ContiOcean

上海匯舸環保科技集團股份有限公司
CONTIOCEAN ENVIRONMENT TECH GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2613)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of ContiOcean Environment Tech Group Co., Ltd. (the "**Company**") hereby presents the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**", "**we**" or "**us**") for the year ended 31 December 2024 (the "**Reporting Period**", "**Year**" or "**2024**").

OVERVIEW

The Group's ("**our**") revenue and profit for the Year were approximately RMB614.4 million (2023: RMB510.3 million) and RMB120.3 million (2023: RMB120.5 million), respectively. Basic earnings per share attributable to owners of the Company for the Year was RMB4.03 (2023: RMB4.02). The Board has resolved to recommend the payment of final dividend of RMB1.5 per share for the Year (2023: RMB1.6 per share).

GEOGRAPHICAL MARKET ANALYSIS

Set out below is a breakdown of revenue by geographical areas:

	2024 **(RMB'000)**	2023 *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in 2024**	Approximate percentage of total revenue in 2023
Mainland China	**311,662**	105,276	196.0%	**50.7%**	20.6%
Overseas	**302,733**	404,979	-25.2%	**49.3%**	79.4%
	614,395	510,255	20.4%	**100.0%**	100.0%

The Group's revenue from Mainland China increased by approximately RMB206.4 million or 196.0% from 2023 to 2024, which was mainly due to the increase in investment demand in the global new shipbuilding market, a large number of new shipbuilding orders for shipyards in China, and expansion of customer base of domestic shipyard by the Company.

The Group's revenue from overseas decreased by approximately RMB102.2 million or 25.2% from 2023 to 2024, which was mainly due to (i) many overseas clients' preference to sign contracts with us through domestic shipyards for new shipbuilding orders, resulting in a decrease in overseas revenue; and (ii) our overseas clients' preference not to suspend ships' operations for the installation of our products when freight rates were relatively high.

We will keep strengthening marketing capabilities and expand customer outreach globally.

BUSINESS SEGMENT ANALYSIS

Set out below is a breakdown of revenue by different streams:

	2024 *(RMB'000)*	2023 *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in 2024**	Approximate percentage of total revenue in 2023
Marine exhaust gas cleaning systems	**287,814**	341,180	-15.6%	**46.8%**	66.8%
Marine energy-saving devices	**64,360**	58,031	10.9%	**10.5%**	11.4%
Marine clean-energy supply systems	**67,040**	5,552	1,107.5%	**10.9%**	1.1%
Maritime services	**195,181**	105,492	85.0%	**31.8%**	20.7%
	614,395	510,255	20.4%	**100.0%**	100.0%

Marine exhaust gas cleaning systems serves as a mature revenue stream for the Company, generating revenues of approximately RMB341.2 million in 2023 and RMB287.8 million in 2024. Revenue from marine exhaust gas cleaning system decreased by about 15.6% year-on-year in the Reporting Period, primarily due to the following reasons:

(1) the favorable conditions in the shipping market that have reduced the willingness of operational vessels to halt operations for retrofitting, leading to lower demand for desulfurization systems compared to the previous year;

(2) the cost reductions of marine exhaust gas cleaning systems that enabled us to pass on benefits to our clients through more competitive pricing; and

(3) the proportion of newbuilding orders among delivered projects increased significantly in 2024 and the lower price of marine exhaust gas cleaning systems of newbuilding than that of the retrofit under the same specification in normal circumstances.

Marine energy-saving devices revenue increased from RMB58.0 million in 2023 to RMB64.4 million in 2024, which was mainly driven by the heightened and evolving environmental, social and governance ("**ESG**") regulatory framework and initiatives related to maritime environmental protection.

Marine clean-energy supply systems revenue increased significantly by about 11 times, from RMB5.6 million in 2023 to RMB67.0 million in 2024, due to the (i) the surge in revenue from nitrogen generation systems, the orders of which in 2024 increased by 130.0% as compared to 2023; and (ii) the introduction of high-capacity nitrogen generation systems since 2023, the unit price of which is higher, therefore driving revenue growth at a faster rate in 2024.

Maritime services revenue increased from RMB105.5 million in 2023 to RMB195.2 million in 2024. The 85.0% increase was mainly due to the following reasons:

(i) post-pandemic demands for improved crew working conditions, coupled with intensified competition in seafarer recruitment. These drive shipowners to enhance investments in talent retention and welfare programs, which boosted the demand for the maritime services; and

(ii) soaring container freight rates which reach historic highs, spurring corresponding increases in newbuild investments and driving sales growth of lashing equipment for container ships and Pure Car and Truck Carriers ("**PCTC**").

We will continue to seize market opportunities arising from the regulatory framework of International Maritime Organization ("**IMO**") and initiatives related to marine environmental protection in order to increase our revenue from different equipment and systems.

CUSTOMER ANALYSIS

Below is a breakdown of revenue by customers:

	2024 *(RMB'000)*	2023 *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in 2024**	Approximate percentage of total revenue in 2023
Customer A	**139,522**	136,834	2.0%	**22.7%**	26.8%
Customer B	**113,595**	N/A	N/A	**18.5%**	N/A
Customer C	**104,294**	N/A	N/A	**17.0%**	N/A
Customer D	**75,532**	190,318	-60.3%	**12.3%**	37.3%
Other customers	**181,452**	183,103	-0.9%	**29.5%**	35.9%
	614,395	510,255	20.4%	**100.0%**	100.0%

N/A: not disclosed as the revenue from such customers was less than 10.0% of total revenue during the corresponding year.

