largest shipbuilding group in terms of the number of vessels in orderbook as of December 31, 2025 | EGCS and technical support        | Credit terms: 30-60 days<br>Payment terms: 30-60 days             | Wire transfer      | Through business development visits and introduction by common business partner |
| <b>Total . . . . .</b> | <b>2,207,521</b>                         | <b>88.1</b>                              |                                                        |                                                                                                                                                                                                                                                                                                                                                                                |                                   |                                                                   |                    |                                                                                 |

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| Customer                                    | Transaction Amount<br>(RMB in thousands) | Percentage of Total Revenue (%) | Year of Commencement of Business Relationship | Customer Background                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Products or Services Purchased                                                                                                                                              | Credit Terms                                                   | Payment Methods | Origin of Business Relationship    |
|---------------------------------------------|------------------------------------------|---------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------|------------------------------------|
| <b>For the Year Ended December 31, 2025</b> |                                          |                                 |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                             |                                                                |                 |                                    |
| Customer A . .                              | 2,309,479                                | 66.0                            | 2018                                          | A large multinational shipping group established in 1970, providing comprehensive technical management, crew manning, safety and compliance, and ship building supervision services, with over 200,000 employees, owning and managing over 1,000 container ships, the world's largest container ship fleet                                                                                                                                                                                                                                                                                                      | EGCS, shaft generator systems, wind shields, de-plume units, GHG-CEMS, shore power, vessel retrofit and servicing, and intelligent vessel operating and maintenance systems | Credit terms: 7-30 days<br>Payment terms: 60 days              | Wire transfer   | Through business development visit |
| Customer F . .                              | 135,798                                  | 3.9                             | 2025                                          | A special purpose vehicle company with 10 employees, established in 2025 for the purpose of holding a dry bulk vessel with an estimated value of approximately RMB140.0 million and procuring our whole-vessel retrofit services, so as to isolate risks and facilitate financing and vessel asset transfers, consistent with industry norms in the shipping industry, according to CIC, controlled by Customer B, a BVI-incorporated international shipping company that focuses on dry bulk shipping and covers major routes for global commodity trade, including West Africa, Western Australia, and Brazil | Vessel retrofitting and servicing                                                                                                                                           | Credit terms: 90 days<br>Payment terms: 3 years by installment | Wire transfer   | Through industry referral          |

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| Customer               | Transaction Amount<br>(RMB in thousands) | Percentage<br>of Total<br>Revenue<br>(%) | Year of<br>Commencement<br>of Business<br>Relationship | Customer<br>Background                                                                                                                                                                                                                           | Products or Services<br>Purchased                                                | Credit Terms                                                      | Payment<br>Methods | Origin of Business<br>Relationship   |
|------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------|--------------------------------------|
| Customer C . .         | 127,673                                  | 3.6                                      | 2025                                                   | A Singapore-based international shipping company and an Asian container liner enterprise, established in 1993, operating a 25-ship fleet, with approximately 400 employees                                                                       | EGCS and technical support                                                       | Credit terms: 90 days<br>Payment terms: 90 days                   | Wire transfer      | Through business development contact |
| Customer D . .         | 65,768                                   | 1.9                                      | 2025                                                   | A renowned international shipping group established in 2000, with more than 20 years of experience in the global shipping industry and over 7,000 employees                                                                                      | EGCS and shore power systems                                                     | Credit terms: 30-60 days<br>Payment terms: 3 years by installment | Wire transfer      | Through Zhejiang Energy Atlas        |
| Customer G . .         | 58,814                                   | 1.7                                      | 2024                                                   | A Hainan-based shipping company established in 2016, with its core business focusing on domestic and Southeast Asian coastal shipping services for general and bulk cargo, and vessel chartering and management, with approximately 50 employees | EGCS, vessel energy efficiency enhancement systems, wind shield, and bulbous bow | Credit terms: 30-60 days<br>Payment terms: 180 days               | Wire transfer      | Through industry referral            |
| <b>Total . . . . .</b> | <b>2,697,532</b>                         | <b>77.0</b>                              |                                                        |                                                                                                                                                                                                                                                  |                                                                                  |                                                                   |                    |                                      |

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| Customer                                    | Transaction Amount<br>(RMB in thousands) | Percentage of Total Revenue (%) | Year of Commencement of Business Relationship | Customer Background                                                                                                                                                                                                                                                                                        | Products or Services Purchased   | Credit Terms                                                                  | Payment Methods | Origin of Business Relationship                 |
|---------------------------------------------|------------------------------------------|---------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------|-----------------|-------------------------------------------------|
| <b>For the Year Ended December 31, 2024</b> |                                          |                                 |                                               |                                                                                                                                                                                                                                                                                                            |                                  |                                                                               |                 |                                                 |
| Customer A . .                              | 1,373,102                                | 57.3                            | 2018                                          | A large multinational shipping group established in 1970, providing comprehensive technical management, crew manning, safety and compliance, and ship building supervision services, with over 200,000 employees, owning and managing over 1,000 container ships, the world's largest container ship fleet | EGCS and shaft generator systems | Credit terms: 7-30 days<br>Payment terms: 60 days                             | Wire transfer   | Through business development visit              |
| Customer H . .                              | 94,018                                   | 3.9                             | 2024                                          | A leading global container shipping and logistics services group, headquartered in Hong Kong, established in 1947, listed on the Hong Kong Stock Exchange, with over 11,000 employees globally                                                                                                             | EGCS                             | Credit terms: 30-60 days<br>Payment terms: 10 months                          | Wire transfer   | Through customer-initiated business discussions |
| Zhejiang Energy Atlas . . . . .             | 76,023                                   | 3.2                             | 2023                                          | A China-based company established in 2021, specializing in vessel leasing and vessel equipment sales and agency, with a registered capital of US\$2.0 million                                                                                                                                              | EGCS and shore power systems     | Credit terms: 30-60 days<br>Payment terms: 270 days or 3 years by installment | Wire transfer   | Through our shareholder and a major customer    |

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| Customer               | Transaction Amount<br>(RMB in thousands) | Percentage of Total Revenue (%) | Year of Commencement of Business Relationship | Customer Background                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Products or Services Purchased | Credit Terms                                                               | Payment Methods | Origin of Business Relationship                     |
|------------------------|------------------------------------------|---------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------|-----------------|-----------------------------------------------------|
| Customer I . . .       | 66,895                                   | 2.8                             | 2024                                          | A Singapore-based special purpose vehicle company with a registered capital of S\$50,000, established in 2024 for the purpose of holding a dry bulk vessel with an estimated value of approximately RMB230.0 million and procuring our whole-vessel retrofit services, so as to isolate risks and facilitate financing and vessel asset transfers, consistent with industry norms in the shipping industry, according to CIC, controlled by Customer B, a BVI-incorporated international shipping company that focuses on dry bulk shipping and covers major routes for global commodity trade, including West Africa, Western Australia, and Brazil | Vessel retrofit and servicing  | Credit terms: 90 days<br>Payment terms: 180 days or 3 years by installment | Wire transfer   | Through the introduction by common business partner |
| Customer J . . .       | 55,818                                   | 2.3                             | 2023                                          | A prominent Chinese multinational conglomerate, established in 2010, with core operations in global dry bulk shipping and comprehensive bauxite-alumina-aluminum integrated supply chain management, primarily serving the Asia-Pacific market, with over 100 employees                                                                                                                                                                                                                                                                                                                                                                              | EGCS                           | Credit terms: N/A<br>Payment terms: 1 year                                 | Wire transfer   | Through industry referral                           |
| <b>Total . . . . .</b> | <b>1,665,856</b>                         | <b>69.5</b>                     |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                |                                                                            |                 |                                                     |

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| Customer                                    | Transaction Amount<br>(RMB in thousands) | Percentage<br>of Total<br>Revenue<br>(%) | Year of<br>Commencement<br>of Business<br>Relationship | Customer<br>Background                                                                                                                                                                                                                                                                                     | Products or Services<br>Purchased | Credit Terms                                                                           | Payment<br>Methods | Origin of Business<br>Relationship                  |
|---------------------------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------|--------------------|-----------------------------------------------------|
| <b>For the Year Ended December 31, 2023</b> |                                          |                                          |                                                        |                                                                                                                                                                                                                                                                                                            |                                   |                                                                                        |                    |                                                     |
| Customer A . .                              | 874,250                                  | 36.9                                     | 2018                                                   | A large multinational shipping group established in 1970, providing comprehensive technical management, crew manning, safety and compliance, and ship building supervision services, with over 200,000 employees, owning and managing over 1,000 container ships, the world’s largest container ship fleet | EGCS and shore power systems      | Credit terms:<br>7-30 days<br>Payment terms:<br>60 days                                | Wire transfer      | Through business development visit                  |
| Zhejiang Energy Atlas . . . . .             | 761,390                                  | 32.1                                     | 2023                                                   | A China-based company, established in 2021, specializing in vessel leasing and vessel equipment sales and agency, with a registered capital of US\$2.0 million                                                                                                                                             | EGCS                              | Credit terms:<br>30-60 days<br>Payment terms:<br>270 days or<br>3 years by installment | Wire transfer      | Through our shareholder and a major customer        |
| Customer K . .                              | 193,581                                  | 8.2                                      | 2022                                                   | A Chinese shipping company headquartered in Hebei Province, established in 2001, operating an international fleet primarily composed of bulk carriers, with its core business being global dry bulk maritime transportation and ship management, with a registered capital of RMB89.6 million              | EGCS                              | Credit terms:<br>30-60 days<br>Payment terms:<br>1 year                                | Wire transfer      | Through the introduction by common business partner |

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| Customer               | Transaction Amount<br>(RMB in thousands) | Percentage<br>of Total<br>Revenue<br>(%) | Year of<br>Commencement<br>of Business<br>Relationship | Customer<br>Background                                                                                                                                                                                      | Products or Services<br>Purchased | Credit Terms                                                               | Payment<br>Methods | Origin of Business<br>Relationship |
|------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------|--------------------|------------------------------------|
| Customer L . .         | 105,558                                  | 4.5                                      | 2022                                                   | An international shipping company registered and mainly operating in Singapore, established in 2012, specializing in dry bulk shipping, with a registered capital of US\$5.0 million                        | EGCS                              | Credit terms:<br>30-60 days<br>Payment terms:<br>4 years by<br>installment | Wire transfer      | Through industry<br>referral       |
| Customer M . .         | 71,297                                   | 3.0                                      | 2022                                                   | An international shipping management company, established in 2008, mainly engaging in the operation, investment, and leasing of tankers and dry bulk vessels, with a registered capital of RMB120.0 million | EGCS                              | Credit terms:<br>N/A<br>Payment terms:<br>1 year                           | Wire transfer      | Through industry<br>referral       |
| <b>Total . . . . .</b> | <b>2,006,076</b>                         | <b>84.7</b>                              |                                                        |                                                                                                                                                                                                             |                                   |                                                                            |                    |                                    |

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During the Track Record Period, the change in the composition of our five largest customers in each applicable period was mainly due to differences in customer order and delivery schedules. Our revenue is generally recognized when the relevant vessels complete installation, delivery, and acceptance. As different customers arranged vessel entry and delivery at different times, the revenue contributed by each customer varied by year.

Certain customers became five largest customers shortly after commencing business relationship with us, mainly due to the project-based nature of our business. A customer may become a major customer in a particular year if it had vessel upgrade, retrofit, or procurement needs with relatively large contract value during that year.

In particular:

- (i) **Customer C.** Customer C commenced business relationship with us in 2025 and became our third largest customer in the same year, mainly because it procured vessel exhaust gas emission control systems and vessel repair services from us with a relatively large contract value during the year.
- (ii) **Customer I.** Customer I commenced business relationship with us in 2024 and became our fourth largest customer the same year, mainly because the relevant transaction involved a whole-vessel green retrofit project with a relatively large contract value.
- (iii) **Zhejiang Energy Atlas.** Zhejiang Energy Atlas commenced business relationship with us in 2023 and became our second largest customer in the same year, mainly because it is a dedicated procurement platform established by one of our shareholders and one of our major customers, and procured all of its green shipping equipment and systems from us during the year, resulting in a relatively large transaction amount.
- (iv) **Customer M.** Customer M commenced business relationship with us in 2023 and became our fifth largest customer in the same year, mainly because it had specific vessel upgrade needs and procured vessel exhaust gas emission control systems with a relatively large transaction amount from us during the year.

We determine the credit period for each customer on a case-by-case basis after considering factors such as customer background, credit profile, cooperation model, project characteristics, cooperation history, and long-term cooperation potential. The longer payment periods of two to four years granted to certain customers were mainly attributable to the installment payment arrangements. According to CIC, such variation is consistent with industry norms because the green shipping equipment and system industry is typically project- based, customized, and involves high-value transactions.

To manage the credit risk associated with credit periods, we have implemented internal controls covering customer credit investigation and review, credit rating, credit limit approval, differentiated settlement terms, accounts receivable monitoring, and timely adjustment of credit policies. Customers are assessed based on factors such as financial condition, operating status, performance history, and dispute records, and are assigned different credit limits and settlement terms accordingly. Credit limits above US\$1.0 million and special settlement arrangements are subject to management approval, and we also maintain customer credit files for ongoing monitoring and follow-up.

The following summary sets forth the salient terms of our sales agreements with our customers.

- **Scope of Work.** We usually provide turnkey services covering the construction design, procurement, installation, and commission of our different products. We also provide standalone sales of equipment or services without installation and commission, catering to the diverse needs of customers.

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- Pricing and Payment. The pricing varies by product type and scope of work. Payments are usually structured in installments on a pro rata basis: an initial portion of the contract price is tied to contract execution, with the remaining balance contingent upon the achievement of certain milestones, such as the successful commissioning of the equipment, the redelivery of the vessel to the designated locations, and the issuance and formal acceptance of a satisfactory completion certificate.
- Delivery. We are generally required to redeliver the vessel to destinations specified by our customers.
- Performance Tests. We will carry out performance tests upon the advance notice of our customers. Customers will grant final acceptance following the successful completion of the performance test.
- Warranty. Our products warranty period typically ranges from 12 to 36 months. We are responsible for repairing defects or deficiencies and replacing defective equipment covered by warranty scope.
- Termination. Each party may terminate the agreements in the event of, among others, (i) the occurrence of a force majeure event, (ii) any material breach by the other party, or (iii) any other breach by the other party that is not remedied within a prescribed time-period.
- Sub-Contracting. We are generally allowed to subcontract certain work to experienced subcontractors, while certain agreements have specific restrictions on prior consent, scope of work, or technical specification.

Except for Zhejiang Energy Atlas, all our top five customers in each applicable period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates, or any Shareholders that, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five customers in each applicable period during the Track Record Period, except that Zhejiang Energy Atlas was owned as to 30% by Zhejiang Technology Environmental Group, our Controlling Shareholder, and as to 20% through a wholly owned subsidiary of Mr. Wang, who also serves as a director of Zhejiang Energy Atlas.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with, nor did we receive any material complaints from, our customers.

### Relationship with Customer A

Customer A is a large multinational shipping group that provides comprehensive technical management, crew manning, safety and compliance, and ship building supervision services, and owns the world's largest container ship fleet. It has over 200,000 employees and manages over 1,000 container ships globally. We are a major supplier of Customer A's green shipping equipment and systems in each period during the Track Record Period.

