

CONNECTED TRANSACTIONS

OVERVIEW

We have entered into certain transactions with our connected persons, the details of which are set out in this section below. The transactions disclosed in this section will continue to be effective upon the [REDACTED], and hence, upon the [REDACTED], such transactions entered into with such connected persons will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules. Our Directors believe that these transactions are conducted in the ordinary and usual course of our Group’s business and on normal commercial terms.

RELEVANT CONNECTED PERSONS

The following table sets out the connected persons of our Company which will continue to conduct connected transactions with our Group upon the [REDACTED] and their connected relationships with our Company:

Name	Connected relationship
Zhejiang Zheneng Digital Technology Co., Ltd. (浙江浙能數字科技有限公司) (“ Zhejiang Zheneng Digital ”)	As of the Latest Practicable Date, it was wholly owned by Zhejiang Zheneng Technology Research Institute Co., Ltd. (浙江浙能技術研究院有限公司), which is a wholly-owned subsidiary of Zhejiang Energy Group, our Controlling Shareholder.
Zhejiang Zheneng Tianchen Environmental Protection Technology Co., Ltd. (浙江浙能天晨環保科技有限公司) (“ Zhejiang Zheneng Tianchen ”)	As of the Latest Practicable Date, it was wholly owned by Zhejiang Technology Environmental Group, our Controlling Shareholder
Zhejiang Energy Atlas	As of the Latest Practicable Date, it was owned as to 50% by Atlas Corp., 30% by Zhejiang Technology Environmental Group (our Controlling Shareholder) and 20% by Guoxing Shipping Technology (Hangzhou) Co., Ltd. (國興航運科技(杭州)有限公司) (a wholly owned subsidiary of Mr. Wang). Zhejiang Energy Atlas is principally engaged in container ships leasing and provision of agency services under the Agency Services Agreement.
	To the best knowledge, information and belief of our Company, each of the shareholders of Zhejiang Energy Atlas exercises the voting rights attached to their respective interests and there is no single shareholder controlling more than 50% of the voting rights in Zhejiang Energy Atlas.

CONNECTED TRANSACTIONS

Name	Connected relationship
	<p>Atlas Corp. is an asset management company whose objective is to achieve long-term risk-adjusted returns from high-quality infrastructure assets in the maritime sector, energy sector and other vertical infrastructure sectors. Atlas Corp. wholly owned Customer D, a large global shipping group. Customer D operates as an independent charter owner and operator of containerships with global operation. To the best knowledge, information and belief of our Company having made all reasonable enquiries, Atlas Corp. and its ultimate beneficial owner(s) are Independent Third Parties. Customer D is not a connected person as it is not providing the intermediary service under the Agency Services Agreement and being a fellow subsidiary of Zhejiang Energy Atlas is not regarded as a connected person under Rule 14A.13 of the Listing Rules.</p>

CONTINUING CONNECTED TRANSACTIONS

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

Computational Fluid Dynamics (“CFD”) Simulation Services Agreement

Background

On July 31, 2025, we entered into a CFD simulation services agreement (the “**CFD Simulation Services Agreement**”) with Zhejiang Zheneng Tianchen.

Principal terms

The principal terms of the CFD Simulation Services Agreement are set out below:

Term	:	Three years from July 31, 2025
Services to be provided by Zhejiang Zheneng Tianchen	:	CFD simulation verification services, including CFD fluid simulation verification and submission of CFD reports, which should meet the certification requirements of the relevant classification society

Pricing Policy

The estimated service fees that Zhejiang Zheneng Tianchen will charge under the CFD Simulation Services Agreement are set at RMB500,000 for the three years ending December 31, 2026, 2027 and 2028 respectively and have been determined after arm’s length negotiations and taking into account, among other factors, (i) the expected operational costs (including labor costs and administrative costs) in relation to the provision of the CFD simulation verification services by Zhejiang Zheneng Tianchen; (ii) the demand of our Group’s CFD simulation verification services; and (iii) the fees charged by other service providers for similar services in the market.

CONNECTED TRANSACTIONS

Historical figures and annual caps

The total amount of service fees incurred by our Group for the year ended December 31, 2025 and five months ended May 31, 2026 and the estimated service fees to be paid by our Group for the three years ending December 31, 2026, 2027 and 2028 are set out as below:

	For the year ended December 31, 2025	For the five months ended May 31, 2026
	RMB	RMB
Total amounts of service fees incurred by our Group	100,000	–

	For the year ending December 31, 2026	For the year ending December 31, 2027	For the year ending December 31, 2028
	RMB	RMB	RMB
Total amounts of service fees to be paid by our Group	500,000	500,000	500,000

Basis of annual caps

In arriving at the above proposed annual caps, our Directors have considered, among others, the following factors: (i) the expected operational costs (including labor costs and administrative costs) in relation to the provision of the CFD simulation verification services by Zhejiang Zheneng Tianchen; (ii) the demand of our Group’s CFD simulation verification services; and (iii) the fees charged by other service providers for similar services in the market.