During the Reporting Period, a majority part of our revenue was derived from our top four customers. Concentration in the customer base in the maritime environmental protection equipment and system industry is in line with the industry norm. Our top customers vary significantly year-over-year, primarily because maritime environmental equipment and systems require non-recurring capital expenditure from shipowners rather than constituting repeat-purchase consumables.

The revenue from Customer A remained relatively stable and increased by 2.0% while the revenue from Customer B and Customer C increased significantly to reach RMB113.6 million and RMB104.3 million respectively in 2024. The revenue from Customer D decreased by 60.3% mainly because its capital expenditure was mainly carried out in 2023.

We are seeking to mitigate the concentration risks by fostering relationships with emerging markets and broadening our equipment and system offerings in order to appeal to a wider customer base. Additionally, we are investing in market development and sales initiatives to enhance our brand visibility and attract new customers. We are also leveraging technological advancements to innovate our equipment and systems, thereby increasing our competitive edge and reducing dependency on any single customer or market segment.

Above all, we aim to achieve a more balanced revenue stream and fortify our market position in the long term.

RESEARCH AND DEVELOPMENT

As a global leading maritime environmental protection equipment and system provider, the Group attaches great importance to technology, and prides itself on introducing innovative and new products and services as below:

Marine exhaust gas cleaning system

— Urea Solution Production Systems: Developed our first-generation urea solution production plant and delivered it to our Japanese client, which diversified our product portfolio. On the basis of the Marine AUS40 urea solution production plant, the Company has also successfully developed AUS32 for vehicles, which integrates the form of pure water generator and urea solution quantitative filling device, the urban water input, and AUS40/AUS32 output mode, to meet the market demand.

Marine energy-saving devices

— Waste Heat Recovery Systems: Under our research and development in 2024, the Company successfully delivered its first 7,000-PCTC vessel waste heat recovery system in January 2025, adding new impetus to the green transformation of the marine industry. The system recovers waste heat generated during the operation of the ship’s main engine and converts it into electrical energy. It can effectively reduce energy consumption during ship operation and contribute to energy-saving and emission-reduction efforts in the shipping sector.

Marine clean-energy supply systems

— High-Power Industrial Nitrogen Systems: Developed high-power industrial-grade nitrogen generation systems to meet demanding operational requirements in complex environments and the Company has received more than 100 orders. The Company also successfully developed its first containerized nitrogen generation system in 2024.

Patent Achievements

The Group was successfully granted 23 new patents (including 22 invention patents) in 2024, bringing the total portfolio to 80 patents (including 42 invention patents).

Awards and Recognitions

In the Reporting Period, we have been honored with the following awards and accolades:

ContiOcean Environment Tech Group Co., Ltd.	**Presenting Authority/Association**
The LFSS won the "Top 10 Energy — Saving and Low-Carbon Technology Products"	Shanghai Energy Saving Engineering and Technology Association
Benchmark enterprise for brand cultivation in Shanghai	Shanghai Commission of Economy and Information Technology
Shanghai Municipal High-Tech Commercialization Project Certification	Shanghai Municipal Science and Technology Commission

ContiOcean (Nantong) E.P. Equipment Co., Ltd.	**Presenting Authority/Association**
Specialized, Refined, Distinctive, and Innovative Enterprise in Jiangsu	Industry and Information Technology Department of Jiangsu
2024 Technology-based SME of Jiangsu Province	Jiangsu Provincial Department of Science and Technology
2024 Jiangsu Gazelle Enterprise	Jiangsu Provincial Productivity Promotion Center

OUTLOOK

The global macroeconomic environment in 2025 continues to present a complex landscape of strategic opportunities intertwined with risk challenges. As the primary carrier of international trade cargo transportation, maritime shipping accounts for over 80.0% of global freight volume, with its sustainable development being pivotal to stabilizing global supply chains. Notably, driven by carbon neutrality goals, ESG principles have become deeply embedded in maritime industry evolution — the compounding effects of the IMO's latest emission regulations and national decarbonization policies have significantly amplified market demand for ship related environmental protection systems. The global marine environmental equipment market is forecasted to expand at a 29.7% compound annual growth rate from 2024 to 2028, reaching USD11.4 billion by 2028. This growth trajectory not only reflects the industry's urgent need for low-carbon transition but also validates the substantial market dividends created by regulatory frameworks like the IMO 2030 Carbon Intensity Indicator ("**CII**").

The implementation of the FeulEU Maritime in 2025 will catalyze profound structural reforms in the shipping industry.

Big shipping company Maersk Group is going to invest €15.0 billion over five years to construct 50 LNG-powered container vessels.

It reveals that the green shipping technology revolution has entered an implementation phase, creating diversified application scenarios for environmental solution providers.

As an industry leader, the Company is positioned to garner heightened market recognition. Following the Company's successful completion of the global offering of its H shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 9 January 2025 (the "**Listing Date**"), the intensified focus from capital markets has unlocked new growth opportunities. Concurrently, the Company will further increase R&D investments to pioneer innovative solutions in maritime environmental protection equipment and systems. We remain committed to developing cutting-edge products and system-level offerings that comprehensively address evolving client needs, thereby advancing global marine environmental protection initiatives.