Our direct contracting party within Customer A includes Customer A1, Customer A2, and Customer A3. We provide EGCSs, shaft generator systems, vessel retrofit and maintenance service, and wind shields through these three entities within Customer A group. Customer A1 is wholly owned by Customer A2, which is controlled by Customer A. Customer A is held through its holding company and is ultimately controlled by the founding family of Customer A. Customer A3 is an affiliated entity within Customer A's group structure. It is also under the same ultimate control.

Customer A was our largest customer in each applicable period during the Track Record Period, contributing RMB874.3 million, RMB1.37 billion, RMB2.31 billion, RMB762.3 million, and RMB1.71 billion, representing 36.9%, 57.3%, 66.0%, 57.6%, and 68.1% of our total revenue in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively. The increase in the amount and proportion of revenue generated from Customer A during the Track

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Record Period was mainly due to the increasing success of our business relationship with Customer A and the expansion of Customer A’s demand. Customer A, being the world’s largest container shipping group, experienced business and fleet expansion during the Track Record Period, which directly increased its demand for our products and services. Meanwhile, we expanded our supply to Customer A from exhaust gas cleaning systems in the initial stage to multiple product lines, including shaft generator systems, wind shields, vessel retrofit and servicing, de-plume units, and greenhouse gas continuous emission monitoring systems. Certain new products were initially developed or customized with reference to Customer A’s operational needs, which further enhanced our position as a core supplier to Customer A. Based on the longstanding mutually trusted relationship between the parties and the stable expectation for future cooperation, the we expect our business relationship with Customer A to further strengthen in the future.

The following table sets forth a breakdown of our revenue generated from Customer A 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              | %            |
| <i>(in thousands, except percentages)</i>                          |                                 |              |                  |              |                  |              |                                   |              |                  |              |
| <i>(Unaudited)</i>                                                 |                                 |              |                  |              |                  |              |                                   |              |                  |              |
| Vessel Exhaust Gas Emission Control and Cleaning Systems . . . . . | 868,040                         | 99.3         | 1,058,057        | 77.1         | 789,313          | 34.2         | 220,721                           | 29.0         | 424,726          | 24.9         |
| Vessel Energy Efficiency Enhancement Systems . . . . .             | —                               | —            | 236,275          | 17.2         | 772,570          | 33.4         | 289,359                           | 38.0         | 825,839          | 48.4         |
| Vessel Retrofit and Servicing . . . . .                            | —                               | —            | 54,993           | 4.0          | 641,342          | 27.8         | 226,804                           | 29.8         | 407,448          | 23.9         |
| Intelligent Vessel Operating and Maintenance Systems . . . . .     | —                               | —            | 8,504            | 0.6          | 62,370           | 2.7          | 23,409                            | 3.0          | 29,685           | 1.7          |
| New Energy Vessel Systems . . . . .                                | 6,210                           | 0.7          | 11,485           | 0.8          | 34,332           | 1.5          | —                                 | —            | 17,910           | 1.1          |
| Others . . . . .                                                   | —                               | —            | 3,788            | 0.3          | 9,552            | 0.4          | 2,018                             | 0.2          | 602              | —            |
| <b>Revenue generated from Customer A . . . . .</b>                 | <b>874,250</b>                  | <b>100.0</b> | <b>1,373,102</b> | <b>100.0</b> | <b>2,309,479</b> | <b>100.0</b> | <b>762,311</b>                    | <b>100.0</b> | <b>1,706,210</b> | <b>100.0</b> |

The following table sets forth our project backlog movement with Customer A in terms of contract value during the Track Record Period. The project duration with Customer A was generally three years.

|                                                                                                  | 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)</i>                                                                            |                                 |                  |                  |                                   |                  |
| Opening balance of contract value (excluding VAT) at the beginning of the year . . . . .         | 1,683,106                       | 1,305,938        | 2,820,856        | 2,820,856                         | 2,740,323        |
| Add: Contract value (excluding VAT) secured during the year/period . . . . .                     | 497,081                         | 2,888,020        | 2,228,946        | 1,001,070                         | 2,325,170        |
| Less: Revenue recognized during the year/period . . . . .                                        | 874,250                         | 1,373,102        | 2,309,479        | 762,311                           | 1,706,210        |
| <b>Closing balance of contract value (excluding VAT) at the end of the year/period . . . . .</b> | <b>1,305,938</b>                | <b>2,820,856</b> | <b>2,740,323</b> | <b>3,059,615</b>                  | <b>3,359,283</b> |

As of the Latest Practicable Date, we had outstanding balances of trade receivables of RMB248,404 from Customer A. As of the same date, there were no contract assets or amounts due from Customer A. Accordingly, we had no material financial exposure to Customer A.

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The following summary sets forth the material terms of our sales agreements with Customer A.

- (i) **Duration.** The sales agreements with Customer A are generally entered into for specific procurement orders, rather than under a master agreement with a fixed term. Each agreement generally remains effective until completion of the relevant project or delivery of the products and services.
- (ii) **Renewal.** The sales agreements with Customer A generally do not contain automatic renewal provisions. Any new project is normally subject to a new procurement order and a new agreement.
- (iii) **Termination.** Either party may terminate upon the other party’s insolvency, unremedied default after notice, or repudiation. In addition, Customer A may terminate in specified project-related circumstances, including failure by us to perform the agreed works, complete commissioning successfully, or deliver the vessel on time, while we may terminate in the event of Customer A’s failure to pay the balance contract price after notice.

According to CIC, reliance on major customers is an industry norm because the shipping industry is highly concentrated, with the top 10 container shipping groups accounted for 84.5% of total global operational container shipping volume capacity in 2025. Our Directors are of the view that our relationship with Customer A is unlikely to materially adversely change or terminate based on the following:

- (i) We have developed a highly integrated and mutually reinforcing business relationship with Customer A. We have expanded our supply to Customer A from EGCS in the initial stage to multiple business lines, including shaft generator systems, wind shields, vessel retrofit and servicing, de-plume units, GHG-CEMS, and intelligent vessel operating and maintenance systems, and we have demonstrated our ability to promptly adjust our products and services to meet Customer A’s evolving operational, decarbonization, and technology upgrade needs.
- (ii) We have served Customer A since 2018, demonstrating our long-term relationship with Customer A. During this period and up to the Latest Practicable Date, there was no litigation, complaint, or other dispute by Customer A against us.
- (iii) We believe that our concentration in sales to Customer A is consistent with the industry structure. According to CIC, as the world’s largest container shipping group, Customer A is one of the leading market participants in a highly concentrated downstream market, and our focus on serving leading global shipping groups is in line with such industry structure.

We have strengthened our ability to mitigate customer concentration risk by expanding from a single product line into multiple business lines, and by enhancing our capability to provide integrated products and services to global shipping companies, shipowners, and shipyards. This has enabled us to mitigate our risk exposure through broader business coverage and a more diverse revenue base.

We have taken the following measures and steps to diversify our revenue stream:

- (i) **Expansion into new leading customers.** We have leveraged the technical capabilities and delivery track record we built through long-term cooperation with leading industry players to implement a top-down marketing strategy, under which we have proactively expanded into other leading customers in the global shipping industry. In 2025, we newly engaged 124 customers, which contributed orders of approximately US\$200 million, representing 30% of our total order intake for the year. In the same year, we secured a number of new leading customers within the global shipping industry. One of these customers, a leading global container shipping company, alone contributed orders of over US\$27.0 million in 2025, and its EGCS orders increased from 11 vessels in May 2025 to 36 vessels in February 2026.

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- (ii) ***Conversion of users into customers.*** We have identified users of vessels equipped with our products after users reach out for technical support or inquire about new products and services, and have developed some of them into customers. We have also leveraged the market influence of our long-term leading customers to facilitate targeted customer development.
- (iii) ***Expansion of product matrix and cross-selling.*** We have expanded our product offering from EGCS-centered products to a broader portfolio, including shaft generator systems and wind shields, and have promoted cross-selling of diversified products to lower procurement thresholds for new customers and attract customers seeking integrated solutions. This product expansion has supported our ability to broaden our customer base and reduce reliance on a single revenue source.

The effectiveness of the above measures is reflected in the optimization of our revenue mix. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the vessel exhaust gas emission and control and cleaning system revenue accounted for 98.5%, 78.5%, 44.7%, 46.2%, and 30.6% of total revenue, respectively, while vessel energy efficiency enhancement system revenue accounted for nil, 10.5%, 24.4%, 26.7%, and 34.3% of total revenue and vessel retrofit and servicing revenue accounted for 0.9%, 9.3%, 26.4%, 24.7%, and 31.9% of total revenue, respectively.

The Directors are of the view that the transactions between us and Customer A during the Track Record Period and up to the Latest Practicable Date have been, and will continue to be, conducted on normal commercial terms and on an arm’s length basis, as the we determine the price and principal terms of such transactions in accordance with the same internal pricing and approval procedures generally applicable to transactions with other independent customers, taking into account the relevant project scope, technical requirements, cost structure, delivery schedule, and other commercial factors. In determining whether the relevant transactions are on normal commercial terms and on an arm’s length basis, we also compare the proposed price and principal terms with those of comparable transactions with other independent customers, where available, and conduct an internal review and approval in accordance with our established procedures. The payment term granted to Customer A was generally 60 days, and the credit term was generally 7 to 30 days, which was in line with the terms granted to other independent customers for comparable transactions. Minor differences in other commercial terms, such as delivery schedule, delivery location, warranty period, and acceptance arrangements, were attributable to customer-specific requirements and did not affect the fairness and reasonableness of the overall transaction terms. In addition, nothing material has come to the Joint Sponsors’ attention that would reasonably cast doubt on our Directors’ view.

There had been no material adverse changes in our business relationship with Customer A after the end of the Track Record Period and up to the Latest Practicable Date.

Based on the foregoing, our Directors believe that our sales concentration with Customer A will not have a material adverse effect on our business, financial condition, and results of operations.

In addition to our business cooperation with Customer A, Mr. Wang serves as a director of a company 50% owned by Customer A, which we refer to as Company AA, and his spouse beneficially owns 12.5% of interests in this company. During the Track Record Period and up to the Latest Practicable Date, we had no transactions with Company AA. Company AA was established in Ningbo on July 1, 2025, as a limited liability company with a registered capital of RMB6.0 million. It principally engages in seafarer outsourcing services. As of the Latest Practicable Date, based on public information, the board of Company AA comprised Mr. JHA PRABHAT KUMAR as chairman and Mr. BUNDIUK RUSLAN, Ms. Xu Jinhua (Mr. Wang’s spouse), and Mr. Wang Guanzhong (the eldest son of Mr. Wang and Ms. Xu Jinhua) as directors. Except for the 50% owned by Customer A and 12.5% beneficially owned by Ms. Xu Jinhua, the remaining 37.5% interests in Company AA are beneficially owned as to 12.5% by the second son of Mr. Wang and Ms. Xu Jinhua, and as to 25% by a company controlled by a business partner of Mr. Wang and Ms. Xu Jinhua, which is independent from us.

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Mr. Wang was appointed as a director of Company AA, and Ms. Xu Jinhua made her investment in Company AA, upon Company AA's establishment on July 1, 2025. Following Customer A's expansion of its China routes after the COVID-19 pandemic, Customer A had increasing local operational needs in China, including crew-related coordination and support. Having regard to the guidance of the competent Ningbo governmental authorities and the local regulatory and market environment, Customer A sought to establish a local service platform with a cooperation partner familiar with PRC laws and regulations and local market practice. Given Mr. Wang's experience and expertise in the shipping industry, Customer A invited Mr. Wang to serve as a director of, and Ms. Xu Jinhua to invest in, Company AA. Mr. Wang ceased to serve as a director of Company AA on March 3, 2026, in order to focus on the operations of the Group. There was no conflict of interest between us and Company AA, and the products and services provided by us did not overlap with those provided by Company AA.

Save as disclosed above, namely that (i) Ms. Xu Jinhua invested in Company AA upon its establishment, (ii) the second son of Mr. Wang and Ms. Xu Jin Hua is an indirect beneficial owner of 12.5% of Company AA, and (iii) Mr. Wang Guanzhong, a current director of Company AA, is the eldest son of Mr. Wang and Ms. Xu Jinhua, neither Mr. Wang nor Ms. Xu Jinhua has any past or present relationship with the other shareholders, directors, or senior management of Company AA.

### **Our Relationship with Zhejiang Energy Atlas**

During the Track Record Period, Zhejiang Energy Atlas was our sole distributor. We primarily sold our EGCSs to Zhejiang Energy Atlas, who then resold to large shipping companies. In 2023 and 2024, the revenue generated through our distributorship with Zhejiang Energy Atlas was RMB761.4 million and RMB76.0 million, respectively, representing 32.1% and 3.2% of our total revenue for the same years, respectively. The decrease in revenue from Zhejiang Energy Atlas from RMB761.4 million in 2023 to RMB76.0 million in 2024 was 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 projects were substantially delivered in 2023.

The following summary sets for the material terms of the distributorship agreement with Zhejiang Energy Atlas:

***Term.*** The agreement has a term of four years from the effective date.

***Non-Exclusivity.*** The agreement is non-exclusive, and Zhejiang Energy Atlas may procure equipment and services from other suppliers.

***Scope.*** Zhejiang Energy Atlas procures our products and related services for designated vessel projects.

***Products and Services.*** We are responsible for supplying the equipment and providing related services, including installation guidance, commissioning, training, and after-sales services.

***Payment.*** Contract prices and payment milestones are agreed on a vessel-by-vessel basis, with payments generally linked to contract signing, equipment delivery, vessel delivery and commissioning, and expiry of the post-delivery warranty period.

***Delivery and Acceptance.*** We are is responsible for delivering equipment in accordance with the agreed delivery terms, and delivery is generally accepted upon receipt or use of the equipment.

***Return.*** Zhejiang Energy Atlas may return products only in limited circumstances, including where the products are defective, non-compliant, not yet shipped or customized, or unlikely to be delivered by the agreed delivery date.

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**Warranty.** We provide warranties for the equipment and services in accordance with the agreement, including a two-year service warranty from successful commissioning.

**Termination.** Either party may terminate the agreement under specified circumstances, including material breach, insolvency, or prolonged force majeure events.

During the Track Record Period and up to the Latest Practicable Date, no product was returned by Zhejiang Energy Atlas. Zhejiang Energy Atlas did not hold any unsold inventory as of December 31, 2023, 2024, and 2025, May 31, 2026, and the Latest Practicable Date.

Starting from December 2024, our collaboration model with Zhejiang Energy Atlas shifted from a distribution model to a sales agent model. As a result, we no longer sell our products directly to Zhejiang Energy Atlas for resale. Instead, we now provide our products directly to our customers and pay Zhejiang Energy Atlas a sales agent service fee, which is determined with reference to the sales amount. In 2025, our sales agent service fee to Zhejiang Energy Atlas was RMB5.2 million. For the five months ended May 31, 2026, our sales agent service fee to Zhejiang Energy Atlas was RMB4.2 million. The total revenue generated through Zhejiang Energy Atlas as a sales agent was RMB61.2 million, of which RMB48.5 million was attributable to Customer D, and the remaining RMB12.7 million was attributable to three other end customers, also related parties of Customer D. We anticipate that all future business with Zhejiang Energy Atlas will be conducted under the sales agent model. Zhejiang Energy Atlas is also our connected person. For details of connected transactions with Zhejiang Energy Atlas, see “Connected Transactions.”