Reasons for the transactions

As part of our daily operation business needs, our Group is required to conduct CFD fluid simulation verification, including submission of CFD reports, which should meet the certification requirements of the relevant classification society. As such, we engaged Zhejiang Zheneng Tianchen, which is a company principally engaged in the provision of CFD simulation verification services in the PRC and also experienced in providing general support and related services. With its experience, it could ensure smooth audit process for our products certification and audit, in order to accommodate the operating needs of our Group, catering for our day-to-day business and administrative schedule. Our Group will in turn benefit from organized, efficient and cost-effective CFD simulation verification services, which helps enhance our market competitiveness and facilitates our plan to expand into the overseas market.

Listing Rules Implications

As all applicable percentage ratios under the Listing Rules (other than the profit ratio) in respect of the annual caps contemplated under the CFD Simulation Services Agreement are expected to be less than 0.1%, the transactions contemplated under the CFD Simulation Services Agreement will be within the de minimis threshold provided under Rule 14A.76 of the Listing Rules and therefore they will be exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Rule 14A.76(1)(a) of the Listing Rules.

CONNECTED TRANSACTIONS

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTION

Agency Services Agreement

Background

On December 29, 2025, we entered into a commission agreement (the “**Agency Services Agreement**”) with Zhejiang Energy Atlas and Customer D.

Principal terms

The principal terms of the Agency Services Agreement are set out below:

- Term** : Two years from December 29, 2025, subject to extension by mutual written agreement between the parties, provided such agreement is reached no later than one month before the scheduled termination
- Services to be provided by Zhejiang Energy Atlas** : Intermediary service (including but not limited to consulting, coordination, price assessment etc.) provided for the transaction between our Company and Customer D and its related party (any counter party related to Customer D, including but not limited to its subsidiaries, affiliates, direct and indirect business partners, agents or any contracting party referred by it) (the “**Related Party**” Customer D and its Related Party, collectively as “**Customer Group D**”)

Pricing Policy

The commission that Zhejiang Energy Atlas will charge under the Agency Services Agreement are set at 6% (tax exclusive) on the contract price agreed by our Company and Customer D and/or its Related Party, which is estimated to be RMB20,000,000 and RMB20,000,000 for the two years ending December 31, 2026 and 2027 and have been determined after arm’s length negotiations and taking into account, among other factors, (i) the expected operational costs (including labor costs and administrative costs) in relation to the provision of the intermediary services by Zhejiang Energy Atlas; (ii) the transaction amount between our Group and Customer D and/or its Related Party (taking into account the further and anticipated increase in transaction shifted from the distribution model to sales agent model in 2025 and the potential price fluctuation); (iii) the relationship between Zhejiang Energy Atlas and Customer D and/or its Related Party, in particular considering their customer resources in terms of existing demand and expected future demand for our products; and (iv) the commission rate charged by Zhejiang Energy Atlas to our Group for the year ended December 31, 2025 and five months ended May 31, 2026 and the average commission rates paid by our Group for other sales agents for the years ended December 31, 2023, 2024 and 2025 and five months ended May 31, 2026.

CONNECTED TRANSACTIONS

Historical figures and annual caps

The total amount of commission incurred by our Group for the year ended December 31, 2025 and five months ended May 31, 2026 and estimated commission to be paid by our Group for the two years ending December 31, 2026 and 2027 are set out as below:

	For the year ended December 31, 2025	For the five months ended May 31, 2026
	<i>RMB</i>	<i>RMB</i>
Total amounts of commission incurred by our Group ^(Note)	5,158,801.8	4,164,335.1
	For the year ending December 31, 2026	For the year ending December 31, 2027
	<i>RMB</i>	<i>RMB</i>
Total amounts of commission to be paid by our Group	20,000,000	20,000,000

The end customers under the Agency Services Agreement are Customer Group D. The historical transaction amounts and the proposed annual caps thereof cover the commission incurred by our Group/to be paid to Zhejiang Energy Atlas in connection with sales to other end customers.

Note: During the Track Record Period, Zhejiang Energy Atlas was our sole distributor. We primarily sold our EGCSs to Zhejiang Energy Atlas, who then resold them to large shipping companies. However, starting from December 2024, our collaboration model with Zhejiang Energy Atlas shifted from a distribution model to a sales agent model for the purposes of reducing the amount of transactions (which is connected transaction) and facilitating management through establishing a unified sales model (Zhejiang Energy Atlas was our sole distributor during the Track Record Period). As a result, the relevant historical figures for the year ended December 31, 2025 and five months ended May 31, 2026 are the total amounts of commission incurred by our Group pursuant to the sales agent model.