Looking ahead, we will remain steadfast in our technology-driven approach, deepening our global market presence to deliver premium products and services to clients worldwide. The Group will continue to capitalize market opportunities by maintaining strategic focus on the ship related environmental protection sector, sustainably grow its business operations while continuing to ramp up R&D investments, strengthen corporate governance frameworks, maintain equitable balance among shareholder interests, actively fulfill social responsibilities, and achieve mutual advancement that benefits both society and corporate development.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
Revenue	*4*	**614,395**	510,255
Cost of sales		**(368,625)**	(268,518)
Gross profit		**245,770**	241,737
Other income	*6*	**7,365**	3,612
Other gains and losses	*7*	**4,330**	(6,576)
Distribution and selling expenses		**(40,003)**	(27,744)
Administrative expenses		**(43,788)**	(47,336)
Research and development expenses		**(27,169)**	(18,929)
Listing expenses		**(377)**	–
Share of results of associates		**–**	(1,722)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(2,218)**	(1,700)
Finance costs	*8*	**(1,017)**	(558)
Profit before tax		**142,893**	140,784
Income tax expense	*9*	**(22,627)**	(20,250)
Profit for the year		**120,266**	120,534
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive expense of an associate		**–**	(117)
Exchange differences arising on translation of foreign operations		**412**	(350)
Other comprehensive income (expense) for the year, net of income tax		**412**	(467)
Total comprehensive income for the year		**120,678**	120,067

	NOTE	Year ended 31 December **2024** ***RMB'000***	 2023 *RMB'000*
Profit (loss) for the year attributable to:			
Owners of the Company		**120,891**	120,556
Non-controlling interests		**(625)**	(22)
Profit for the year		**120,266**	120,534
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**121,530**	119,977
Non-controlling interests		**(852)**	90
		120,678	120,067
EARNINGS PER SHARE			
Basic *(in RMB)*	*10*	**4.03**	4.02
Diluted *(in RMB)*	*10*	**4.03**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		At 31 December	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
Non-Current Assets			
Property, plant and equipment	*12*	**46,781**	49,103
Right-of-use assets		**8,412**	9,460
Goodwill		**8,710**	8,524
Other intangible assets	*13*	**303**	94
Deferred tax assets		**1,702**	3,433
Prepayment for purchase of property, plant and equipment		**–**	88
Restricted bank deposits		**1,172**	–
		67,080	70,702
Current Assets			
Inventories		**28,649**	87,382
Trade and other receivables	*14*	**165,617**	88,193
Contract assets		**1,776**	719
Contract costs		**9,459**	11,900
Financial assets at fair value through profit or loss ("**FVTPL**")		**19,768**	–
Term deposits with an original maturity over three months but within one year		**21,565**	35,414
Term deposits with an original maturity over one year		**–**	10,000
Restricted bank deposits		**6,303**	40,776
Cash and cash equivalents		**133,402**	177,414
		386,539	451,798

		At 31 December	
		2024	2023
	NOTE	***RMB'000***	*RMB'000*
Current Liabilities			
Trade and other payables	*15*	**87,872**	55,581
Bank borrowings		**9,950**	19,900
Income tax payable		**4,335**	9,934
Lease liabilities		**1,396**	1,395
Provisions		**4,109**	4,539
Contract liabilities		**31,181**	174,862
Other current liabilities		**–**	5
		138,843	266,216
Net Current Assets		**247,696**	185,582
Total Assets Less Current Liabilities		**314,776**	256,284
Capital and Reserves			
Share capital		**30,000**	30,000
Reserves		**252,422**	222,129
Equity attributable to owners of the Company		**282,422**	252,129
Non-controlling interests		**1,810**	2,662
Total Equity		**284,232**	254,791
Non-Current Liabilities			
Bank borrowings		**30,000**	–
Lease liabilities		**544**	1,493
		30,544	1,493
		314,776	256,284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

ContiOcean Environment Tech Group Co., Ltd. ("上海匯舸環保科技集團股份有限公司") (the "**Company**") was established in the People's Republic of China (the "**PRC**") on 31 May 2017, as a limited liability company. On 28 December 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The Non-H Shares of the Company became quoted on National Equities Exchange and Quotations ("**NEEQ**") (stock code: 874207.NQ) in February 2024. On 9 January 2025, the Company's H shares became listed on The Stock Exchange of Hong Kong Limited. The respective address of the registered office and the principal place of business of the Company are Room 1101, No. 2 Maji Road, China (Shanghai) Pilot Free Trade Zone, Shanghai. As at the date of this report, the Company is controlled by Controlling Shareholders.

The Group is a marine exhaust gas cleaning system, marine energy-saving devices, marine clean-energy supply systems and maritime services provider.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's financial position and performance in foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB and the principle of merger accounting conventions applicable for business combination under common control. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

4. REVENUE

Disaggregation of revenue from contracts with customers

The Group's revenue streams are categorised as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Type of goods or services		
Marine exhaust gas cleaning systems	**287,814**	341,180
Marine energy-saving devices	**64,360**	58,031
Marine clean-energy supply systems	**67,040**	5,552
Maritime services	**195,181**	105,492
	614,395	510,255

(i) ***Performance obligations for contracts with customers and revenue recognition policies***

Information about the Group's performance obligations and their corresponding revenue recognition policies are summarised as below:

Marine exhaust gas cleaning systems, marine energy-saving devices and marine clean-energy supply systems

These marine equipment and systems revenue streams are individually available to the customers. Each of the equipment and systems involves design, manufacture, delivery, installation and commissioning and system testing of tailor-made products to the customers. Since the customers are not able to have benefit from part of the process, each of the equipment and systems is accounted for as a single performance obligation. Revenue is recognised at a point in time when the control of the tailor-made products has been transferred to the customers. When a performance test including the commissioning tests and sea trials is required to be conducted, the control is transferred upon the award of the sea trial report following the completion of commissioning being obtained representing the timing when the customers can direct the use of the products and the Group entitles the enforceable rights to the considerations. In other cases, the control is transferred when the related equipment and systems is accepted by the customer.

Maritime services

This revenue stream consists of a series of different service and product offerings to customers, mainly including ship interior decoration services and container fixed and loose fittings related equipment and systems.