### Our Suppliers

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

We have established a structured procurement framework supported by our procurement management policies, contract management procedures, and supplier management guidelines. Our procurement activities primarily adopt inquiry-based and multi-round competitive bidding processes, except in joint development and sole-source situations. All procurement contracts are executed in accordance with our established procurement management procedures to ensure compliance, transparency, and operational efficiency.

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.

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The following table sets forth certain information regarding our top five suppliers in each applicable period during the Track Record Period.

| Supplier                                      | Transaction Amount<br><i>(RMB in thousands)</i> | Percentage of Total Purchases<br><i>(%)</i> | Year of Commencement of Business Relationship | Supplier Background                                                                                                                                                                                                                                                    | Products or Services Procured | Credit Terms       | Payment Methods |
|-----------------------------------------------|-------------------------------------------------|---------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------|-----------------|
| <b>For the Five Months Ended May 31, 2026</b> |                                                 |                                             |                                               |                                                                                                                                                                                                                                                                        |                               |                    |                 |
| Supplier A . . . . .                          | 171,087                                         | 13.0                                        | 2025                                          | A Marshall Islands-incorporated shipping company, established in August 2013, primarily providing bulk cargo shipping services, controlled by a large Greek dry bulk shipowner operating a fleet of over 30 dry bulk carriers                                          | Raw materials                 | N/A <sup>(1)</sup> | Bank transfer   |
| Supplier B . . . . .                          | 116,203                                         | 8.9                                         | 2018                                          | A medium-sized mechanical and electromechanical equipment manufacturer in Zhenjiang, Jiangsu, primarily engaged in the production, manufacturing, and import-export trade of ship equipment and related mechanical, electro-mechanical, and electronic system products | Raw materials                 | 30 days            | Bank transfer   |
| Supplier C . . . . .                          | 96,973                                          | 7.4                                         | 2023                                          | A specialized electrical drive equipment manufacturer, focusing on the development and manufacturing of motors, generators, and motor control systems                                                                                                                  | Raw materials                 | 30 days            | Bank transfer   |

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| Supplier                                    | Transaction Amount<br><i>(RMB in thousands)</i> | Percentage of Total Purchases<br><i>(%)</i> | Year of Commencement of Business Relationship | Supplier Background                                                                                                                                                                                                                                                     | Products or Services Procured      | Credit Terms | Payment Methods |
|---------------------------------------------|-------------------------------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------|-----------------|
|                                             |                                                 |                                             |                                               |                                                                                                                                                                                                                                                                         |                                    |              |                 |
| Supplier D . . . . .                        | 38,905                                          | 3.0                                         | 2018                                          | A medium-sized shipyard in Zhoushan, Zhejiang, primarily engaged in the repair, conversion, and construction of civilian vessels                                                                                                                                        | Raw materials and retrofit service | 7-90 days    | Bank transfer   |
| Supplier E . . . . .                        | 33,947                                          | 2.6                                         | 2022                                          | A shipyard in Zhoushan, Zhejiang, established in 2002, primarily engaged in construction, repair, conversion, and recycling of civilian vessels and import-export trade of ship equipment and mechanical products, with a registered capital of RMB118.8 million        | Raw materials and retrofit service | 7-90 days    | Bank transfer   |
| Total . . . . .                             | 457,115                                         | 34.9                                        |                                               |                                                                                                                                                                                                                                                                         |                                    |              |                 |
| <i>For the Year Ended December 31, 2025</i> |                                                 |                                             |                                               |                                                                                                                                                                                                                                                                         |                                    |              |                 |
| Supplier B . . . . .                        | 243,026                                         | 9.5                                         | 2018                                          | A medium-sized mechanical and electro-mechanical equipment manufacturer in Zhenjiang, Jiangsu, primarily engaged in the production, manufacturing, and import-export trade of ship equipment and related mechanical, electro-mechanical, and electronic system products | Raw materials                      | 30 days      | Bank transfer   |

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| Supplier                                    | Transaction Amount<br><br><i>(RMB in thousands)</i> | Year of<br>Commencement<br>of Business<br>Relationship |      |                                                                                                                                                       | Supplier<br>Background             | Products or Services<br>Procured | Credit Terms  | Payment Methods |
|---------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------|---------------|-----------------|
|                                             |                                                     | Percentage of Total<br>Purchases                       |      |                                                                                                                                                       |                                    |                                  |               |                 |
| <i>(%)</i>                                  |                                                     |                                                        |      |                                                                                                                                                       |                                    |                                  |               |                 |
| Supplier C . . . . .                        | 183,575                                             | 7.2                                                    | 2023 | A specialized electrical drive equipment manufacturer, focusing on the development and manufacturing of motors, generators, and motor control systems | Raw materials                      | 30 days                          | Bank transfer |                 |
| Supplier F . . . . .                        | 152,349                                             | 6.0                                                    | 2025 | A specialized shipping company, primarily engaged in dry bulk shipping                                                                                | Raw Materials                      | 3 days                           | Wire transfer |                 |
| Supplier G . . . . .                        | 126,029                                             | 4.9                                                    | 2025 | A medium-sized single-vessel shipping company, primarily engaged in the ocean transportation of bulk commodities                                      | Raw Materials                      | N/A <sup>(1)</sup>               | Wire transfer |                 |
| Supplier H . . . . .                        | 99,796                                              | 3.9                                                    | 2023 | A large conglomerate in China, primarily engaged in ship building and marine equipment manufacturing                                                  | Raw materials and retrofit service | 90 days                          | Bank transfer |                 |
| Total . . . . .                             | <u>804,775</u>                                      | <u>31.5</u>                                            |      |                                                                                                                                                       |                                    |                                  |               |                 |
| <i>For the Year Ended December 31, 2024</i> |                                                     |                                                        |      |                                                                                                                                                       |                                    |                                  |               |                 |
| Supplier D . . . . .                        | 166,810                                             | 12.4                                                   | 2018 | A medium-sized shipyard in Zhoushan, Zhejiang, primarily engaged in the repair, conversion, and construction of civilian vessels                      | Raw materials and retrofit service | 7-90 days                        | Bank transfer |                 |

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| Supplier             | Transaction Amount<br><i>(RMB in thousands)</i> | Percentage of Total Purchases<br><i>(%)</i> | Year of Commencement of Business Relationship | Supplier Background                                                                                                                                                                                                                                                     | Products or Services Procured      | Credit Terms | Payment Methods |
|----------------------|-------------------------------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------|-----------------|
| Supplier B . . . . . | 115,836                                         | 8.6                                         | 2018                                          | A medium-sized mechanical and electro-mechanical equipment manufacturer in Zhenjiang, Jiangsu, primarily engaged in the production, manufacturing, and import-export trade of ship equipment and related mechanical, electro-mechanical, and electronic system products | Raw materials                      | 30 days      | Bank transfer   |
| Supplier H . . . . . | 72,295                                          | 5.4                                         | 2023                                          | A large conglomerate in China, primarily engaged in building and marine equipment manufacturing                                                                                                                                                                         | Raw materials and retrofit service | 90 days      | Bank transfer   |
| Supplier I . . . . . | 62,806                                          | 4.7                                         | 2019                                          | A large maritime service company in China, primarily engaged in ship repair, conversion, and related manufacturing activities                                                                                                                                           | Raw materials and retrofit service | 90 days      | Bank transfer   |
| Supplier J . . . . . | 57,450                                          | 4.3                                         | 2024                                          | A shipping company in Singapore with service network spanning Asia, Oceania, and the Americas, primarily providing scheduled dry bulk shipping services to global commodity traders and industrial end-users                                                            | Raw materials                      | 3 days       | Wire transfer   |
| Total . . . . .      | 475,197                                         | 35.4                                        |                                               |                                                                                                                                                                                                                                                                         |                                    |              |                 |

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| Supplier                                    | Transaction Amount<br><i>(RMB in thousands)</i> | Percentage of Total Purchases<br><i>(%)</i> | Year of Commencement of Business Relationship | Supplier Background                                                                                                              | Products or Services Procured      | Credit Terms | Payment Methods |
|---------------------------------------------|-------------------------------------------------|---------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------|-----------------|
| <i>For the Year Ended December 31, 2023</i> |                                                 |                                             |                                               |                                                                                                                                  |                                    |              |                 |
| Supplier D . . . . .                        | 184,714                                         | 12.0                                        | 2018                                          | A medium-sized shipyard in Zhoushan, Zhejiang, primarily engaged in the repair, conversion, and construction of civilian vessels | Raw materials and retrofit service | 7-90 days    | Bank transfer   |
| Supplier K . . . . .                        | 150,637                                         | 9.7                                         | 2022                                          | A large shipyard in Zhoushan, Zhejiang, primarily providing construction, repair, and conversion services for civilian vessels   | Retrofit service                   | 90 days      | Bank transfer   |
| Supplier H . . . . .                        | 88,097                                          | 5.7                                         | 2023                                          | A large conglomerate in China, primarily engaged in ship building and marine equipment manufacturing                             | Raw materials and retrofit service | 90 days      | Bank transfer   |
| Supplier L . . . . .                        | 73,542                                          | 4.8                                         | 2019                                          | A leading maritime service group in Turkey, providing dry-docking, ship repair, conversion and new shipbuilding services         | Retrofit service                   | 10-30 days   | Bank transfer   |

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| Supplier             | Transaction Amount<br><i>(RMB in thousands)</i> | Percentage of Total Purchases<br><i>(%)</i> | Year of Commencement of Business Relationship | Supplier Background                                                                                                                                                                                                                                                     | Products or Services Procured | Credit Terms | Payment Methods |
|----------------------|-------------------------------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------|-----------------|
| Supplier B . . . . . | 60,226                                          | 3.9                                         | 2018                                          | A medium-sized mechanical and electro-mechanical equipment manufacturer in Zhenjiang, Jiangsu, primarily engaged in the production, manufacturing, and import-export trade of ship equipment and related mechanical, electro-mechanical, and electronic system products | Raw materials                 | 30 days      | Bank transfer   |
| Total . . . . .      | 557,216                                         | 36.1                                        |                                               |                                                                                                                                                                                                                                                                         |                               |              |                 |

*Note:*

(1) We entered into an escrow payment arrangement where credit terms do not apply.

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The following summary sets forth the salient terms of purchase agreements with our suppliers.

- Scope of Supply. The scope of supply generally encompasses all requisite materials, specialized tools, technical documents, and technical services. In the case of specific equipment, this scope is further extended to cover installation and commissioning.
- Quality Requirements. All supplied equipment and materials shall be asbestos-free and compliant with the requirements of International Maritime Organization and regulations of port states such as EU and Australia. An original asbestos-free declaration from suppliers must be provided at delivery. For specified items such as cables, gaskets, insulation, an additional asbestos-free inspection report from an ISO 17020-accredited third party is mandatory at delivery.
- Delivery. Our suppliers are typically required to deliver the materials and equipment to our designated place. They are responsible for the packaging of the goods and the packaging costs.
- Credit Terms. Our suppliers typically grant us a credit period ranging from 7 to 90 days.
- Warranty. The warranty period typically ranges from 12 to 30 months. Our suppliers are required to remedy any defects by repairing or replacing parts at their expenses. Repaired or replaced components receive an additional 6-month warranty, ensuring coverage is not less than the original term.
- Termination. We may terminate the agreements in the event of, among others, a material breach of the supplier, such as significant non-conformity in material quality, a serious shortage in quantity, or supplier’s failure to submit the production plan or deliver the goods within the stipulated periods.

All of our top five suppliers in each applicable period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates, or any Shareholders that, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five suppliers in each applicable year during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues with our suppliers that materially affect our operations, nor did we encounter any material disruptions in our product manufacture due to shortages of major components.

### Overlapping of Major Customers and Suppliers

During the Track Record Period, we purchased raw materials and retrofit services from Supplier H. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, our purchases from Supplier H accounted for 5.7%, 5.4%, 3.9%, 4.4%, and 0.7% of our total purchases for the same periods, respectively. Supplier H also purchased our vessel exhaust gas emission control and cleaning systems. In 2023, 2024 and 2025 and for the five months ended May 31, 2025 and 2026, revenue generated from the purchases from Supplier H accounted for 0.04%, 0.3%, 1.1%, 0.9%, and 1.9% of our total revenue for the same periods, respectively. Negotiations of the terms of our sales to and purchases from such overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. According to CIC, it is not uncommon in the industry for one subsidiary of a group to receive goods or services from an entity, while other subsidiaries of such group provide services to that same entity. All of our sales to and purchases from such overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and in arm’s length transactions. Our Directors confirmed that, other than Supplier H, none of our major customers was also a supplier, and vice versa, during the Track Record Period and up to the Latest Practicable Date.

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### PROJECT BACKLOG AND EXECUTION PERFORMANCE

The following table sets forth our project backlog movement in terms of contract value during the Track Record Period.

|                                                                                                  | 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)</i>           |                         |                         |                                   |                         |
| Opening balance of contract value (excluding VAT) at the beginning of the year . . . . .         | 2,148,520                       | 1,592,671               | 3,270,263               | 3,270,263                         | 4,843,741               |
| Add: Contract value (excluding VAT) secured during the year/period . . . . .                     | 1,812,914                       | 4,075,090               | 5,074,652               | 2,088,707                         | 3,656,900               |
| Less: Revenue recognized during the year/period . .                                              | <u>2,368,763</u>                | <u>2,397,498</u>        | <u>3,501,174</u>        | <u>1,323,471</u>                  | <u>2,507,000</u>        |
| <b>Closing balance of contract value (excluding VAT) at the end of the year/period . . . . .</b> | <b><u>1,592,671</u></b>         | <b><u>3,270,263</u></b> | <b><u>4,843,741</u></b> | <b><u>4,035,499</u></b>           | <b><u>5,993,641</u></b> |

The following table sets forth a summary of our material projects, which refer to projects that each carries a contract value of over 1% of our net assets, during the Track Record Period and up to the Latest Practicable Date.

| Business Line                                                      | Total Number of Projects | Number of Completed Projects | Number of Ongoing Projects | Average Contract Value    |
|--------------------------------------------------------------------|--------------------------|------------------------------|----------------------------|---------------------------|
|                                                                    |                          |                              |                            | <i>(RMB in thousands)</i> |
| Vessel Exhaust Gas Emission Control and Cleaning Systems . . . . . | 143                      | 113                          | 30                         | 26,210                    |
| Vessel Energy Efficiency Enhancement Systems . . . . .             | 45                       | 14                           | 31                         | 21,645                    |
| Vessel Retrofit and Servicing .                                    | 24                       | 24                           | —                          | 24,245                    |

During the Track Record Period, there were nil, three, 14, 11, and five loss-making projects in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively. We incurred losses from these projects primarily due to our strategy to secure and maintain customers and foster long-term cooperation. Majority of the customers of the loss-making projects during the Track Record Period subsequently entered into new contracts with us. The gross losses resulting from these projects were nil, RMB1.5 million, RMB6.9 million, RMB5.6 million, and RMB5.9 million in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively. The revenue and gross loss attributable to loss-making projects during the Track Record Period were insignificant relative to our total revenue and gross profit. Therefore, the occurrence of these loss-making projects did not have a material adverse effect on our overall business operations.