Basis of annual caps

In arriving at the above proposed annual caps, our Directors have considered, among others, the following factors: (i) the expected operational costs (including labor costs and administrative costs) in relation to the provision of the intermediary services by Zhejiang Energy Atlas; (ii) the transaction amount between our Group and Customer D and/or its Related Party (taking into account the further and anticipated increase in transaction shifted from the distribution model to sales agent model in 2025 and the potential price fluctuation); (iii) the relationship between Zhejiang Energy Atlas and Customer D and/or its Related Party; and (iv) the commission rate charged by Zhejiang Energy Atlas to our Group for the year ended December 31, 2025 and five months ended May 31, 2026 and the average commission rates paid by our Group for other sales agents for the years ended December 31, 2023, 2024 and 2025 and five months ended May 31, 2026.

The decrease in revenue from Zhejiang Energy Atlas from RMB761.39 million in 2023 to RMB76.02 million in 2024 was due to cyclical pattern in the shipyard maintenance schedule of the relevant clients which led to change in procurement needs of Customer Group D. Customer Group D placed orders in earlier years based on their vessel retrofit, maintenance, and newbuilding plans, and the projects were substantially delivered in 2023, which led to a decrease in procurement needs in 2024. Such decrease in revenue was a short-term cyclical factor and the proposed annual caps for the intermediary service provided for the transaction between our Group and Customer Group D are for a long-term business relationship. For details of the reasons for such decrease in revenue, see “Business — Our Customers” in this document. Furthermore, while the commission of RMB5,158,801.82 paid by our Group for the year ended December 31, 2025 is relatively small

CONNECTED TRANSACTIONS

when compared with the amount of proposed annual caps of RMB20,000,000 under the Agency Services Agreement, such difference was mainly due to further and anticipated increase in transaction shifted from the distribution model to sales agent model in 2025 and the potential price fluctuation. For instance, the commission incurred by our Group for the nine months ended September 30, 2025 is RMB615,629.37, while the commission incurred by our Group for the year ended December 31, 2025 is RMB 5,158,801.82 already. In addition, according to the shipyard maintenance schedule of the relevant clients as communicated with Zhejiang Energy Atlas, it is estimated that the commission to be paid by our Group for the year ended December 31, 2026 will be approximately RMB16.39 million already. Accordingly, our Directors are of the view that the amount of proposed annual cap to be set at RMB20,000,000 is fair and reasonable taking into account the aforementioned factors. For details, see “Pricing policy” in this section above.

Reasons for the transactions

During the Track Record Period, Zhejiang Energy Atlas was our sole distributor. We primarily sold our EGCSs to Zhejiang Energy Atlas, who then resold them to large shipping companies. However, 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 solutions directly to Zhejiang Energy Atlas, who then resells them to its own customers. Instead, we now provide our solutions directly to our customers and pay Zhejiang Energy Atlas a sales agent service fee, for details, see “Business — Our Customers” in this document. In light of the relationship between Zhejiang Energy Atlas and Customer D, we intend to engage Zhejiang Energy Atlas to foster our relationship between our Company and Customer D and/or its Related Party following the [REDACTED].

We believe that such engagement provides specialized value that cannot be replicated cost-effectively by our Group’s internal resources, in particular, (i) Zhejiang Energy Atlas possesses proprietary knowledge of Customer D’s procurement and decision-making processes, enabling it to provide targeted consulting and coordination services that streamline the sales cycle; (ii) Zhejiang Energy Atlas manages and coordinates communications among Customer D, its Related Party and our Group, reducing the administrative burden on our Group; and (iii) Zhejiang Energy Atlas’s access to market intelligence of Customer D allows for accurate price assessments, ensuring our Group’s bids are competitively positioned. Accordingly, we believe engaging Zhejiang Energy Atlas under the Agency Services Agreement would save our costs in marketing and administration expenses; increase the potential sales amount with Customer D and/or its Related Party; and enhance the stability of business operations of our Group, as proven by the past track record.

Listing Rules Implications

As the highest of the applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the annual caps in relation to the Agency Services Agreement is expected to exceed 0.1% but less than 5%, the transactions contemplated under the Agency Services Agreement are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirements under Rule 14A.76(2)(a) of the Listing Rules.

GENERAL

In the event that our Group enters into any new transaction or agreement or renews any transaction or agreement with any connected person in the future, we will comply with all the relevant requirements under Chapter 14A of the Listing Rules, including the announcement and/or independent shareholders’ approval requirements, where applicable.