Ship interior decoration services include the design and decoration of the ship's living quarters, as well as the supply of maritime equipment and spare parts to customers. Revenue from ship interior decoration services is recognised at a point in time whenever the interior decoration projects are completed, including the delivery of maritime equipment and spare parts, and accepted by the customers since this is the timing when the customers can direct the use of the maritime equipment and spare parts and the Group entitles the enforceable rights to the considerations. For the container fixed and loose fittings related equipment and systems, it involves design, manufacture and supply of products in accordance with the requirements of technical specifications, industry practices or standards and classification society rules and regulations. Revenue is recognised at a point in time when the control of the products has been transferred to the customers.

The Group normally requires advance and progress payments at a particular percentage as agreed with customers, such advance payment schemes result in contract liabilities until the control of the promised goods and services has been transferred to the customer.

A receivable is recognised by the Group when the revenue recognised is in excess of the advance and progress payments received before the revenue recognition except when the Group's right to consideration is conditional on the fulfilment of warranty obligations in an agreed period. In such case, a contract asset is recognised by the Group.

Contracts with customers normally include warranties period of 12 to 60 months from the point the goods or services being accepted by customers. This type of warranties is an assurance-type warranty that ensures that the goods and services fulfil the established quality standards and cannot be purchased separately, which does not constitute a single performance obligation. Accordingly, the Group accounts for warranties in accordance with IAS 37.

(ii) ***Geographical markets***

The Group's revenue from external customers, based on the respective country/region of the external customers' operations are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Mainland China	**311,662**	105,276
Overseas	**302,733**	404,979
	614,395	510,255

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time	**614,395**	510,255

5. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("**CODM**"), who is also identified as the chief executive officer of the Group, in order to allocate resources to segments and to assess their performance. During the reporting period, the CODM assesses the operating performance and allocates the resources of the Group as a whole. Therefore, the CODM considers the Group only has one operating segment.

The CODM reviews the overall results and financial position of the Group and no further analysis of the single segment is presented.

Information about major customers

During each of the reporting periods, revenue from customers of the corresponding years contributing over 10.0% of the total revenue of the Group are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Customer A	**139,522**	136,834
Customer B	**113,595**	N/A
Customer C	**104,294**	N/A
Customer D	**75,532**	190,318
	432,943	327,152

N/A: not disclosed as the revenue from such customers was less than 10.0% of total revenue during the corresponding year.

Geographical information

Information about the Group's non-current assets is presented based on the geographical location of the assets. Non-current assets excluded deferred tax assets and restricted bank deposits.

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Mainland China	**64,179**	66,953
Overseas	**27**	316
	64,206	67,269

6. OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Government grants related to income *(Note)*	**2,451**	2,767
Interest income on bank deposits	**4,914**	845
	7,365	3,612

Note: The amount mainly represents various subsidies granted by the PRC local government authorities to group entities as incentives for the Group's operating activities. The government grants were unconditional and had been approved by the PRC local government authorities, which are recognised when payments were received.

7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net foreign exchange gains (losses)	**4,371**	(8,241)
Gain on early termination of lease arrangements	**–**	55
Loss on disposal of equipment	**(158)**	–
Fair value losses of financial assets at FVTPL	**–**	(127)
Gain on deemed disposal of investments in an associate	**–**	4,794
Others	**117**	(3,057)
	4,330	(6,576)

8. FINANCE COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest expenses on borrowings	**905**	442
Interest expenses on lease liabilities	**112**	116
	1,017	558

9. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Income tax expenses comprise:		
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**14,279**	17,333
Hong Kong Profits tax	**2,023**	3,855
Singapore Income tax	**1,582**	27
	17,884	21,215
Under provision in respect of prior years	**3,010**	–
Deferred tax	**1,733**	(965)
	22,627	20,250

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the Company has been accredited as a High-New Technology Enterprise (the "**HNTE**") by the Science and Technology Bureau of Shanghai and relevant authorities and enjoyed a preferential income tax rate of 15.0% from year 2019 to 2024. Besides, ContiOcean Nantong, a wholly-owned subsidiary of the Company, has been accredited as a HNTE in October 2022, and subjected to the preferential income tax rate of 15.0% from 2022 to 2024.

ContiOcean International Development Co., Ltd. ("**ContiOcean International**") has been recognised as small and micro enterprise. According to the relevant provisions of Announcement by the State Administration of Taxation, a preferential enterprise income tax rate of 20.0% was applied to small and micro enterprise and discounts on taxable income were further applicable for the portion of annual taxable income not exceeding RMB3,000,000 ranged from 50.0% to 87.5% during the years ended 31 December 2024 and 2023.

Under the two-tiered profits tax rates regime in Hong Kong, the first Hong Kong Dollar ("**HK$**") 2.0 million of profits of the qualifying group entity will be taxed at 8.3%, and profits above HK$2.0 million will be taxed at 16.5% for the years ended 31 December 2024 and 2023.

The tax rate used by the subsidiaries in Singapore is 17.0% during the years ended 31 December 2024 and 2023. The subsidiaries in Singapore enjoy a 75.0% exemption on the first Singapore dollar ("**SGD**") 10,000 of taxable income and a further 50.0% exemption on the next SGD190,000 of taxable income during the years ended 31 December 2024 and 2023.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the reporting periods can be reconciled to the profit before tax per consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**142,893**	140,784
Tax at the domestic income tax rate of 15.0% *(Note i)*	**21,434**	21,118
Tax effect of expenses that are not deductible for tax purpose	**718**	1,564
Tax effect of extra deduction of research and development expenses *(Note ii)*	**(2,652)**	(2,550)
Tax effect of tax losses not recognised	**304**	–
Utilization of tax losses previously not recognised	**(12)**	–
Income tax at concessionary rate	**(601)**	(167)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**426**	285
Under provision in respect of prior years	**3,010**	–
Income tax expenses recognised in profit or loss	**22,627**	20,250

Notes:

i. The domestic tax rate (which is PRC EIT preferential tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

ii. Pursuant to Caishui 2023 circular No. 7, the Company enjoyed super deduction of 200.0% on qualified research and development expenditures throughout the year ended 31 December 2024 and 2023. ContiOcean Nantong enjoyed super deduction of 200.0% on qualified research and development expenditures throughout the year ended 31 December 2024 and 2023.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company	**120,891**	120,556

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Weighted average number of ordinary shares in issue	**30,000**	30,000

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted the 10,000,000 shares issued in 2023 by conversion of the share premium into the share capital of the Company, as if 30,000,000 shares were in issue as at 1 January 2023.