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### THIRD-PARTY PAYMENT ARRANGEMENTS

#### Background

During the Track Record Period, certain of our customers, or the Relevant Customers, settled payments with us through third-party accounts, which we refer to as Third-Party Payment Arrangements. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, we had four, 24, 56, 27, and 22 Relevant Customers with Third-Party Payment Arrangements amounting to RMB76.6 million, RMB238.3 million, RMB2.10 billion, RMB617.0 million, and RMB1.10 billion, respectively, representing 3.2%, 9.9%, 60.0%, 46.6%, and 44.0% of the total revenue in the respective periods.

Based on the representations of the Relevant Customers and to the best knowledge of our Directors, the Relevant Customers utilized Third-Party Payment Arrangements mainly under two circumstances.

- (i) Certain Relevant Customers arranged their affiliates, including parents, subsidiaries, or fellow subsidiaries, to settle payments with us on behalf of the Relevant Customers for internal fund allocation and management purposes. During the Track Record Period, the amount settled with Relevant Customers under this circumstance was RMB76.6 million, RMB184.9 million, RMB1.73 billion, RMB491.1 million, and RMB1.04 billion, accounting for 3.2%, 7.7%, 49.5%, 37.1%, and 41.6% of the total revenue in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively.

Customer A, our largest customer, utilized Third-Party Payment Arrangements during the Track Record Period. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the amount settled with Customer A through Third-Party Payment Arrangements amounted to RMB41.3 million, RMB79.6 million, RMB1.67 billion, RMB465.7 million, and RMB1.03 billion, respectively, representing 1.7%, 3.3%, 47.6%, 35.2%, and 40.9% of our total revenue for the same period, respectively. For details regarding Customer A, see “— Customers and Suppliers — Relationship with Customer A.” The increase in the overall proportion of amounts settled through Third-Party Payment Arrangements during the Track Record Period, in particular for 2025, was primarily attributable to Customer A, a leading global shipping group, which adopts unified financial and payment arrangements across its supplier base. Under its arrangements, payments in respect of certain transactions with Customer A were made by group members designated by Customer A. We have obtained an official letter from Customer A confirming that in connection with genuine transactions between Customer A and us, the relevant payments were made by group members of Customer A on its behalf. In addition, we also verified the identity of the third-party payors and their relationship with Customer A.

- (ii) The other Relevant Customers utilize Third-Party Payment Arrangements in line with common settlement arrangements in the shipping industry where the operating structure typically involves separate but closely coordinated parties. Payments may be made by parties not signatory to the contract, such as shipowners, ship management companies, new shipowners following a title transfer, or other payors designated by shipowners based on the shipowners’ own commercial cooperation arrangements with the payors, for commercial considerations such as management efficiency, project execution, title transfer, and the allocation of payment responsibilities among the parties to the relevant vessel project. Specifically, such arrangements generally arise because a vessel project may involve shipowners, ship management companies, and other project participants, each playing a different role in project ownership, management, and execution. On this basis, these arrangements can be further divided into the following categories: (a) where the Relevant Customer was a shipowner, a ship management company appointed for the relevant vessel project paid us on behalf of the shipowner based on vessel management or project execution arrangements, with Third-Party Arrangements under this situation amounting to nil, RMB50.9 million, RMB357.6 million, RMB120.6 million, and RMB59.9 million in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively, accounting for nil, 2.1%, 10.2%, 9.1%, and 2.4% of the total revenue for the same periods, respectively; (b) where the Relevant Customer was a ship management company, the shipowner that owned the vessel and bore the relevant project

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cost paid us on behalf of the ship management company, with Third-Party Arrangements under this situation amounting to nil, nil, RMB5.1 million, RMB3.7 million, and nil in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively, accounting for nil, nil, 0.1%, 0.3%, and nil of the total revenue for the same periods, respectively; (c) where the shipowner designated another payor based on its own commercial cooperation arrangements with the payor, the designated payor paid us on behalf of the shipowner in connection with the relevant vessel project, with Third-Party Arrangements under this situation amounting to nil, nil, RMB1.9 million, RMB0.3 million, and nil in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively, accounting for nil, nil, 0.1%, 0.02%, and nil of the total revenue for the same periods, respectively; and (d) in a limited number of cases involving a title transfer, where the Relevant Customer was the original contracting party for the relevant vessel project and the vessel had been transferred to a new shipowner, the new shipowner, as the current owner of the vessel, paid us in connection with the same vessel project, with Third-Party Arrangements under this situation amounting to nil, RMB2.5 million, RMB4.9 million, RMB1.3 million, and nil in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively, accounting for nil, 0.1%, 0.1%, 0.1%, and nil of the total revenue for the same periods, respectively. In each of these categories, the relevant third-party payors were not affiliates of the Relevant Customers. Their relationship with the Relevant Customers arose from vessel ownership, vessel management, project execution, title transfer, or other commercial cooperation arrangements relating to the same vessel project. During the Track Record Period, the total amount settled with Relevant Customers arising from the common settlement arrangements in the shipping industry was nil, RMB53.4 million, RMB369.5 million, RMB125.9 million, and RMB59.9 million, accounting for nil, 2.2%, 10.6%, 9.5%, and 2.4% of the total revenue in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively.

During the Track Record Period, our Third-Party Payment Arrangement with Customer A and other customers increased significantly in absolute amount and as a percentage of revenue. The following summary sets forth the underlying reasons for such increase.

(i) ***Customer A.***

The increase was mainly attributable to the expansion and diversification of our business with Customer A and Customer A's internal payment arrangements. Customer A is a large multinational shipping group that provides comprehensive technical management, crew manning, safety and compliance, and ship building supervision services, and owns the world's largest container ship fleet. Customer A1, a member of Customer A and the principal contracting party with us, entered into contracts with us covering EGCS and other products and services, including shore power, shaft generator systems, and technical support services. Payments under such contracts were made either by Customer A1 itself or by Customer A4 or Customer A2, other group members of Customer A. Our Third-Party Payment Arrangements with Customer A only involved Customer A1, Customer A4, and Customer A2.

In general, Customer A1 primarily acted as the ship management entity within Customer A and was responsible for vessel management and operating matters. Accordingly, payments for EGCS were generally made by Customer A1 itself, as EGCS primarily related to vessel operations and fuel cost management. In respect of technical support services, Customer A1 generally placed the relevant orders with us, while payments were generally made by Customer A2 pursuant to Customer A's internal payment system and fund arrangements. Customer A4 primarily acted as the ship owner or representative of the ship owner within Customer A and was responsible for arranging payments for products relating to vessel assets and energy efficiency enhancement. Accordingly, payments for shaft generator systems, shore power, and other energy-enhancement related products were generally made by Customer A4. Such arrangements were consistent with Customer A's overall group structure, internal allocation of responsibilities, and fund management practice.

In 2023, our revenue from Customer A was mainly attributable to EGCS, and the relevant payments were generally made by Customer A1 itself. Since 2024, as our business with Customer A expanded to include more shaft generator systems, shore power, other energy-enhancement related products, and technical support services, a

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larger portion of the relevant payments was made by Customer A4 and Customer A2 pursuant to Customer A’s internal payment arrangements. As a result, the amount and percentage of revenue settled through the Third-Party Payment Arrangements with Customer A increased significantly during the Track Record Period.

- (ii) **Other customers.** The aggregate increase in revenue settled through Third-Party Payment Arrangements with customers other than Customer A was mainly due to our overall business growth and the corresponding increase in transaction volume. According to CIC, it is not uncommon for shipowners to designate ship management companies to make payments under Third-Party Payment Arrangements.

According to CIC, the adoption of Third-Party Payment Arrangements is not uncommon among shipowners and ship management companies, as such arrangements enable shipping groups to centralize management of funds and facilitate multi-party collaborations among shipowners, ship managers, and other parties, thereby simplifying operating management for shipping groups.

We require the Relevant Customers and their designated third-party payors to enter into tripartite agreements that set forth the delegation of payment arrangements with us prior to settlement under the Third-Party Payment Arrangements. According to these written delegations, the designated third-party payors are authorized by the Relevant Customers to settle payments with us and the Relevant Customers will bear the liabilities of any economic dispute caused by the Third-Party Payment Arrangements. Except for the payment arrangements with Customer A, written delegations were entered into for the vast majority of the transactions under Third-Party Payment Arrangements. For payment arrangements with Customer A, we have obtained an official letter from Customer A confirming that in connection with genuine transactions between Customer A and us, the relevant payments were made by group members of Customer A on its behalf. In addition, we also verified the identity of the third-party payors and their relationships with Customer A. We have implemented enhanced internal control measures to address third-party payment arrangements and ensure compliance. For details, see “— Enhanced Internal Control Measures.”

As of May 31, 2026, 74 Relevant Customers were involved in the Third-Party Payment Arrangements. Among them, 64 Relevant Customers had signed tripartite written agreements with us and their designated third-party payors. In 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, the revenue settled through such arrangements not covered by tripartite written agreements amounted to RMB41.3 million, RMB81.2 million, RMB1.68 billion, RMB467.6 million, and RMB1.03 billion, respectively, representing 1.7%, 3.4%, 48.0%, 35.3%, and 40.9% of our total revenue, respectively. In particular, revenue settled through Third-Party Payment Arrangements with customers other than Customer A amounted to RMB35.3 million, RMB158.7 million, RMB434.1 million, RMB151.3 million, and RMB76.4 million, respectively, of which RMB35.3 million, RMB157.1 million, RMB421.9 million, RMB149.4 million, and RMB76.4 million, or 100.0%, 99.0%, 97.2%, 98.7%, and 100.0%, respectively, were covered by signed tripartite written agreements. The remaining nil, RMB1.6 million, RMB12.2 million, RMB2.0 million, and nil, or nil, 1.0%, 2.8%, 1.3%, and nil, respectively, were not covered by signed tripartite written agreements, representing nil, 0.7%, 0.6%, 0.3%, and nil of the total revenue settled under all Third-Party Payment Arrangements, respectively. Tripartite written agreements were not entered into for these transactions mainly because (i) according to CIC, Third-Party Payment Arrangements are not uncommon in the shipping industry, as shipowners may designate ship management companies or other related operating entities to settle payments on their behalf; (ii) all such arrangements were made in connection with genuine business transactions between us and the relevant customers, supported by signed contracts and other underlying transaction documents, including purchase orders, invoices, delivery records, acceptance records, and payment records; (iii) we had verified the relationship between the relevant customers and their designated third-party payors; and (iv) at the relevant time, our internal control measures over Third-Party Payment Arrangements were still being gradually enhanced, and given the immateriality of such arrangements and the absence of any dispute, refund, claim, or regulatory investigation in connection with such arrangements, we had not then made signed tripartite written agreements a mandatory requirement for these transactions.

We have used our best efforts to procure the execution of tripartite written agreements with customers adopting Third-Party Payment Arrangements. As part of our continued efforts to enhance the governance and documentation over such arrangements, we completed the execution of tripartite written agreements with five customers adopting Third-Party Payment Arrangements in the first

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quarter of 2026. As of the Latest Practicable Date, only Customer A had not yet entered into a tripartite written agreement, primarily due to its internal approval procedures and practical difficulties in executing additional documentation. Based on our latest communications with Customer A, it explicitly rejected our request to enter into tripartite written agreements due to its unified payment practice. We have otherwise verified the authenticity of the transaction by reviewing the underlying contracts, invoices, delivery or acceptance records, bank receipts, and other supporting documents, and have obtained official letters from this customer on the authenticity of the transaction.

During the Track Record Period, we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged upon the Relevant Customers' requests. During the Track Record Period, to the best knowledge of our Directors, all Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were independent third parties. We did not provide any discount, commission, rebate, or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements.

In order to ensure the Third-Party Payment Arrangements are for bona fide transactions, our finance team are only allowed to accept payments from designated third-party payors of the Relevant Customers and our operations team are only allowed to ship our products to the Relevant Customers on the condition that our finance team confirm that the funds are received from designated third-party payors. In addition, we communicated with our customers to understand the nature of their businesses, business models, and ownership. To the best of our knowledge, during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships. The pricing and payment terms that we provided to the Relevant Customers were in line with those provided to customers not involved in the Third-Party Payment Arrangements. During the Track Record Period, we duly booked all payments received under the Third-party Payment Arrangement according to our internal accounting policies and tax laws and regulations. Our Directors are of the view that the foregoing measures to ensure payments under bona fide underlying transactions and valid contractual relationships with customers are sufficient and can substantially mitigate the risk we face.

To our best knowledge, we were not the subject of any investigations, inquiries, penalties, or surcharges as a result of our involvement in the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements, or any claims against us relating to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any money laundering issues, fabricated transactions, violation of tax laws, or other illegal activities under the Third-Party Payment Arrangement.

As advised by our PRC Legal Advisor, our Third-Party Payment Arrangements do not violate any mandatory provisions of applicable PRC laws or regulations. Our PRC Legal Advisor further advised that the risk of us being required to return the funds solely due to the Third-Party Payment Arrangements under applicable PRC laws and regulations is remote, because (i) as of the Latest Practicable Date, the written tripartite agreements have been duly executed for the majority of our Third-Party Payment Arrangements, confirming that such third-party payors would not request a refund of the funds settled on behalf of the Relevant Customers, and no refund is required under the Third-Party Payment Arrangements; (ii) for Customer A, we have obtained written confirmations from Customer A and verified the identity of the third-party payors and their relationship with Customer A; and (iii) during the Track Record Period and up to the Latest Practicable Date, we had not been requested to refund funds received through Third-Party Payment Arrangements, and to the best of our knowledge, there was no actual or pending dispute or disagreement involving any Third-Party Payment Arrangements.

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In addition, our PRC Legal Advisor is of the view that the Third-Party Payment Arrangements are legal and valid under applicable PRC laws and regulations, and the PRC Legal Advisor is not aware of any facts indicating that such arrangements, by themselves, would constitute money laundering or give rise to any criminal liability. As a payment performance arrangement under the relevant underlying transactions, a Third-Party Payment Arrangement does not, by itself, violate any mandatory provision of applicable PRC laws and regulations, nor would it be rendered invalid merely because the payor is not a party to the underlying transaction or service contract. This view is based on (i) the fact that China’s Civil Code does not prohibit a contractual party from arranging for a third party to perform its payment obligation on its behalf, (ii) our enhanced internal control measures regarding third-party payment arrangements, as set forth in “— Third-Party Payment Arrangements — Enhanced Internal Control Measures,” and (iii) our confirmation and the results of public searches, which indicate that our Group has not been accused of, or investigated for, money laundering in connection with the Third-Party Payment Arrangements. On such basis, the PRC Legal Advisor is not aware of any facts indicating that the Third-Party Payment Arrangements were made to conceal or disguise criminal proceeds or would constitute any criminal offence under PRC law.

### Enhanced Internal Control Measures

During the Track Record Period, we required the Relevant Customers to communicate with us the relevant information, including, among others, the reasons for the Third-Party Payment Arrangements and the identity of the third-party payors involved.

