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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of ContiOcean Environment Tech Group Co., Ltd. (the "**Company**") hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**", "**we**" or "**us**") for the six months ended 30 June 2025 (the "**Reporting Period**", or "**H1 2025**"), together with the comparative figures for the corresponding period in 2024 ("**H1 2024**").

OVERVIEW

The Group's ("**our**") revenue and profit for the Reporting Period were approximately RMB143.5 million (H1 2024: RMB336.5 million) and RMB6.1 million (H1 2024: RMB82.1 million), respectively. Basic earnings per share attributable to owners of the Company for the Reporting Period was RMB0.18 (H1 2024: RMB2.75). The Board has not recommended the payment of interim dividend for the Reporting Period.

GEOGRAPHICAL MARKET ANALYSIS

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

	H1 2025 (Unaudited) *(RMB'000)*	H1 2024 (Audited) *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in H1 2025**	Approximate percentage of total revenue in H1 2024
Mainland China	**78,769**	191,771	-58.9%	**54.9%**	57.0%
Overseas	**64,717**	144,695	-55.3%	**45.1%**	43.0%
	143,486	336,466	-57.4%	**100.0%**	100.0%

The Group's revenue from the People's Republic of China ("**Mainland China**" or "**China**") decreased by approximately RMB113.0 million or 58.9% from RMB191.8 million in H1 2024 to RMB78.8 million in H1 2025, as most new orders secured in early 2025 are predominantly long-cycle in nature. Accordingly, the relevant orders had not been completed and the revenue had not been recognized in the Reporting Period.

The Group's revenue from overseas decreased by approximately RMB80.0 million or 55.3% from RMB144.7 million in H1 2024 to RMB64.7 million in H1 2025, which was mainly due to geopolitical tensions and recent tariff-driven volatility, compounded by peak-season shipyard slot constraints and surging dry dock charges domestically. These have prompted overseas shipowners to defer non-urgent retrofits.

Despite these challenges, the Company has proactively implemented strategies to accelerate expansion into new markets, and accelerated the development and collaboration of new products and products for potential demand to mitigate the adverse impacts.

BUSINESS SEGMENT ANALYSIS

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

	H1 2025 (Unaudited) ***(RMB'000)***	H1 2024 (Audited) *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in H1 2025**	Approximate percentage of total revenue in H1 2024
Marine exhaust gas cleaning systems	**45,173**	204,402	-77.9%	**31.5%**	60.7%
Marine energy-saving devices	**7,688**	22,557	-65.9%	**5.4%**	6.7%
Marine clean-energy supply systems	**36,316**	13,288	173.3%	**25.3%**	3.9%
Maritime services	**54,309**	96,219	-43.6%	**37.8%**	28.7%
	143,486	336,466	-57.4%	**100.0%**	100.0%

Marine exhaust gas cleaning systems generated revenue of approximately RMB204.4 million in H1 2024 and RMB45.2 million in H1 2025. Revenue from marine exhaust gas cleaning system decreased by about 77.9% in H1 2025 as compared to H1 2024, primarily due to the following reasons:

(i) during H1 2025, most newbuilding projects remained in the installation and commissioning phase, with sea trials and final delivery not yet completed. Consequently, revenue from marine exhaust gas cleaning systems decreased significantly; and

(ii) shipyard slot constrains arising from the high utilization of the shipyard capacities in China. This situation caused a short-term surge in dry-dock charges at Chinese repair yards during the Reporting Period, thereby reducing shipowners' economic feasibility for retrofits in short run.

The Group's revenue from marine energy-saving devices decreased from RMB22.6 million in H1 2024 to RMB7.7 million in H1 2025 mainly due to:

(i) geopolitical tensions and tariff impacts, combined with peak-season capacity constraints at Chinese shipyards and surge in dry-dock charges. These have rendered retrofits of some energy-saving devices less economically attractive for shipowners versus the same period of last year, resulting in a substantial decrease in energy-saving devices deliveries during the Reporting Period and driving significant revenue contraction; and

(ii) that although newly developed energy-saving solutions (e.g., plate heat exchangers) secured considerable orders, most of them are newbuilding projects and involved long delivery cycles. Consequently, most projects remained uncompleted, and revenue had not been recognized in the Reporting Period.

The Group's revenue from marine clean-energy supply systems increased significantly by about 173.3%, from RMB13.3 million in H1 2024 to RMB36.3 million in H1 2025 due to the following reasons:

(i) since 2021, new order intake in the shipbuilding market has consistently remained at elevated levels, with historic global growth in new energy shipbuilding orders in 2024. Concurrently, tightening environmental regulations in shipping had accelerated widespread adoption of clean fuels like liquefied natural gas and methanol. To ensure safety during handling and transportation, these low-flashpoint fuels required nitrogen-based tank sealing and purging operations, in turn driving sustained expansion in the market demand of nitrogen system; and

(ii) the Company had intensified research and development ("**R&D**") investments in clean energy technologies, enhancing system performance and stability while achieving significant cost reductions. The convergence of external market growth and internal technological advantages had led to rapid acceleration in new order intake. As these orders are being delivered, revenue had achieved transformative expansion in the Reporting Period.

The Group's revenue from maritime services decreased from RMB96.2 million in H1 2024 to RMB54.3 million in H1 2025. The 43.6% decrease was mainly due to that most new orders for maritime services secured in 2024 and the Reporting Period predominantly featured long delivery cycles, preventing completion of delivery and revenue recognition in H1 2025.