The computation of diluted earnings per share for the year ended 31 December 2024 does not assume the exercise of the Company's options granted under a share option scheme adopted in 2024, because the performance conditions included were not satisfied as at 31 December 2024.

No diluted earnings per share for the ended 31 December 2023 was presented as there were no potential ordinary shares in issue during the year ended 31 December 2023.

11. DIVIDENDS

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 final dividend: RMB1.6 per ordinary share (2023: 2022 final dividend of RMB0.17 per ordinary share)	**48,000**	5,000
2024 special dividend: RMB1.6 per ordinary share	**48,000**	–
	96,000	5,000

The number of shares used in the calculation of dividend per share is adjusted retrospectively for the 10,000,000 shares issued in 2023 by conversion of the share premium into the share capital of the Company, as if 30,000,000 shares were in issue as at January 1, 2023.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB1.5 per ordinary share, in an aggregate amount of RMB60,000,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Machinery and equipment *RMB'000*	Office equipment and furniture *RMB'000*	Transportation equipment *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
COST							
As at 1 January 2023	46,174	4,962	2,710	4,682	250	–	58,778
Additions	–	193	251	668	677	942	2,731
Acquisition of subsidiaries	–	–	6	–	–	–	6
As at 31 December 2023	**46,174**	**5,155**	**2,967**	**5,350**	**927**	**942**	**61,515**
Additions	**–**	**–**	**871**	**670**	**144**	**798**	**2,483**
Disposal	**–**	**–**	**(96)**	**(293)**	**–**	**–**	**(389)**
Transfer	**710**	**–**	**–**	**–**	**–**	**(710)**	**–**
As at 31 December 2024	**46,884**	**5,155**	**3,742**	**5,727**	**1,071**	**1,030**	**63,609**
ACCUMULATED DEPRECIATION							
As at 1 January 2023	3,487	769	888	2,407	63	–	7,614
Provided for the year	2,195	540	680	1,102	281	–	4,798
As at 31 December 2023	**5,682**	**1,309**	**1,568**	**3,509**	**344**	**–**	**12,412**
Provided for the year	**2,240**	**539**	**683**	**855**	**239**	**–**	**4,556**
Eliminated on disposals	**–**	**–**	**(58)**	**(82)**	**–**	**–**	**(140)**
As at 31 December 2024	**7,922**	**1,848**	**2,193**	**4,282**	**583**	**–**	**16,828**
CARRYING VALUES							
As at 31 December 2023	40,492	3,846	1,399	1,841	583	942	49,103
As at 31 December 2024	**38,962**	**3,307**	**1,549**	**1,445**	**488**	**1,030**	**46,781**

Buildings with carrying amount of approximately nil as at 31 December 2024, were pledged to banks to secure the bank borrowing facilities (2023: RMB40,492,000).

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis after taking into account of the residual value as follows:

Buildings	5.0% per annum
Machinery and equipment	9.5%–19.0% per annum
Office equipment and furniture	19.0%–31.7% per annum
Transportation equipment	9.5%–23.8% per annum
Leasehold improvements	Over the shorter of the lease term or 5 years

13. OTHER INTANGIBLE ASSETS

	Intellectual properties *RMB'000*
COST	
As at 1 January 2023 and 31 December 2023	147
Additions	283
As at 31 December 2024	**430**
ACCUMULATED AMORTISATION	
As at 1 January 2023	39
Provided for the year	14
As at 31 December 2023	53
Provided for the year	74
As at 31 December 2024	**127**
CARRYING VALUES	
As at 31 December 2023	94
As at 31 December 2024	**303**

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over 10 years.

14. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**84,446**	42,153
Less: allowance for ECL	**(4,226)**	(2,054)
	80,220	40,099
Prepayments	**31,571**	42,982
Notes receivables	**9,262**	–
Deferred issue costs	**27,449**	–
Value-added-tax ("**VAT**") recoverable	**1,413**	1,146
Prepaid income tax	**410**	–
VAT export refund receivable	**28**	2,734
Rental deposits	**1,073**	1,071
Less: allowance for ECL	**(638)**	(638)
	435	433
Custom deposits	**–**	326
Letter of credit deposits	**13,934**	–
Advance to employees	**498**	333
Others	**397**	140
	165,617	88,193

As at 1 January 2023, trade receivables from contracts with customers amounting to RMB19,423,000.

The Group normally grants a credit period of 30 to 90 days or a particular period agreed with customers effective from the date when the revenue were recognised.

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on revenue recognition dates at the end of each reporting period:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
0–30 days	**47,232**	21,041
31–90 days	**30,035**	17,453
91–180 days	**2,775**	1,017
181–365 days	**151**	584
Over 365 days	**27**	4
	80,220	40,099

As at December 31, 2024, the aging of notes receivables is within 30 days.

The Group does not hold any collateral over these balances.