To mitigate the potential risks from the Third-Party Payment Arrangements, we have implemented enhanced internal control measures, including, among others:

- (i) as a general rule, we only accept payments from our contractual customers. We only permit third-party payments in limited and exceptional circumstances where there is a genuine underlying transaction, clear contractual and performance records, and a valid commercial rationale for such arrangement;
- (ii) before processing any third-party payment, our business department communicates with the relevant customer to understand the relationship between the contractual customer and the designated third-party payor, and requires the customer to complete a questionnaire setting out the identity of the third-party payor, the nature of its relationship with the customer, and the reasons for the proposed third-party payment arrangement;
- (iii) we conduct internal due diligence and approval procedures on both the relevant customer and the designated third-party payor, including reviewing their registration information, relationship information, commercial rationale for the arrangement, and whether either party is subject to sanctions, industry restrictions, or adverse records;
- (iv) our legal and finance departments conduct multi-level reviews of the authenticity and compliance of the relationship between the relevant customer and the designated third-party payor, as well as the underlying transaction and payment arrangement. We will not process any third-party payment arrangement that fails to pass such review;
- (v) going forward, where a third-party payment arrangement is necessary, we will only enter into such arrangement with our customers if such transactions are supported by duly executed written tripartite agreements, except for future transactions with Customer A, who had explicitly rejected our request to enter into tripartite written agreements with it due to its unified payment practice. Such written documentation sets out, among others, the relationship between the contractual customer and the third-party payor, the reason for the arrangement, and the relevant payment terms;
- (vi) our finance department verifies the relevant fund flows against the agreed payment terms and checks the settlement of the related receivables to confirm that the payment is supported by a genuine underlying transaction and complies with our internal procedures. Cash collections and payments are recorded in separate ledgers and reconciled on a monthly basis by our finance and business departments; and

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- (vii) we have adopted accountability measures for non-compliance with our internal policies on third-party payments, and any suspected illegal or criminal conduct, including potential money laundering activities, will be referred to the government authorities where appropriate.

Our Directors are of the view that the foregoing internal control measures are sufficient and can substantially mitigate the risk that we face. In addition, nothing material has come to the Joint Sponsors’ attention that would reasonably cast doubt on our Directors’ view.

We may not cease all Third-Party Payment Arrangements before [REDACTED] for the following reasons:

- (i) According to CIC, such arrangements are consistent with industry practice in the international shipping industry, where different parties, such as shipowners, ship management companies, or other designated group entities, may separately act as the contracting party and the payment party based on the business and settlement arrangements.
- (ii) Some of these arrangements involved two major customers of ours, namely Customer A and Customer J, which are multinational groups with centralized payment and fund management systems. Third-Party Payment Arrangements with them are adopted pursuant to their own payment and fund management arrangements, which are beyond our control. The amount of our Third-Party Payment Arrangements attributable to Customer A’s centralized payment and fund management systems was RMB41.3 million, RMB79.6 million, RMB1.67 billion, RMB465.7 million, and RMB1.03 billion in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively, representing 53.9%, 33.4%, 79.3%, 75.5%, and 93.1% of our total Third-Party Payment Arrangements for the corresponding periods, respectively. The amount of our Third-Party Payment Arrangements attributable to Customer J’s centralized payment and fund management systems was nil, RMB24.4 million, RMB11.5 million, RMB5.1 million, and RMB1.0 million in 2023, 2024, and 2025 and for the five months ended May 31, 2025 and 2026, respectively, representing nil, 10.3%, 0.5%, 0.8%, and 0.1% of our total Third-Party Payment Arrangements for the corresponding periods, respectively. Requiring us to terminate all these arrangements before [REDACTED] would cause significant inconvenience and disruption to Customer A and Customer J’s normal business operations and internal management, and we are not in a position to unilaterally terminate all such arrangements. It would also cause significant disruption to our business operations and revenue collection processes, which could lead to contractual defaults, loss of critical commercial relationships, and even undermine our competitive position in the industry.
- (iii) We have implemented internal control measures over such arrangements, including due diligence on the contracting party and the third-party payor, written tripartite agreements, review by the legal and finance departments, and multi-level internal approval, to ensure that such arrangements are based on genuine underlying transactions, are commercially justified, and comply with applicable laws and regulations.

In light of the above, we believe that our third-party payments will not have a material adverse effect on our business operations.

## EMPLOYEES

As of May 31, 2026, we had 574 full-time employees. The following table sets forth a breakdown of our full-time employees by functional departments as of May 31, 2026.

| Function                                        | As of May 31, 2026  |                               |
|-------------------------------------------------|---------------------|-------------------------------|
|                                                 | Number of Employees | Percentage of Total Employees |
| Research and Development . . . . .              | 134                 | 23.3%                         |
| Sales and Marketing . . . . .                   | 40                  | 7.0%                          |
| Management and General Administration . . . . . | 66                  | 11.5%                         |
| Production . . . . .                            | 334                 | 58.2%                         |
| <b>Total . . . . .</b>                          | <b>574</b>          | <b>100.0%</b>                 |

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We believe that the strength and talent of our workforce are critical to the success of our businesses, and we continually strive to attract, develop, and retain personnel commensurate with the needs of our businesses. We always strive to provide employees with comprehensive social benefits, a wide range of career growth opportunities, and a diverse work environment. In addition, we are committed to providing a safe and healthy workplace, which is backed by strict policies, robust trainings, and safety recognition awards. We are committed to the recruitment, education, development, and advancement of our personnel. Furthermore, we place special emphasis on the building of a talent pipeline and cohesive company culture. We have established a comprehensive system for employee training and development, covering topics such as professional competencies, corporate culture and values, workplace ethics, compliance awareness and others.

We recruit our employees based on a range of factors such as their industry experience, their educational background, and our vacancy needs. We primarily recruit employees through social recruitment, supplemented by campus recruitment to build a balanced talent pipeline.

As required by PRC laws and regulations, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance, and housing fund plans through a PRC government-mandated benefit contribution plan. Specifically, we are required under PRC law to make contributions from time to time to employee benefit plans for our PRC-based employees at specified percentages of the salaries, bonuses, and certain allowances of such employees, up to a maximum amount specified by the local governments in China.

We are committed to establishing a competitive and fair remuneration. In order to effectively motivate our staff, we continually refine our remuneration and incentive policies. We conduct performance evaluation for our employees regularly to provide feedback on their performance. Compensation for our staff typically consists of base salary and a performance-based bonus.

We typically enter into standard employment agreements and confidentiality agreements with our senior management and core employees. We maintain a good working relationship with our employees, and we have not experienced any material labor disputes.

## PROPERTIES

Our corporate headquarters is located in Hangzhou, Zhejiang Province, China. As of the Latest Practicable Date, we leased or otherwise had the right to use properties in China with an aggregate gross floor area of over 182,000 square meters, which were primarily used for office, manufacture, and warehousing functions. Most of the relevant lease agreements will expire between 2026 and 2030, and we will negotiate lease renewal upon their expiry as appropriate. We believe that our existing facilities are generally adequate to meet our current needs.

As of May 31, 2026, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

## INTELLECTUAL PROPERTY

We regard our trademarks, patents, domain name, know-how, trade secrets, and similar intellectual property as critical to our success. As of May 31, 2026, we had (i) 99 issued patents; (ii) 10 granted computer software copyrights; (iii) 30 granted trademarks; and (iv) 1 granted domain name.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material intellectual property infringement claims by third parties or suffered any material intellectual infringement by third parties.

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We rely on a combination of copyright, patent, and trademark law, trade secret protection, confidentiality agreements with employees, and intellectual property, and confidentiality provisions in our agreements with third-party suppliers to protect our intellectual property rights. We have established a range of internal control policies and measures to ensure our ability to protect our intellectual property rights, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties. However, we cannot assure you that we will prevail on patent infringement claims against third parties. See “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately protect our intellectual property rights, and we may be exposed to intellectual property infringement or misappropriation claims.”

For more details of our material intellectual property, see “Statutory and General Information — Further Information about the Business of Our Company — 2. Intellectual Property Rights” in Appendix IV to this document.

## INSURANCE

We consider our insurance coverage to be adequate and in accordance with the commercial practices in the industries in which we operate, including employer’s liability insurance and property insurance for our key facilities and assets. We provide social security insurance, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance, and medical insurance for our full-time employees. In addition, we have supplementary pension plans for our full-time employees, providing supplementary retirement benefits beyond the national regulatory insurance system. We have not obtained product liability insurance for our business in China or other jurisdictions in which we operate and are not required under applicable PRC laws or the laws of such other jurisdictions to obtain product liability insurance for our business. We believe that these policies provide coverage for the principal risks associated with our operations. Our management will evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed. We did not make any material insurance claims during the Track Record Period and up to the Latest Practicable Date.

## LICENSES, APPROVALS, AND PERMITS

We are in the process of applying for the permit for discharging wastewater into urban drainage facilities in relation to our vessel retrofit and servicing business, and currently do not anticipate encountering material difficulties in obtaining this permit. As advised by our PRC Legal Advisor, the absence of this permit alone unlikely will subject us to administrative penalties.

Saved as the disclosed above, during the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals, and permits that are material and necessary for our business operations in jurisdictions where we operate, and these licenses, approvals, and permits are valid.

The following table sets forth a list of our material licenses, approvals, and permits.

| License/Approval/Permit                               | Holder      | Granting Authority                                       | Grant Date      | Expiry Date |
|-------------------------------------------------------|-------------|----------------------------------------------------------|-----------------|-------------|
| Business License . . . . .                            | Our Company | Zhejiang Provincial Administration for Market Regulation | January 6, 2026 | N/A         |
| Customs Filing Certificate for Consignees/Consignors. | Our Company | Qianjiang Customs                                        | August 7, 2018  | N/A         |

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| License/Approval/Permit                               | Holder        | Granting Authority                                                     | Grant Date         | Expiry Date      |
|-------------------------------------------------------|---------------|------------------------------------------------------------------------|--------------------|------------------|
| Customs Filing Certificate for Consignees/Consignors. | ZEME Shipyard | Jingang Customs                                                        | September 30, 2024 | N/A              |
| Environmental Impact Assessment Approval              | ZEME Shipyard | Administrative Committee of Zhangjiagang Bonded Zone, Jiangsu Province | February 4, 2026   | February 3, 2031 |
| Pollutant Discharge Permit                            | ZEME Shipyard | Suzhou Ecological Environment Bureau                                   | April 10, 2026     | April 9, 2031    |

## DATA PRIVACY AND SECURITY

We consider data security and protection crucial to our operations. We only collect personal information from third parties to the extent necessary, such as contact information of customers and suppliers. Otherwise, we do not collect any personal information. The data are collected, stored, and processed in compliance with our internal procedures and applicable laws and regulations.

We have established a comprehensive system to regulate our data processing activities. We have developed policies to govern data security, data usage and sharing, and the protection of personal information and privacy. These policies guide our information security and compliance efforts by establishing a hierarchical data classification and management system, setting out the requirements applicable to the entire data processing cycle, clarifying the standards for cybersecurity and information system security, requiring training for relevant personnel, and providing for data security and compliance risk assessment and audit procedures. In addition, we have established an emergency response mechanism in case of information security incidents. All our personnel are required to strictly follow these data security policies. Furthermore, we have designated personnel responsible for cybersecurity, data security, and personal information protection.

We have implemented a stringent data management system, only allowing data access and retrieval if preauthorized and under pre-determined manner. In addition, to safeguard the security of our IT systems, we have implemented industry-standard practices and technical measures to prevent unauthorized access, disclosure, or misuse, including data classification, backup, encryption, access controls, firewalls, and antivirus software. We have obtained level 2 certification for our network system under the multi-level protection scheme. Under this scheme, network systems are classified from level 1 to level 5 based on the degree of harm that could result from damage to or compromise of such systems, including the potential impact on national security, social order, and economic interests.

During the Track Record Period and up to the Latest Practicable Date, we had not received any claim from any third party against us alleging any violation of such party’s data privacy rights, we have not experienced any material data breaches, losses, or unauthorized use of data, and our information technology and software systems have not encountered any material malfunction, unexpected system failure, or interruption. As advised by our PRC Legal Advisors, we comply with relevant PRC cybersecurity, data security, personal information protection, and cross-border data transfer laws and regulations that are currently effective and applicable to us in all material aspects, and there were no incident of material data leakage during the Track Record Period and up to the Latest Practicable Date.

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### INTERNATIONAL TRADE COMPLIANCE

During the Track Record Period, we did not purchase any raw materials from the United States. We only purchased certain U.S.-origin software through domestic agents. In 2025, we purchased through a domestic agent Windows Server and SQL Server, which were used as office and data storage software. The purchase amounts in 2025 were RMB44,112 and RMB43,000, respectively, and in aggregate represented 0.003572% of our cost of sales in 2025. For the five months ended May 31, 2026, we purchased SolidWorks Premium software, which is used for design and drawing purposes, from a domestic authorized distributor for RMB298,000, representing 0.000184% of our cost of sales for the same period. None of the U.S.-origin software we purchased constitute core software for our product production.

Our products sold for export are not subject to PRC export tariffs, and any import tariffs arising in overseas jurisdictions are generally borne by customers. During each period of the Track Record Period, revenue generated from our products exported from the Chinese mainland to the United States accounted for less than 0.1% of our total revenue, while the tariff rates applicable to our products exported from the Chinese mainland to the European Union ranged from 0% to 4.7%. In light of our limited exposure to the United States market and the applicable European Union tariff rates, our International Sanctions Counsel is of the view that the relevant tariffs have not had, and are not expected to have, any material direct or indirect adverse impact on us. For our imported purchases, the relevant import tariffs are borne by us.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not experience any indirect impact on our sales arising from sales to customers with significant exposure to the U.S., EU, or other overseas markets as a result of overseas tariffs, and (ii) we did not receive any customer requests for order cancellations or renegotiation of sales terms as a result of overseas tariffs.

### U.S. Outbound Investment Restrictions

We were not engaged in any activities relating to integrated circuits, advanced computers, quantum technology, or AI system development during the Track Record Period and up to the Latest Practicable Date that would give rise to any U.S. outbound investment prohibitions or notification requirements. We also did not have any relationship with any person engaged in such activities that would cause such U.S. outbound investment rules to apply to us. Accordingly, as advised by our International Sanctions Counsel, we are not a “covered foreign person” and we do not expect the U.S. outbound investment rules and related restrictions to have a material adverse effect on our business operations, financial performance, or our ability to obtain investment.

### U.S. Export Control Restrictions

It is prohibited under the U.S. export control regime to export, reexport, or transfer in country any items subject to the U.S. Export Administration Regulation (EAR) when an entity is associated with the Entity List, which is defined as a list that subjects listed entities to EAR licensing requirements and restrictions, or when an entity using an address associated with the listed entity is a party to the transaction. For a violation to occur, the items involved in transactions with designated persons must be subject to the EAR.

During the Track Record Period, we transacted with one customer that was added to the Entity List in December 2020. We generated no revenue from this customer in 2023 or 2024. Revenue generated from the this customer amounted to US\$1.1 million in 2025 and US\$1.4 million for the five months ended May 31, 2026, representing 0.2% and 0.4% of our total revenue, respectively. As advised by our International Sanctions Counsel, the products sold this customer were not subject to the EAR because they were not U.S.-origin items, were not located in or in transit through the United States, and did not incorporate any U.S.-origin parts or technology. Although we used certain U.S.-origin software for design, internal administration, and information technology operations, it was not bundled with our finished products, and our equipment contained no U.S.-controlled content. Accordingly, neither the software nor our equipment caused our products to fall within the scope of the EAR under the Foreign Direct Product Rules. Since the products were not subject to the EAR and the this customer had no footnote designation, meaning that it was not subject to the additional controls under the Foreign Direct Product Rules applicable to entities with such designations, our transactions with this customer did not trigger any U.S. export licensing requirements under the EAR. Therefore, as advised by our International Sanctions Counsel, our Directors are of the view that there was no U.S. export controls exposure during the Track Record Period and up to the Latest Practicable Date.