CONNECTED TRANSACTIONS

INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

We have established the following internal review procedures to ensure that the continuing connected transactions will be conducted in a fair manner, the terms for the continuing connected transactions we have or may have in the future are on normal commercial terms, in the interests of our Company and our Shareholders as a whole (including the minority shareholders) and no more favorable to the counterparties than terms available to Independent Third Parties:

- we will formulate internal guidelines according to the Listing Rules, which provide approval procedures for connected transactions based on their nature and amounts;
- If a comparable market price is available, we shall compare the proposed product price or service fee with the market price and take into account the market price of similar products or services to ensure that the proposed product price or service fee will not be higher than the selling price of product or service of a similar type or nature provided by independent third-party suppliers or providers;
- Before selecting a product supplier or services provider, our procurement department shall obtain price quotations from certain independent third-party suppliers or providers. The factors to be considered by us in conducting internal assessments include price, quality, exclusivity of product or service, and value added to us;
- If no comparable market price is available, our procurement department shall conduct arm’s length negotiation with the relevant connected persons to determine the terms in line with the relevant pricing policies based on trade cost of the product involved or value of the relevant service and the actual costs and expenses incurred;
- After arm’s length negotiation with the connected person, our procurement department will report to our senior management who will approve individual transactions as appropriate;
- prior to the execution of the CFD Simulation Services Agreement and the Agency Services Agreement, the operation department of the relevant business sector of our Group compared the terms of the proposed transactions (including pricing and other contractual terms) with those similar transactions entered with Independent Third Parties or the terms offered by Independent Third Parties to ensure that the terms of agreements under the CFD Simulation Services Agreement and the Agency Services Agreement shall be no less favourable to our Group than terms between our Group and the Independent Third Parties;
- for non-exempt continuing connected transactions, the finance department of our Group shall regularly examine the pricing of the transactions under the continuing connected transactions to ensure that those transactions are conducted in accordance with the pricing terms therein;
- for non-exempt continuing connected transactions, the internal control department of our Group shall periodically review the pricing of the transactions under the continuing connected transactions against the prices negotiated between our Group and Independent Third Parties for similar products/services, to ensure that the terms of the agreements under the continuing connected transactions are no less favourable to our Group than terms between our Group and the Independent Third Parties;
- Our internal audit department will regularly collect and monitor the transaction amount of continuing connected transactions to ensure timely assessment on whether the annual caps are exceeded; and

CONNECTED TRANSACTIONS

- Our independent non-executive Directors will also conduct annual review on the non-exempt continuing connected transactions to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable and conducted according to the terms of the relevant framework agreement. The auditor of our Company will also conduct annual review on the pricing and annual cap of the non-exempt continuing connected transactions.

Taking into account the internal control measures implemented by us in connection with the continuing connected transactions, the on-going monitoring and supervision by our Board and other staff members of our Group with the assistance and advice from professional external advisers where required, our Directors (including our independent non-executive Directors) are of the view that our internal control measures are adequate and effective for our current and future continuing connected transactions. Nothing material has come to the Joint Sponsors’ attention that would reasonably cast doubt on our Directors’ view.

CONFIRMATION OF DIRECTORS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described under the sub-section entitled “— Continuing Connected Transactions” in this section have been and will be carried out (i) in the ordinary and usual course of our business, (ii) on normal commercial terms or better and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the proposed annual caps of the continuing connected transactions described under the sub-section entitled “— Continuing Connected Transactions” in this section are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

Our Company confirms that it will comply with the applicable requirements under the Listing Rules and will immediately inform the Hong Kong Stock Exchange if any of the proposed annual caps for its non-exempt continuing connected transactions as set out above is exceeded, or when there is a material change in the terms of these transactions.

CONFIRMATION OF THE JOINT SPONSORS

The Joint Sponsors are of the view that the continuing connected transactions described under the sub-section entitled “— Continuing Connected Transactions” in this section have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, and in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and that the proposed annual caps of such continuing connected transactions are fair and reasonable, and in the interests of our Company and our Shareholders as a whole.

WAIVER APPLICATION FOR CONTINUING CONNECTED TRANSACTION

The transaction described under the sub-section entitled “— Partially Exempt Continuing Connected Transaction” in this section constitute our continuing connected transaction under the Listing Rules, which is exempt from the independent Shareholders’ approval requirements but subject to the reporting, annual review, announcement requirements of the Listing Rules.

In respect of the continuing connected transaction, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], waivers exempting us from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in “— Partially Exempt Continuing Connected Transaction” in this section, subject to the conditions that the aggregate amounts of the continuing connected transaction for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).