15. TRADE AND OTHER PAYABLES

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables		
— third parties	**40,822**	29,472
Notes payables	**14,862**	1,044
Other payables		
— third parties	**17,627**	6,245
Payroll payables	**7,608**	8,068
Accrued expenses	**5,776**	9,115
Other tax payables	**1,177**	1,637
	87,872	55,581

The average credit period on purchases of goods and services of the Group is within 120 days (2023: 120 days).

The following is an aged analysis of trade payables, presented based on earlier of the date of goods and services received and the invoice dates at the end of each reporting period:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
0–90 days	**8,986**	26,017
91–180 days	**19,394**	493
181–365 days	**9,204**	1,108
Over 365 days	**3,238**	1,854
	40,822	29,472

As at December 31, 2024, the aging of notes payables is within 90 days.

FINANCIAL REVIEW

Revenue

During the Year, the Group's revenue amounted to RMB614.4 million, increased by RMB104.1 million or 20.4% as compared to that of RMB510.3 million in 2023. The increase in revenue was mainly from the increase in revenue from marine clean-energy supply systems and maritime services as discussed in the section headed "Business Segment Analysis" in this announcement.

Gross profit and gross profit margin

During the Year, the Group's gross profit amounted to RMB245.8 million, increased by RMB4.1 million or 1.7%, mainly due to the increases in gross profit of (i) marine energy-saving devices from RMB27.7 million in 2023 to RMB34.6 million in 2024; (ii) marine clean-energy supply systems from RMB1.3 million in 2023 to RMB16.6 million in 2024; and (iii) maritime services from RMB29.8 million in 2023 to RMB52.4 million in 2024. These were mainly attributable to the increased number of orders the Group completed.

Our overall gross profit margin decreased from 47.4% in 2023 to 40.0% in 2024, mainly due to the substantial rise in the revenue share of marine clean-energy supply systems and maritime services. These emerging business segments, which have not yet achieved complete independent production capabilities, carry higher cost ratios, thereby decreased the profit margin.

Other income

The Group's other income amounted to RMB7.4 million in 2024, increased by approximately RMB3.8 million or 103.9% as compared to that of RMB3.6 million in 2023, mainly due to the increased interest income on bank deposits from RMB0.8 million in 2023 to RMB4.9 million in 2024, as (i) the Group made time deposits denominated in U.S. dollars in late 2023 and 2024, which generated higher interest rates, and (ii) the average bank and cash balance during the period increased, partially offset by the decrease in government grants from RMB2.8 million in 2023 to RMB2.5 million in 2024.

Other gains and losses

The Group recorded a loss of RMB6.6 million in 2023 and a gain of RMB4.3 million in 2024 for other gains and losses, primarily due to net foreign exchange gains of RMB4.4 million recorded in 2024, compared to the net foreign exchange losses of RMB8.2 million incurred in 2023. This was mainly due to foreign exchange rate fluctuation impacting the sales proceeds from our sales to overseas customers that were denominated in U.S. dollars.

Distribution and selling expenses

The Group's distribution and selling expenses amounted to approximately RMB40.0 million in 2024, increased by RMB12.3 million or 44.2% from that of RMB27.7 million in 2023. The increase was primarily due to (i) the increase in sales commission from RMB17.5 million incurred in 2023 to RMB25.5 million incurred in 2024, mainly because our revenue generated from sales promoted by sales agents increased from RMB278.7 million in 2023 to RMB373.0 million in 2024; (ii) the increase in the staff compensation cost due to the marketing team expansion to support surging business opportunities in the emerging business segments, especially for the clean-energy supply systems; and (iii) the consolidation of European sales team.

Administrative expense

The Group's administrative expenses amounted to RMB43.8 million in 2024, decreased by RMB3.5 million or 7.5% from that of RMB47.3 million in 2023, primarily due to the decrease in share-based payment expenses from RMB5.5 million in 2023 to RMB1.7 million in 2024. The drop in the share-based payment expenses was mainly due to the Company's one-off share-based payment of about RMB4.8 million in 2023 for granting of incentive shares to a selected executive in 2023, leading to a decrease in the total amount of the share-based payments from RMB5.5 million in 2023 to RMB1.7 million in 2024. Staff salary amounted to RMB21.1 million in 2024, increased by RMB1.5 million or 7.6%, as compared to RMB19.6 million in 2023.

Research and development expenses

The Group's research and development expenses amounted to RMB27.2 million in 2024, increased by RMB8.3 million or43.5% from RMB18.9 million in 2023. This increase was primarily due to the increases in (i) cost of purchase from RMB6.1 million in 2023 to RMB11.4 million in 2024, mainly because certain R&D projects entered the prototype trial production stage, resulting in greater demand for raw materials and product components, and (ii) staff cost from RMB8.2 million in 2023 to RMB12.3 million in 2024, as our then-associate, WTC, became our subsidiary at the end of 2023, leading to increased number of our R&D personnel.

Share of results of associates

Our share of results of associates was a loss of RMB1.7 million in 2023 and nil in 2024, primarily because (i) our then-associate, WTC, became our subsidiary at the end of 2023 after we increased our investment, which incurred net losses, in 2023, as it was still in the ramp-up phase, and (ii) we disposed of the entire interest of Jiangsu ContiOcean Electronic Ltd. (江蘇匯舸電力有限公司) in April 2023. Therefore, we had no associates in 2024.

Impairment losses under expected credit loss model, net of reversal

The Group's impairment losses under the ECL model, net of reversal, amounted to RMB2.2 million in 2024, increased by RMB0.5 million or 30.5% as compared to RMB1.7 million in 2023. The increase was mainly due to the increase in our trade and other receivables.

Finance costs

The Group's finance costs amounted to RMB1.0 million in 2024, increased by RMB0.4 million or 82.3% as compared to approximately RMB0.6 million in 2023. The increase in finance costs was primarily due to the higher average balance of our bank borrowings in 2024 as compared to 2023.