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### U.S. Economic Sanctions

U.S. sanctions targeting China-based technology companies, including economic restrictions, may directly or indirectly affect our business. The U.S. Department of Treasury administers U.S. sanctions programs against targeted countries, entities, and individuals, which prohibits U.S. companies or U.S. persons from engaging in any transaction with or providing any goods or services for the benefit of the targeted country, entity, or individual.

During the Track Record Period, we transacted with three customers and one third-party payor under our Third-Party Payment Arrangements that were subsequently added to the SDN List, which is defined as a list that subjects listed parties to asset blocking and U.S. dealings restrictions. We refer to the three customers as Parties A, B, and C and the third-party payor as Party D. Revenue generated from Parties A, B, and C amounted to RMB11.4 million in 2024, US\$6,000 in 2024, and US\$1.8 million in 2023, representing 0.5%, 0.002%, and 0.5% of our total revenue for the corresponding periods, respectively. Party D generated no revenue, as it acted solely as a third-party payor for Party B. The US\$6,000 paid by Party D in 2024 represented 0.02% of our total payments received under Third-Party Payment Arrangements for that year. We generated no revenue from these entities during the other periods of the Track Record Period.

Except for the limited post-designation dealings with Party A, our final dealings with each of Party B, C, and D occurred before their designation, when they were not a sanctioned target. We have ceased all dealings with these entities and confirmed that we will not enter into any further transactions with them. In respect of Party A, all deliveries were completed before its designation, and our post-designation dealings were limited to signing an agreement confirming the pre-designation delivery and passively receiving payments due under pre-existing contractual obligations. The payments were made exclusively in Renminbi through Chinese banks and had no U.S. nexus, and their receipt did not constitute the provision of financial, material, or technological support to Party A. In addition, we did not act as a foreign financial institution in the transaction, and the relevant secondary sanctions provisions applicable to foreign financial institutions therefore did not apply to us. Given our limited historical business with these entities and the absence of any business presence in a sanctioned country as defined under the applicable guidance, we are not considered a sanctioned target thereunder. Accordingly, as advised by our International Sanctions Counsel, our historical transactions with these entities did not constitute primary sanctioned activity as defined under the applicable sanction guidance, and the risk of secondary sanctionable activity is low. As of the Latest Practicable Date, all orders and obligations involving the these SDN listed entities had been fully performed, and there were no warranties, after-sales obligations, continuing services, or other outstanding contractual obligations remained arising from our products or services sold or provided. As advised by our International Sanctions Counsel, there are no continuing activities arising from the historical transactions that would increase our primary and secondary sanction risks as defined under the applicable sanction guidance.

During the Track Record Period, we entered into transactions with (i) a supplier whose parent company was added to the NS-CMIC List in June 2021, (ii) a customer that was added to the CMC List in January 2025, and (iii) another supplier whose parent company was added to the CMC List in June 2026. The NS-CMIC List is defined as a list that subjects listed companies to U.S. securities investment restrictions, while the CMC List is defined as a list that identifies Chinese military companies operating directly or indirectly in the United States. Purchases from the NS-CMIC-related supplier represented 4.9%, 4.8%, and 3.9% of our total purchase amount in 2023, 2024, and 2025, respectively. Revenue from the CMC-listed customer represented 0.01% of our total revenue in 2025, while purchases from the CMC-related supplier represented 0.00062% of our total purchase amount for the five months ended May 31, 2026. We did not enter into any transactions with the NS-CMIC-listed supplier and the CMC-listed customer for the five months ended May 31, 2026. As advised by our International Sanctions Counsel, the restrictions associated with the NS-CMIC List are inapplicable as the NS-CMIC prohibitions apply only to U.S. persons in respect of the purchase or sale of publicly traded securities or related instruments, while our transactions with this supplier did not involve any such securities transactions and we are not a U.S. person or a subsidiary of a U.S. company; the restrictions associated with the CMC List are likewise inapplicable as we are not listed on the CMC List, do not provide lobbying services, and have no business nexus with, or intention to conduct business with, the U.S. Department of Defense.

Therefore, as advised by our International Sanctions Counsel, we are of the view that the sanctions risks have not had, and are not expected to have any material direct or indirect adverse effect on our business operations and financial performance.

We have established internal policies and procedures to manage risks relating to export control, sanctions, and trade restrictions, including (i) counterparty screening against applicable sanctions and export control lists, (ii) internal review of product classification for potential export control implications, (iii) contractual compliance undertakings from counterparties, (iv)

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transaction-level review and approval procedures for higher-risk jurisdictions or counterparties, (v) periodic monitoring of regulatory developments, and (vi) compliance training for Directors, senior management and relevant personnel.

Based on the above and as advised by our International Sanctions Counsel, our Directors are of the view that our internal control measures are reasonably designed and implemented to identify, monitor, and manage material export control and sanctions-related risks. In addition, nothing material has come to the Joint Sponsors’ attention that would reasonably cast doubt on our Directors’ view.

### ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We uphold the principles of green and low-carbon development, operating efficiency, and regulatory compliance, with a focus on supporting global shipping decarbonization and green transition. We integrate environmental, social, and governance (ESG) considerations into our business operations and management practices.

#### Green Shipping

We have developed a comprehensive portfolio of green equipment and systems for the global shipping industry in response to the accelerating transition toward low-carbon shipping and increasingly stringent emissions regulations. We support customers in reducing air pollutants and greenhouse gas emissions while optimizing environmental performance and lowering compliance costs.

In response to requirements on vessel energy efficiency and emissions promulgated by International Maritime Organization and other relevant regulators, we have established a dedicated vessel decarbonization task force and proactively target fleets with relatively low CII ratings and identify compliance upgrade needs. We provide vessel-specific decarbonization and compliance upgrade solutions, tailored to vessel type, trading routes, and operating profiles.

In respect of sulfur oxides emissions control, the Annex VI of International Maritime Organization’s International Convention for the Prevention of Pollution from Ships and other applicable rules set out requirements on sulfur emissions. In response, we provide vessel exhaust emission control and cleaning systems to assist customers in meeting relevant emissions control requirements.

In respect of greenhouse gas reduction and tightening carbon cost constraints, as mechanisms such as the EU ETS and FuelEU Maritime are progressively implemented and begin to impact the shipping industry, we are also advancing the research, development, and application exploration of vessel carbon capture, utilization, and storage (CCUS) technologies and products. These efforts aim to enhance customers’ compliance resilience and support optimization of fleet asset economics and operating arrangements under carbon intensity management and carbon cost constraints.

In respect of vessel energy efficiency management, the International Maritime Organization has issued technical guidance on the calculation methodologies for energy efficiency metrics such as the EEXI. We provide energy-saving and emissions-reduction products and systems designed to improve energy efficiency and reduce fuel consumption, including shaft generator systems, integrated energy-saving devices, and shore power systems. These products and systems assist customers in improving energy efficiency performance, reducing fuel use and associated emissions, and meeting energy efficiency, shore power utilization, and emissions compliance requirements that may apply on certain key routes and in port areas.

In respect of emissions data management and compliance performance, the IMO Fuel Oil Consumption Data Collection System, the EU Monitoring, Reporting, and Verification regime, and the EU ETS impose requirements on the monitoring, reporting, verification, and traceability of emissions data. We provide continued greenhouse gas emissions monitoring systems to conduct real-time monitoring of key vessel emission sources and to calculate carbon dioxide emissions based on fuel consumption, supporting the management needs for completeness, continuity, and

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traceability of carbon emissions data for shipping companies, shipowners, and shipyards. As of the Latest Practicable Date, our relevant systems had obtained the data reporting compliance certification of the EU ETS and CII energy efficiency monitoring certification.

As the decarbonization of marine fuels progresses and relevant regulations impose progressively tighter requirements on the lifecycle greenhouse gas intensity of fuels, we provide products and systems such as dual-fuel supply systems to support the use of alternative fuels including liquefied natural gas, methanol, and ammonia. We also refer to the International Maritime Organization’s relevant interim safety guidelines to inform system design and implementation in areas such as fuel property identification, risk control, and safe operations. These products and systems can be integrated with customers’ fuel strategies to support the achievement of compliance and emissions-reduction objectives on key routes and in port areas.

As of the Latest Practicable Date, our principal products had obtained multiple approvals in principle, type approvals, and factory approvals granted by leading classification societies, indicating that the design, manufacturing processes, and quality management systems of the relevant products comply with the applicable technical, safety, and regulatory requirements of international classification societies.

For example, our exhaust gas cleaning systems have obtained International Air Pollution Prevention certification and type approvals from major classification societies, including Det Norske Veritas, Lloyd’s Register, and American Bureau of Shipping.

### Sustainable Operations

Zhejiang Energy Shipbuilding Heavy Industry (Suzhou) Co., Ltd., or ZEME Shipyard, our subsidiary engaging in vessel retrofit and installation services, has operations that involve relatively concentrated energy consumption and environmental emissions. ZEME Shipyard has established environmental data collection and management mechanisms and conducts systematic tracking and statistics on air emissions, wastewater discharge, non-hazardous and hazardous waste, and energy consumption.

At the level of headquarters office operations, we have implemented statistical tracking and management of purchased electricity and water consumption, and continue to reduce the environmental impact of daily operations through energy-efficient office practices.

The production and operational activities of ZEME Shipyard are conducted in compliance with applicable laws and regulations and are subject to environmental impact assessment procedures approved by the competent authorities. According to the publicly disclosed environmental impact assessment conclusions, our project complies with national and local industrial policies, and its overall environmental impact is assessed to be within a controllable range.

The following table sets forth our key environmental data during the Track Record Period.

| Metric <sup>(1)</sup>                             | Unit           | For the Year Ended<br>December 31, |         |                     | For the<br>Five Months<br>Ended<br>May 31, |
|---------------------------------------------------|----------------|------------------------------------|---------|---------------------|--------------------------------------------|
|                                                   |                | 2023                               | 2024    | 2025 <sup>(6)</sup> | 2026                                       |
| <b>Emissions</b>                                  |                |                                    |         |                     |                                            |
| Wastewater Discharge . . . . .                    | m <sup>3</sup> | —                                  | 1,591.0 | 7,092.0             | 3,141.0                                    |
| Chemical Oxygen Demand<br>Discharge . . . . .     | kg             | —                                  | 615.0   | 2,824.0             | 1,307.0                                    |
| Ammonia Nitrogen Discharge . . .                  | kg             | —                                  | 47.0    | 245.0               | 116.0                                      |
| Suspended Solids Discharge . . .                  | kg             | —                                  | 258.0   | 1,078.0             | 438.0                                      |
| Particulate Matter Emissions . . .                | kg             | —                                  | 1,841.0 | 7,445.0             | 3,117.0                                    |
| Volatile Organic Compounds<br>Emissions . . . . . | kg             | —                                  | 4,176.0 | 19,932.0            | 8,629.0                                    |

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| Metric <sup>(1)</sup>                                                      | Unit                                               | For the Year Ended<br>December 31, |          |                     | For the<br>Five Months<br>Ended<br>May 31, |
|----------------------------------------------------------------------------|----------------------------------------------------|------------------------------------|----------|---------------------|--------------------------------------------|
|                                                                            |                                                    | 2023                               | 2024     | 2025 <sup>(6)</sup> | 2026                                       |
| <b>Emissions</b>                                                           |                                                    |                                    |          |                     |                                            |
| <b>Waste</b>                                                               |                                                    |                                    |          |                     |                                            |
| Hazardous Waste Disposed . . . . .                                         | kg                                                 | —                                  | 453.1    | 1,718.8             | 912.5                                      |
| Non-Hazardous Waste Disposed . . . . .                                     | kg                                                 | —                                  | 20,639.1 | 80,064.3            | 38,553.5                                   |
| <b>Energy Use</b>                                                          |                                                    |                                    |          |                     |                                            |
| Diesel Consumption . . . . .                                               | L                                                  | —                                  | 30.0     | 329.7               | 210.7                                      |
| Liquefied Natural Gas Consumption . . . . .                                | tons                                               | —                                  | 62.7     | 441.8               | 245.0                                      |
| Purchased Electricity . . . . .                                            | MWh                                                | 77.8                               | 2,210.0  | 22,522.7            | 9,737.3                                    |
| Total Energy Consumption <sup>(2)</sup> . . . . .                          | MWh                                                | 77.8                               | 3,108.2  | 28,855.6            | 13,446.6                                   |
| Energy Intensity . . . . .                                                 | MWh per<br>RMB100,000<br>of revenue                | 0.00                               | 0.13     | 0.82                | 0.54                                       |
| <b>Water Resources</b>                                                     |                                                    |                                    |          |                     |                                            |
| Water Consumption . . . . .                                                | m <sup>3</sup>                                     | 420.0                              | 37,144.0 | 499,919.0           | 208,997.7                                  |
| Recycled Water Consumption . . . . .                                       | m <sup>3</sup>                                     | —                                  | 766.0    | 6,425.0             | 1,800.0                                    |
| <b>Greenhouse Gas Emissions</b>                                            |                                                    |                                    |          |                     |                                            |
| Direct Greenhouse Gas Emissions (Scope 1) <sup>(3)</sup> . . . . .         | tCO <sub>2</sub> e                                 | —                                  | 389.3    | 3,950.0             | 2,541.2                                    |
| Indirect Greenhouse Gas Emissions (Scope 2) <sup>(4)</sup> . . . . .       | tCO <sub>2</sub> e                                 | 41.3                               | 1,172.6  | 11,950.6            | 5,166.6                                    |
| Other Indirect Greenhouse Gas Emissions (Scope 3) <sup>(5)</sup> . . . . . | tCO <sub>2</sub> e                                 | 115.6                              | 250.6    | 347.9               | 220.2                                      |
| GHG Emissions Intensity (Scope 1 and Scope 2) . . . . .                    | tCO <sub>2</sub> e per<br>RMB100,000<br>of revenue | 0.00                               | 0.07     | 0.45                | 0.31                                       |
| GHG Emissions Intensity (Scope 1, Scope 2, and Scope 3) . . . . .          | tCO <sub>2</sub> e per<br>RMB100,000<br>of revenue | 0.01                               | 0.08     | 0.46                | 0.32                                       |

*Notes:*

- (1) In 2023, the scope of data collection covered headquarters office operations only. From 2024 onwards, the scope has been expanded to include both headquarters office operations and ZEME Shipyard. Vessel-related engineering installation and commissioning activities are primarily carried out at customers' shipyards or project sites, where the associated energy consumption and environmental emissions are generally managed and recorded by the relevant site operators, and are therefore not included in our environmental data statistics.
- (2) Total energy consumption is calculated in accordance with the General Principles for Calculation of Total Comprehensive Energy Consumption (GB/T 2589–2020). In particular, we determine the applicable boundaries and coverage, and convert relevant energy types into standard coal equivalent using the conversion factors stipulated therein for aggregation.
- (3) Direct greenhouse gas emissions (Scope 1) are quantified with reference to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (2025 Edition) issued by the Ministry of Ecology and Environment, applying the relevant parameters and methodologies where appropriate. In addition to stationary combustion emissions, we use carbon dioxide as a shielding gas in welding operations. As such CO<sub>2</sub> is released to the atmosphere during use, it is classified as a direct (non-combustion) emission and is included in our Scope 1 emissions in accordance with the GHG Protocol: Corporate Accounting and Reporting Standard (Revised Edition).
- (4) Indirect greenhouse gas emissions (Scope 2) are calculated using the electricity CO<sub>2</sub> emission factor published by the Ministry of Ecology and Environment and the National Bureau of Statistics in the Announcement on the Release of the 2023 Electricity CO<sub>2</sub> Emission Factors. We adopt the national average grid emission factor for 2023 of 0.5306 kgCO<sub>2</sub>/kWh.
- (5) Other indirect greenhouse gas emissions (Scope 3) currently cover only Category 6: Business travel as defined in the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- (6) In 2025, our environmental data increased significantly compared with 2024, primarily due to the expansion of the vessel retrofit business. With the increase in the types of retrofit projects, the scope of implementation and the complexity of operational activities in 2025, together with the installation and retrofit of related equipment, the volume of works and operational demand rose accordingly, thereby leading to a phase-based increase in the relevant environmental data.