Income tax expense

Our income tax expense increased by 11.7% from RMB20.3 million in 2023 to RMB22.6 million in 2024, representing an increase in effective tax rate from 14.4% in 2023 to 15.8% in 2024. The increase in the effective tax rate was mainly due to the increase in tax expenses of the Group's operating subsidiaries overseas, which are subject to higher income tax rates.

Profit for the Year

As a result of the foregoing, the Group's profit for the Year amounted to RMB120.3 million, decreased by RMB0.2 million or 0.2% as compared to RMB120.5 million in 2023.

Property, plant and equipment

Our property, plant and equipment mainly consisted of (i) buildings, (ii) machinery and equipment, (iii) office equipment and furniture, (iv) transportation equipment, (v) leasehold improvements and (vi) construction in progress. As at 31 December 2024, the Group's property, plant and equipment amounted to RMB46.8 million, decreased by RMB2.3 million or 4.7% from RMB49.1 million as at 31 December 2023. The decrease was mainly due to depreciation in 2024.

Inventories

Our inventories primarily consisted of (i) raw materials and consumables such as stainless-steel plates and stainless-steel pipes, (ii) work in progress from production lines, and (iii) finished goods, i.e. products that were manufacturing, completed quality inspection processes and were ready to be delivered.

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Raw materials and consumables	**1,143**	1,432
Work in progress	**3,329**	1,561
Finished goods	**24,177**	84,389
	28,649	87,382

The Group's inventories amounted to RMB28.6 million as at 31 December 2024, decreased by RMB58.8 million or 67.2% as compared to RMB87.4 million as at 31 December 2023. The decrease was primarily due to the following reasons:

(i) onsite installation and commissioning schedules for some marine exhaust gas cleaning systems under newbuild contracts concentrated in late 2023 and the first quarter of 2024. This led to a high level of goods in transit (shipped but not yet recognized) by the end of the 2023, which had been significantly reduced in 2024 as customer orders were fulfilled and deliveries completed; and

(ii) the use of our enhanced inventory optimization initiatives, including just-in-time procurement aligned with confirmed delivery schedules, resulted in the marked reduction in finished goods inventory and goods in transit.

Trade and other receivables

Our trade and other receivables mainly consisted of (i) trade receivables, less allowance for expected credit losses, in connection with the outstanding amounts due from customers, and (ii) other receivables comprise of prepayments, deferred issue costs, value-added-tax ("**VAT**") recoverable, VAT export refund receivable, rental deposits, and letter of credit deposits.

The Group's trade and other receivables amounted to RMB165.6 million as at 31 December 2024, increased by RMB77.4 million or 87.8% as compared to RMB88.2 million as at 31 December 2023, which was mainly due to the following reasons:

(i) the increase in trade receivable from RMB42.2 million to RMB84.4 million given the rapid growth in the Company's marine clean-energy supply systems and maritime services. These segments predominantly served newbuild orders with an extended 30–90 days credit terms;

(ii) the balance of deferred issue costs of 27.4 million as at 31 December 2024 for the capitalization of listing fee for the global offering exercise, whereas there was nil balance as at 31 December 2023; and

(iii) the balance of deposits amounting RMB13.9 million paid for issuing letter of credits for the settlement of the purchases from European suppliers, whereas there was nil balance as at 31 December 2023.

Financial assets at fair value through profit or loss

The Group's financial assets amounted to RMB19.8 million as at 31 December 2024. The financial assets represent a subscription of US$2.75 million of a wealth management product issued by Prudent Wealth Global Fund SPC, which is an independent third party. The underlying investments of the wealth management products are high liquidity, low risk financial instruments including US treasury notes with remaining maturity within one year and other cash and cash equivalents with committed return ranged from 1% to 4.5% per annum. The investment in the wealth management product can be redeemed within five working days upon request and at the full discretion of the Group. There was no such financial assets held by the Group as at 31 December 2023.

Restricted bank deposits

Our restricted bank deposits referred to the security deposits we made at banks for the issuance of bank guarantees, letter of credits, bankers' acceptance and foreign exchange contracts. The Group's restricted bank deposits decreased by RMB33.3 million or 81.7% from RMB40.8 million as at 31 December 2023 to RMB7.5 million as of 31 December 2024. This decrease was mainly because of (i) the release of the deposits upon the expiration of certain bank guarantees, (ii) the increased orders related to newbuildings that did not require bank guarantees; and (iii) the lower requirement of security deposits due to our cooperation with banks over the years.

Cash and cash equivalents

The Group's cash and cash equivalents decreased by RMB44.0 million or 24.8% from RMB177.4 million as at 31 December 2023 to RMB133.4 million as at 31 December 2024. The decrease was mainly attributable to the cash of approximately RMB42.5 million generated from the operating activities during the Year which was offset by aggregate payments of dividends of RMB96.0 million in 2024.

Trade and other payables

Our trade and other payables mainly consisted of (i) trade payables, (ii) notes payable, (iii) other payables, (iv) payroll payables, (v) accrued expenses, and (vi) other tax payables.

	At 31 December	
	2024	2023
	(RMB'000)	*(RMB'000)*
Trade payables — third parties	**40,822**	29,472
Notes payables	**14,862**	1,044
Other payables — third parties	**17,627**	6,245
Payroll payables	**7,608**	8,068
Accrued expenses	**5,776**	9,115
Other tax payables	**1,177**	1,637
	87,872	55,581

The average credit period on purchases of goods and services of the Group is within 120 days (2023:120 days).

The Group's trade and other payables increased by RMB32.3 million or 58.1% from RMB55.6 million as at 31 December 2023 to RMB87.9 million as at 31 December 2024. The increase was mainly due to the increases in trade payables and notes payables. During the Year, the Group's accounts payables increased from RMB29.5 million as at 31 December 2023 to RMB40.8 million as at 31 December 2024, and the Group's notes payables increased from RMB1.0 million as at 31 December 2023 to RMB14.9 million as at 31 December 2024. The increase was mainly due to the negotiation with suppliers which led to the adoption of trade financing instruments such as letters of credit and bank acceptance notes for settlements. This has led to a corresponding increase in the balance of notes payable at 31 December 2024.

Contract liabilities

The Group's contract liabilities amounted to RMB31.2 million as at 31 December 2024, decreased by 82.2% as compared to RMB174.9 million as at 31 December 2023. As of 31 December 2023, the payments were received from customers based on the contract term before the relevant products were delivered and accepted by customers. The substantial drop in the contract liabilities during the Year were mainly due to the conversion of amounts recorded as contract liabilities into recognized revenue during the Year.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, we have sufficient working capital to meet our requirement for business operation. Our cash and cash equivalents decreased from RMB177.4 million as of 31 December 2023 to RMB133.4 million as of 31 December 2024. The decrease was primarily attributable to the dividend distribution in 2024.

INDEBTEDNESS

Our indebtedness mainly included bank borrowings and lease liabilities. Our indebtedness increased from RMB22.8 million as of 31 December 2023 to RMB41.9 million as of 31 December 2024. It was primarily attributable to increase of bank borrowings.

PLEDGE OF ASSETS

As of 31 December 2024, the Group did not pledge any assets.

CONTINGENT LIABILITIES

As of 31 December 2024, we did not have any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2024, the Group has not undertaken any material acquisition or disposal transactions.

FOREIGN EXCHANGE RISK

We mainly operate in mainland China and are exposed to foreign exchange risk arising from currency exposures with respect to U.S. dollars. To mitigate the impact of exchange rate fluctuations resulting from a large number of orders denominated in U.S. dollars, we entered into foreign exchange forward and option contracts in relation to U.S. dollars against Renminbi with reputable financial institutions for hedging purpose. However, we have not yet established a foreign currency hedging policy. Instead, we have formulated risk management strategies and policies with respect to the foreign exchange forward and option contracts we enter into.

EMPLOYEES AND REMUNERATION

As at 31 December 2024, the Group had a total workforce of 111 employees (31 December 2023: 88 employees). The remuneration packages for the Group's employees are determined with reference to their job responsibilities, position level, professional experience, and work performance.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 31 December 2024 and this announcement, the Group currently does not have other plans for material investments or capital assets investments.

FINAL DIVIDEND

The Board has recommended a final dividend on ordinary shares for 2024 of RMB15 per 10 shares (before tax), subject to the approval of shareholders at the forthcoming 2024 Annual General Meeting of the Company (the "**AGM**").

ANNUAL GENERAL MEETING

The forthcoming AGM is scheduled to be held on 16 May 2025. A notice convening the AGM will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.contioceangroup.com, and dispatched to the shareholders of the Company (the "**Shareholders**") in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to qualify for attending and voting at the AGM, the register of members of H Shares of the Company will be closed from 13 May 2025 to 16 May 2025 (both days inclusive), during which no share transfer will be registered. All transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on 12 May 2025.

Shareholders of unlisted shares may contact the secretary of the Board for details of the transfer registration of unlisted shares. The contact information of the secretary of the Board is Unit 3002, 30/F, South Tower, Shanghai International Fortune Center, No.36 Xin Jin Qiao Road, Pudong New District, Shanghai.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard shareholders' interests and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**") as its own corporate governance code.

As the Company's H shares were listed on the Main Board of the Stock Exchange on 9 January 2025, the Corporate Governance Code was not applicable to the Company prior to the Listing Date. To the best of the Directors' knowledge, the Company has complied with all code provisions set out in part 2 of the Corporate Governance Code from the Listing Date and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding dealings in the securities of the Company by the Directors and the supervisors of the Company (the "**Supervisors**") on terms no less exacting than the required standards set in the Model Code.

Having made specific enquiries of all Directors and Supervisors, they have confirmed that they have complied with the Model Code since the Listing Date and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company's H Shares were initially listed on the Main Board of the Stock Exchange on 9 January 2025. Since the Listing Date and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities.

REVIEW OF ANNUAL RESULTS

The consolidated financial results of the Group for the year ended 31 December 2024 has been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, and reviewed by the audit committee of the Company.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and consolidated statement of comprehensive income for the Reporting Period and the related notes thereto as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the Year as approved by the Board on 28 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on preliminary announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company's H Shares was successfully listed on the Main Board of the Stock Exchange on 9 January 2025, with stock code 2613.HK. Saved for that, no significant event of the Group occurred subsequent to the Reporting Period.

PUBLICATION OF THE ANNUAL RESULTS AND 2024 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.contioceangroup.com. The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders and will be published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to thank all our colleagues for their diligence, dedication, loyalty and integrity, as well as all our Shareholders, customers, bankers and other business associates for their trust and support.

By order of the Board
ContiOcean Environment Tech Group Co., Ltd.
Zhou Yang
Chairman and Executive Director

Shanghai, PRC, 28 March 2025

As of the date of this announcement, the Board comprises: (i) Mr. Zhou Yang, Mr. Zhao Mingzhu, Mr. Chen Zhiyuan, Mr. Shu Wa Tung, Laurence and Mr. Chen Rui as executive directors; and (ii) Dr. Guan Yanmin, Mr. Zhu Rongyuan and Ms. Ng Sin Kiu as independent non-executive directors.