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In response to the unprecedented challenges posed by climate change, ZEME Shipyard established the following sustainability targets, using 2025 as the baseline year:

- By 2030, to reduce GHG emissions intensity (scope 1 and scope 2) by no less than 6%;
- By 2030, to reduce total energy consumption intensity by no less than 5%.

### Employment and Labor

We strive to comply with applicable laws and regulations, including the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China and have established internal policies such as the Personnel Recruitment Management Measures and Labor Contract Management Measures to ensure that our employment processes are lawful and compliant. We firmly oppose the use of child labor and forced labor. During the recruitment process, we rigorously verify identity documents to ensure that all employees meet the legal working age. Throughout the Track Record Period, we did not encounter any incidents involving child labor or forced labor.

Meanwhile, we are committed to fostering a work environment that is respectful, diverse, equitable, and non-discriminatory. In recruitment, promotion, compensation, and other employment management processes, discrimination based on race, skin color, age, gender, disability, pregnancy, religious belief, marital status, or other factors is strictly prohibited.

We prioritize employee experience and conduct an annual employee satisfaction survey to continually enhance employee benefits and care initiatives. We also organize regular team-building activities and provide holiday benefits, birthday vouchers, and other forms of recognition to strengthen employees’ sense of belonging and well-being.

The following table sets forth our employee headcount data classified by gender, age, and position as of the dates indicated.

| Metric <sup>(1)</sup>            | Type of Employee        | Unit       | As of December 31, |      |      | As of   |
|----------------------------------|-------------------------|------------|--------------------|------|------|---------|
|                                  |                         |            | 2023               | 2024 | 2025 | May 31, |
|                                  |                         |            |                    |      |      | 2026    |
| <b>Number of Employees . . .</b> |                         | Headcount  | 142                | 404  | 541  | 573     |
| Gender group . . .               | Male                    | Percentage | 73.9               | 76.0 | 78.4 | 78.7    |
|                                  | Female                  | Percentage | 26.1               | 24.0 | 21.6 | 21.3    |
| Age group . . . . .              | 30 years old or younger | Percentage | 40.1               | 32.9 | 33.3 | 37.5    |
|                                  | 31 to 49 years old      | Percentage | 57.0               | 55.9 | 57.9 | 54.3    |
|                                  | 50 years old or older   | Percentage | 2.8                | 11.1 | 8.9  | 8.2     |

*Note:*

- (1) In 2023, the scope of data collection covered headquarters office operations only. From 2024 onwards, the scope has been expanded to include both headquarters office operations and ZEME Shipyard.

### Professional Development and Training

We fully recognize that employees are the cornerstone of our development. Our talent development approach centers on capacity building and is committed to establishing a systematic talent development framework to enhance the overall quality of our workforce, thereby continually

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strengthening our core competitiveness and sustainable development capabilities. In terms of compensation, we have formulated the Compensation and Benefits Management Measures to provide employees with market-competitive remuneration and benefits, thereby attracting and retaining talent. Regarding employee training, we have adopted the Employee Education and Training Management Measures. Aligned with business development and job requirements, we adopt a combination of internal and external training methods to provide employees with comprehensive development opportunities across multiple dimensions. These include job-specific skills training, new employee orientation, middle-management leadership and comprehensive competency training, corporate culture and policy education, and general quality enhancement programs, all designed to support their career growth.

The following table sets forth our employee-training data during the Track Record Period.

| Metric                                       | Unit      | For the Year Ended December 31, |       |       | For the Five Months Ended May 31, |
|----------------------------------------------|-----------|---------------------------------|-------|-------|-----------------------------------|
|                                              |           | 2023                            | 2024  | 2025  | 2026                              |
| <b>Number of Employees Trained</b> . . . . . | Headcount | 50                              | 78    | 99    | 7                                 |
| <b>Total Training Hours</b> . . . . .        | Hours     | 620.0                           | 563.0 | 566.0 | 56.0                              |

### Occupational Health and Safety

We attach great importance to occupational health and safety, adhering to the safety first, prevention first, and comprehensive management principle. We consistently prioritize safety in all production and operational activities, strictly comply with applicable laws and regulations such as the Work Safety Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, and the Zhejiang Province Work Safety Regulations.

Our occupational health and safety management system is centered on a clearly defined work safety responsibility system. We have formulated internal regulations, including the Work Safety Responsibility System Assessment Measures and the Work Safety Supervision and Management Measures, establishing a multi-level accountability framework ranging from the management team to front-line positions.

We strictly enforce our environmental protection and occupational health management measures through comprehensive measures such as providing compliant personal protective equipment, organizing occupational health examinations, and conducting specialized training. To enhance the safety competencies and awareness of all employees, in accordance with the Work Safety Education and Training System, we have established a comprehensive safety education and training mechanism, and implemented tiered and categorized training for all employees. We strictly enforce the certification requirement for key personnel in charge, safety management personnel, and special operations personnel, ensuring that employees possess the necessary safety knowledge and operational skills.

Regarding risk management, we implement a dual prevention mechanism integrating systematic risk classification with proactive hazard investigation. This approach employs a tiered control system and a full cycle inspection process from identification to resolution, thereby containing risks at their inception.

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### Supply Chain Management

We fully recognize the importance of the supply chain to our operations. To ensure the sustainability of our supply chain, we have established and implemented internal policies such as the Procurement Management Measures, Supplier Management Measures, and Contract Management Measures. These policies define the management procedures for procurement activities and various types of suppliers, clarify the establishment, evaluation, modification, utilization, and administration of our suppliers, and ensure objectivity, fairness, and effectiveness in supplier onboarding, selection, engagement, and evaluation.

In addition, we have established a regularized supplier management and assessment mechanism. Through periodic evaluations and dynamic monitoring of suppliers across dimensions such as quality standards, service responsiveness, contract fulfillment, and compliance management, we focus not only on short-term performance but also on continually driving improvements in supplier quality management and operational efficiency.

### Product Responsibility and Innovation

We strictly comply with applicable laws and regulations, including the Product Quality Law of the People’s Republic of China, and have established a full lifecycle quality management system covering design, procurement, production, and delivery, in accordance with our quality management system policies such as the Product Quality Management Manual. A key control point quality review mechanism is implemented, mandating reviews at critical control points to drive continued improvement in quality management levels. For core components and products such as pipelines, stainless steel fittings, and exhaust gas cleaning systems, we have established specific quality control procedures, including critical process control, material traceability management, and welding performed according to the Welding Procedure Specification imposed by the classification society, to ensure product reliability and operational safety. As of the Latest Practicable Date, our quality management system has been certified to ISO 9001:2015. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any product recalls due to safety and health reasons.

We consistently place innovation at our core and actively promote internal and external collaboration. We coordinate resources such as joint laboratories and industry-academia-research platforms to facilitate the integration of innovation resources and the incubation of achievements. To this end, we have developed and implemented management policies including the Science and Technology Management Measures, Intellectual Property Management Measures, Open Innovation and Entrepreneurship Platform Management Measures, and Technology Incentive Measures to drive technological breakthroughs and the corresponding commercialization.

In addition, we have demonstrated prominent technical leadership and industry influence in the formulation of industry standards. Notably, we have participated in the development of several key standards in the field of marine environmental protection. This includes leading the development of the enterprise standard Guidelines for the Design and Selection of Marine Exhaust Gas Desulfurization Units (Q/ZEME RD-01-2019), and serving as a core participant in drafting three group standards: Marine Exhaust Gas Desulfurization Equipment (T/CAMIE 31–2024), Marine Exhaust Gas Denitrification Equipment (T/CAMIE 30–2024), and Technical Requirements for Marine Exhaust Gas Desulfurization Units (T/ZZB G011–2022), which cover the entire chain of technologies for treating marine exhaust gases including desulfurization and denitrification. In 2025, the Company further expanded its scope in standard-setting by participating in the development of two industry standards: Verification Requirements for the Ship Energy Efficiency Design Index and Technical Requirements for Ship Intelligent Integration Platforms. As of the Latest Practicable Date, we have participated in the formulation of three group standards and two industry standards.

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### Anti-Corruption

We uphold the business ethics principle of integrity and self-discipline, strictly comply with applicable laws and regulations, and firmly resist improper conduct such as commercial bribery, corruption, and money laundering. Regular integrity training is conducted, and all employees are required to sign an integrity commitment letter.

To prevent, detect, and address corruption risks in our operations, we have implemented the following internal control measures:

- (i) ***Policies and Conduct Requirements.*** We have established internal policies governing anti-corruption, anti-bribery, anti-fraud, anti-money laundering, procurement, sales, reimbursement, conflicts of interest, and gifts and entertainment. Such policies prohibit improper payments, kickbacks, unauthorized gifts or entertainment, false reimbursement, improper benefits, and other non-compliant arrangements. All employees are required to comply with our internal policies and sign an integrity commitment letter;
- (ii) ***Staff Training.*** We provide anti-corruption and integrity training to our employees on an annual basis, covering, among others, applicable laws and regulations, our internal policies, reporting channels, common red flags, case studies, and disciplinary consequences. We also provide training or reminders to relevant personnel in procurement, sales, finance, and other functions with higher exposure to corruption and bribery risks;
- (iii) ***Approval and Monitoring Workflows.*** We have established approval and review procedures for procurement, sales, payments, discounts, commissions, gifts and entertainment, and reimbursements. Relevant transactions and payments are subject to multi-level internal review and are required to be supported by contracts, invoices, acceptance records, approval records, payment records, and other supporting documents. Our finance and business departments also conduct review and reconciliation procedures to monitor the authenticity and compliance of relevant transactions;
- (iv) ***Procurement and Sales Controls.*** In procurement and sales activities, we conduct counterparty review and internal approval procedures, including, where applicable, supplier and customer qualification review, pricing and payment term review, review of unusual payment arrangements, and approval of discounts, commissions, and other commercial terms. We prohibit employees from soliciting or accepting kickbacks, improper rebates, unauthorized gifts, entertainment, or other benefits from suppliers, customers, or other business partners;
- (v) ***Whistleblowing and Reporting Mechanism.*** We have established a closed-loop whistleblowing and reporting handling mechanism. Whistleblowing reports may be submitted through multiple channels, including mail, in-person visits, online portals, telephone hotlines, and other internal reporting channels. We require whistleblowing information to be recorded and handled confidentially, and prohibit retaliation against whistleblowers who report suspected misconduct in good faith;
- (vi) ***Investigation and Remediation Procedures.*** Upon receiving a whistleblowing report or identifying suspected misconduct, the relevant responsible personnel will conduct preliminary review, investigation, and evidence collection. Depending on the nature and seriousness of the matter, we may take remedial measures, impose disciplinary actions, enhance internal controls, and, where suspected illegal or criminal conduct is involved, report the matter to the relevant authorities as appropriate. We also provide feedback to informants where appropriate, thereby achieving closed-loop management from case intake to resolution; and

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- (vii) ***Management and Board Oversight.*** Our anti-corruption internal controls are overseen by our senior management and the Board. The relevant departments are responsible for implementing our anti-corruption policies, monitoring compliance matters, following up on reported matters, and reporting material issues to senior management or the Board where appropriate. Our Board is responsible for overseeing the overall effectiveness of our internal control and risk management systems, including anti-corruption controls.

Based on the foregoing, our Directors are of the view that our anti-corruption internal controls are adequate and effective. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal proceedings relating to corruption.

## LEGAL PROCEEDINGS AND COMPLIANCE

### Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, 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.”

### Compliance

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.

We are committed to fostering a culture of compliance by establishing and implementing various policies and procedures, such as comprehensive risk management procedures, to ensure that our operations consistently meet regulatory and compliance requirements.

### *Environmental Compliance*

*Environmental Impact Assessment Approval and Acceptance Inspection of Environmental Protection Facilities.* During the Track Record Period, one of our vessel retrofit and servicing projects commenced construction before we obtained the environmental impact assessment approval required for that project and subsequently commenced operations before certain ancillary environmental protection facilities and the related acceptance inspection procedures had been completed. It was carried out within the existing shipyard premises leased by us and mainly involved limited-scale technical upgrades and ancillary modifications to meet environmental protection and workplace safety requirements. At the early stage, the parties involved had different understandings as to the arrangement and timing for obtaining the environmental impact assessment approval, and, as a result, we did not obtain it before the works began. Under applicable PRC laws and regulations, failure to obtain the environmental impact assessment approval before commencing construction could have subjected us to administrative penalties, including an order to suspend construction, or a fine ranging from 1% to 5% of the total project investment. Based on a total project investment of RMB230.2 million, the maximum potential fine would have been RMB11.5 million. After identifying this issue, we maintained communication with the competent authority during the construction period, and the authority was aware of our rectification efforts and the progress of our application. We subsequently obtained the environmental impact assessment approval on February 4, 2026. Accordingly, the non-compliance arising from the commencement of

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construction before obtaining the environmental impact assessment approval has ceased. As of the Latest Practicable Date, however, certain ancillary environmental protection facilities remained under construction, and the related acceptance inspection procedures had not yet been completed. Under applicable PRC laws and regulations, commencing operations before completing the required environmental protection facilities and related acceptance inspection procedures could subject us to an order to rectify within a prescribed period and a fine ranging from RMB0.2 million to RMB1.0 million. If we fail to complete the rectification within the prescribed period, an increased fine ranging from RMB1.0 million to RMB2.0 million may be imposed. In the event of material environmental pollution or ecological damage, the authority may order the suspension of production or use or, subject to the requisite governmental approval, the closure of the relevant operation. We are actively working to complete the outstanding environmental protection facilities and the related acceptance inspection procedures by August 2026. During an interview, the competent authority confirmed that it was aware of the operation of the project, our ongoing rectification efforts, and our progress in completing the relevant environmental protection procedures and that, in principle, it would not impose penalties on us in respect of these matters. As of the Latest Practicable Date, we had not been subject to any administrative penalty in respect of the foregoing matters and had not experienced any environmental pollution incident. Based on the above, our PRC Legal Advisor is of the view that (i) the likelihood of us being subject to administrative penalties for the historical non-compliance is low, and (ii) provided that we complete the outstanding environmental protection facilities and the related acceptance inspection procedures in a timely manner and no other material adverse change occurs, the likelihood of us being subject to suspension of operation, closure, or other material administrative penalties in respect of the commencement of operation before completion of the required facilities and the acceptance inspection procedures is low although the possibility of administrative penalties in respect of the foregoing matters being imposed by the administrative authority cannot be completely ruled out. As of the Latest Practicable Date, the relevant project was in normal operation, and we had not been required by the competent authority to suspend the operation of the relevant project as a result of the foregoing matters. To prevent similar incidents in the future, we have enhanced internal control measures, including adopting a compliance review mechanism to confirm that all environmental protection procedures required by the governmental authorities have been duly completed before the relevant construction works or operations commence, as applicable.

*Pollutant Discharge Permit and Permit for Discharging Wastewater into Urban Drainage Facilities.* During the execution of one of our vessel retrofit and servicing projects, we initially understood the procedures to be ancillary works with limited wastewater discharge and environmental impact. On that basis, we did not timely identify the need to obtain the pollutant discharge permit and the permit for discharging wastewater into urban drainage facilities. Under applicable PRC laws and regulations, failure to obtain the permit for discharging wastewater into urban drainage facilities could have subjected us to a fine of up to RMB0.5 million. Failure to obtain the pollutant discharge permit could have subjected us to a fine of up to RMB1.0 million and, in addition, the competent authority could have ordered rectification, restricted production, suspended operations for rectification, or, in serious cases, ordered suspension of business or closure. Following guidance from the government authorities, we reviewed the applicable requirements, communicated with the authorities, commenced the application process for the pollutant discharge permit, and are constructing the necessary wastewater collection facilities to satisfy the application requirements for the permit for discharging wastewater into urban drainage facilities, which we will apply for promptly upon completion of such facilities. We obtained pollutant discharge permit in April 2026 and expect to obtain the permit for discharging wastewater into urban drainage facilities in September 2026. During the Track Record Period and as of the Latest Practicable Date, we had not received any administrative penalty decision or rectification order in relation to these matters. As of the Latest Practicable Date, the relevant project was in normal operation, and we had not been required by the competent authority to suspend the operation of the relevant project as a result of this incident. To prevent similar incidents in the future, we have enhanced internal control measures, including adopting a permit review mechanism to confirm applicable pollutant discharge and wastewater discharge permit requirements before conducting relevant discharge activities.

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### *Labor Compliance*

*Use of Dispatched Workers in Certain Positions.* On December 28, 2012, the PRC Labor Contract Law (《中華人民共和國勞動合同法》) was amended to impose more stringent requirements on labor dispatch and such amendments became effective on July 1, 2013. Under the PRC Labor Contract Law and the Interim Provisions on Labor Dispatch, labor dispatch is only permitted for temporary, auxiliary, or substitute positions, and the number of dispatched workers shall not exceed 10% of an employer’s total workforce. During the Track Record Period, we engaged dispatched workers for certain positions that were not temporary, auxiliary, or substitute in nature, which was not strictly in line with applicable PRC laws. As of December 31, 2025, we had 34 dispatched workers, including 19 who were engaged in positions that did not fall within temporary, auxiliary, or substitute positions, primarily in engineering, technical, inspection, maintenance, and supervisory roles. This was mainly because, as a state-owned enterprise, our recruitment and onboarding procedures were generally more time-consuming, and we therefore used labor dispatch as a temporary staffing measure to support our operational needs. In addition, during the early stage of taking over the shipyard operations, we retained certain experienced on-site workers through labor dispatch to maintain operational continuity and ensure a smooth transition. Under applicable PRC laws and regulations, we may be ordered by the competent authorities to rectify this non-compliance. If we fail to complete the rectification within the prescribed time limit, we may be subject to a fine of up to RMB10,000 per person. During the Track Record Period and up to the Latest Practicable Date, we and our subsidiaries had not been subject to any administrative penalties or other disciplinary actions relating to labor dispatch by government authorities. Following the rectification measures we implemented, as of the Latest Practicable Date, none of our dispatched workers remained engaged in substantive positions. To prevent similar incidents in the future, we have enhanced internal review and approval procedures for workforce engagement and position classification, including periodic reviews of labor dispatch arrangements, pre-approval procedures for engaging dispatched workers, and internal checks to ensure that dispatched workers are engaged only for temporary, auxiliary, or substitute positions.

*Social Insurance and Housing Provident Funds.* We are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance, and housing provident fund on behalf of our employees in China. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees of one of our subsidiaries, ZEME Shipyard, in accordance with applicable PRC laws and regulations. This was mainly due to the influence of local practice and industry norms at the time. In 2023, 2024, and 2025, the amount of under-contribution to social insurance was RMB0.9 million, RMB0.5 million, and RMB3.4 million, respectively, and the amount of under-contribution to housing provident funds was RMB1.1 million, RMB1.4 million, and RMB1.0 million, respectively. We did not incur any shortfall in social insurance contributions for the five months ended May 31, 2026, and we will make full housing provident fund contributions once the annual contribution adjustment window opens. Under applicable PRC laws and regulations, in relation to underpaid social insurance contributions, the competent authorities may require us to make up the outstanding contributions within a prescribed time limit and impose a late payment surcharge at a daily rate of 0.05% of the outstanding amount from the date of underpayment. If we fail to make the payment within the prescribed time limit, we may also be subject to a fine ranging from one to three times the outstanding amount. In relation to underpaid housing provident fund contributions, the government authorities may require us to make up the outstanding contributions within a prescribed time limit. If we fail to do so, it may apply to the People’s Court for compulsory enforcement. No fine is prescribed for such non-compliance. We had not been subject to any administrative penalties in connection with our contribution of social insurance plans and housing provident funds during the Track Record Period and up to the Latest Practicable Date. Since identifying this issue, we have taken steps to rectify the underpayment and regularize our contribution arrangements. We have made full social insurance contributions for all employees of ZEME Shipyard for the period since January 2026 and will make full housing provident fund contributions for these employees for the same period once the regulatory make-up contribution window opens. To prevent similar incidents in the future, we have enhanced internal review and approval procedures for workforce engagement

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and position classification, including periodic reviews of contribution bases and contribution status, coordination between the human resources and finance departments, and timely adjustment of contribution arrangements in accordance with applicable requirements.

The PRC Legal Advisor is of the view that the likelihood of us being subject to material administrative penalties or centralized collection due to the failure to provide full social insurance and housing provident contribution is remote, because (i) based on consultations with the competent local authorities, they would not proactively pursue historical shortfalls on a centralized basis; (ii) if we voluntarily make supplemental contributions, no further administrative penalties would generally be imposed, and no late fees would be required; and (iii) we have undertaken to make timely supplemental contributions in full if so required by the competent authorities. Based on the foregoing, the PRC Legal Advisor is of the view that the non-compliance would not have a material adverse impact on our business, financial conditions, and results of operations. As a result, no provision was made in this regard.

The Interpretation II of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases provides that any agreement between an employer and an employee to waive social insurance contributions should be invalid, and where an employer fails to make social insurance contributions in accordance with the law, the employee may terminate the labor contract and claim economic compensation in accordance with the PRC Labor Contract Law. With the support of our PRC Legal Advisor, our Directors are of the view that this judicial interpretation would not have any material adverse impact on our business or financial performance, as (i) we had not entered into any agreement with, or obtained any undertaking from, any employee to waive social insurance contributions, and no material complaint, report, or labor dispute in relation thereto had arisen as of the Latest Practicable Date, and (ii) according to our PRC Legal Advisor, this judicial interpretation would not increase our exposure to penalties or affect the validity of the existing PRC social insurance regulatory regime.

### ***Properties Compliance***

***Lease Registration.*** Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branches of the PRC Ministry of Housing and Urban-rural Development (中華人民共和國住房和城鄉建設部). During the Track Record Period, we did not complete the lease registration procedures for ten leased properties. We originally understood that, under local practice, the competent housing authorities mainly process lease registrations for commodity properties and generally do not accept registration applications for non-commodity properties, such as industrial premises. On that basis, we did not complete the registration procedures for these leases. Under applicable PRC laws and regulations, if the competent authorities determine that these leases are subject to the filing requirement and penalty under the Administrative Measures for Commodity Housing Leasing, we may be ordered to rectify the non-compliance and, if we fail to do so within the prescribed time limit, be subject to a fine ranging from RMB1,000 to RMB10,000 per lease. Pursuant to the PRC laws and regulations, the maximum potential fine with respect to the then-unregistered leases is RMB100,000. Lack of registration will not affect the validity of the lease agreements under PRC laws and regulations. Since the identification of this issue, we have taken steps to apply for and complete registration for these leases. As of May 6, 2026, all our property lease agreements that are subject to the leasing registration requirements under the applicable PRC laws and regulations had been properly registered. To prevent similar incidents in the future, we will take into account the lessor’s willingness and ability to cooperate in completing lease registration procedures when selecting leased properties, and arranging for lease registration in a timely manner.

***Ownership Certificates of the Leased Properties.*** During the Track Record Period, we selected the leased properties primarily based on their practical suitability and usage value. Certain of these leased industrial properties were located in suburban or rural areas, where landlords are generally less willing to cooperate in providing ownership certificates or other documents evidencing their right to lease the relevant properties. As of the Latest Practicable Date, we no longer lease these properties. Accordingly, the issues relating to the lack of ownership certificates or other supporting

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documents have been resolved. To prevent similar incidents, we will timely check the ownership certificates or other supporting documents evidencing the lessor’s right to lease the relevant properties before entering into lease agreements.

We will complete the compliance rectification of the above matters before [REDACTED]. The Directors are of the view that the non-compliances did not and would not have a material adverse impact on our business operations or financial position, and would not affect the suitability of the Directors or our Company, taking into account that (i) as advised by the PRC Legal Advisor, the risk of administrative penalties is low, (ii) most of the relevant non-compliances have been rectified and the remaining will be rectified before [REDACTED], (iii) the amounts involved were immaterial, and (iv) enhanced internal control measures have been put in place to prevent similar incidents from recurring. In addition, nothing material has come to the Joint Sponsors’ attention that would reasonably cast doubt on our Directors’ view.

### RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented various policies and procedures to ensure rigorous risk management and internal control, and we are dedicated to continually improve our internal control system to ensure the compliance of our business operations. Furthermore, we conduct periodic reviews of the implementation of our risk management policies and internal control system to ensure their effectiveness and sufficiency.

#### Risk Management

##### *Operational Risk Management*

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures, or external events. We have established a series of internal policies and procedures with detailed responsibilities and clear instructions to manage such risk.

To ensure the security of sensitive information, we have implemented strict internal procedures and controls regarding confidentiality management to ensure our confidential information is protected and that leakage and loss to such information is avoided. Through effective business operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

##### *Regulatory Compliance and Legal Risk Management*

Compliance risk refers to the risk of being subject to legal and regulatory sanctions, and the risk of major financial and reputational losses as a result of our failure to comply with relevant laws, regulations, rules and guidelines. Meanwhile, legal risk refers to the risk of legal liability arising from violations of laws and regulations, breaches of contracts, infringements on the legal rights of others or otherwise in connection with any contract or business activity in which we are involved.

In order to manage our compliance and legal risk exposures effectively, we have designed and adopted strict internal procedures to ensure the compliance of our business operations with relevant rules and regulations. In particular, as we and our employees deal with a variety of third parties in our operations, we have implemented internal procedures with respect to anti-bribery, anti-corruption and conflict of interest matters.

#### Internal Control

To ensure compliance with applicable laws and industry best practices, we have implemented rigorous internal control policies and measures in relation to our business operations. The following sets forth our major internal control measures:

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- we design a comprehensive set of policies to identify, analyze, manage and monitor potential compliance issues, and periodically assess and update our internal control policies;
- the Board is responsible for overseeing the overall internal control;
- we will adopt various policies to ensure compliance with the Listing Rules, including risk management, connected transactions, and information disclosure; and
- we will continue to organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

In addition, for details of our internal control measures relating to Third-Party Payment Arrangements, see “— Third-Party Payment Arrangements.”

Furthermore, to monitor the ongoing implementation of our risk management and internal control policies and procedures after the [REDACTED], we have also established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations.

## AWARDS AND RECOGNITIONS

During and prior to the Track Record Period, we received numerous awards and recognitions for our technologies and innovations from government authorities and industrial organizations.

The following table sets forth some of the significant awards and recognition that we have received.

| Awarding Year  | Award/Recognition                                                                                                                 | Issuing Organization                                                                                                    |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| 2025 . . . . . | Zhejiang Provincial Key Enterprise Research Institute of Ship and Marine Environmental Protection Equipment (浙江省船舶與海洋環保裝備重點企業研究院) | Department of Economy and Information Technology of Zhejiang Province (浙江省經濟和信息化廳)                                      |
| 2024 . . . . . | Zhejiang High-Tech Enterprise Research and Development Center (浙江省高新技術企業研究開發中心)                                                   | Department of Economy and Information Technology of Zhejiang Province (浙江省經濟和信息化廳)                                      |
| 2024 . . . . . | Top 10 Scientific and Technological Advances in China’s Ecological Environment in 2023(2023年度中國生態環境十大科技進展證書)                      | Ecological Environment Industry–Academia Consortium of the China Association for Science and Technology (中國科協生態環境產學聯合體) |
| 2023 . . . . . | High-Tech Enterprise (高新技術企業)                                                                                                     | Zhejiang Department of Science and Technology (浙江省科學技術廳)                                                                |
| 2023 . . . . . | Specialized, Refined, Distinctive, and Innovative SME in China (專精特新“小巨人”企業)                                                      | Ministry of Industry and Information Technology (China) (中國工業和信息化部)                                                     |

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| Awarding Year  | Award/Recognition                                                                                                        | Issuing Organization                                                               |
|----------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 2023 . . . . . | Hangzhou Enterprise High-Tech Research and Development Center (杭州市企業高新技術研究開發中心)                                          | Hangzhou Municipal Science and Technology Bureau (杭州市科學技術局)                        |
| 2022 . . . . . | Specialized, Refined, Distinctive, and Innovative SME in Zhejiang (浙江省專精特新中小企業)                                          | Department of Economy and Information Technology of Zhejiang Province (浙江省經濟和信息化廳) |
| 2022 . . . . . | First Prize, Invention and Entrepreneurship Awards (發明創業獎創新獎一等獎)                                                         | China Association of Inventions (中國發明協會)                                           |
| 2021 . . . . . | First Prize, Zhejiang Science and Technology Progress Award (浙江省科學技術進步獎一等獎)                                              | Zhejiang Provincial People's Government (浙江省人民政府)                                  |
| 2020 . . . . . | Certificate of Zhejiang Province's First (Set of) Major Equipment Product in Manufacturing Industry (2020年度浙江省製造業首台產品證書) | Department of Economy and Information Technology of Zhejiang Province (浙江省經濟和信息化廳) |
| 2020 . . . . . | Zhejiang Provincial Science and Technology-based SME (浙江省科技型中小企業)                                                        | Zhejiang Department of Science and Technology (浙江省科學技術廳)                           |