We remain positioned to capture growth from the International Maritime Organization (the "**IMO**")-led regulatory shifts and marine sustainability initiatives, driving expanded revenue generation through our comprehensive equipment and system solutions.

CUSTOMER ANALYSIS

Below is a breakdown of revenue by customers:

	H1 2025 (Unaudited) *(RMB'000)*	H1 2024 (Audited) *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in H1 2025**	Approximate percentage of total revenue in H1 2024
Customer A	**39,316**	66,876	-41.2%	**27.4%**	19.9%
Customer B	**23,522**	73,237	-67.9%	**16.4%**	21.8%
Customer C	**19,452**	79,292	-75.5%	**13.6%**	23.6%
Customer D	**16,465**	11	149,581.8%	**11.5%**	0.0%
Other customers	**44,731**	117,050	-61.8%	**31.1%**	34.7%
	143,486	336,466	-57.4%	**100.0%**	100.0%

During the Reporting Period, our top four customers generated the majority of revenue — a concentration level consistent with industry norms for maritime environmental protection systems. Annual variation among key clients is significant, reflecting the nature of these capital-intensive solutions: shipowners typically invest in non-recurring capital expenditures on maritime environmental protection equipment and system rather than repeat-purchase consumables.

The revenue from Customer A , Customer B and Customer C decreased by 41.2%, 67.9% and 75.5% respectively while the revenue from Customer D increased significantly from a minimal amount of RMB11,000 attributable to sales of spare parts in H1 2024 to RMB16.5 million in H1 2025.

Our strategy to reduce concentration risks focuses on: (i) cultivating emerging market relationships; (ii) broadening product portfolios to reach wider customer segments, and (iii) boosting brand visibility through targeted sales initiatives.

Simultaneously, we are leveraging technology to drive innovation, sharpen our competitive edge, and decrease dependencies on any single customer. These efforts collectively advance our primary objectives: diversified revenue streams and a fortified long-term market position.

RESEARCH AND DEVELOPMENT

As a global leader in maritime environmental protection equipment and system provider, the Group maintains an unwavering commitment to R&D excellence, consistently pioneering innovative products and services including:

Marine energy-saving devices

— Optimization development of Dual-Alkali Carbon Capture Systems: Completed fundamental process calculations following phase I trials. Currently advancing phase II testing for product refinement, with focused experimentation to acquire comprehensive data and expertise on solid-liquid separation solutions.

— Waste Heat Recovery Systems: Achieved a milestone delivery of our inaugural waste heat recovery system for 7000 pure car and truck carrier vessel. The system demonstrably reduces vessel operational energy consumption during ship operation and contributes to energy-saving and emission-reduction efforts in the shipping sector.

Marine clean-energy supply systems

— Stirling LiqBOG System: Through our jointly established experimental platform with Zhejiang University, the Company has successfully developed the Stirling LiqBOG System. This system employs the advanced reverse-Stirling cycle principle to achieve liquefaction via compression and expansion of helium working medium. The Stirling LiqBOG System can avoid the risk of storage tank overpressure caused by gas expansion while reducing greenhouse gas emissions.

Patent Achievements

The Group was successfully granted 6 new patents (including 3 invention patents) in the Reporting Period, bringing the total portfolio to 86 patents (including 45 invention patents).

OUTLOOK

The geopolitical tensions and tariff disputes in H1 2025 has unfolded against a complex global operating environment for the shipping industry that underscores both structural headwinds and resilient long-term opportunities for the maritime environmental protection industry. While industry-wide pressures have temporarily impacted near-term revenue visibility, our foundational strategy remains firmly aligned with irreversible regulatory and market trends supporting sustainable shipping. During the Reporting Period, the orders we received were mainly of newbuildings types due to the change in demand from customers as a result of geopolitical tensions and tariff-driven volatility which required longer delivery schedule than the retrofit in-service ship orders and revenue is expected to be recognized subsequent to 2025. The Group had gained substantial progress in securing new orders, with the total contract value of our order backlog amounted to RMB861.7 million as at 30 June 2025, increased by RMB278.6 million or 47.8% as compared to that of RMB583.1 million as at 31 December 2024.

Notably, while external environmental shifts have exerted short-term pressure on the Group's performance, the long-term trajectory of the market demand for maritime environmental, social, and governance ("**ESG**") solutions remains unaltered — global governance consensus on climate change driven by fossil fuel usage, coupled with maturing clean energy technologies and declining clean fuel costs paving the way for scaled adoption, alongside industry leaders' demonstration effect in their ESG measures propelling some small and medium sized enterprises to intensify ESG investments, collectively sustain favorable conditions for the Group's growth in marine exhaust gas cleaning systems, marine energy saving devices, marine clean-energy supply systems, and maritime services.

During this transformation window, the Group will leverage its technological first-mover advantage to achieve critical breakthroughs: the commercialization process for marine clean-energy supply systems accelerated significantly (clean-energy segment revenue surged 173.3% period-over-period) in H1 2025, effectively balancing cyclical volatility in traditional businesses; the implementation of the FuelEU Maritime Regulation is systematically expanding market penetration avenues for marine ESG solutions; and with the capital advantages built upon the successful H share listing (period-end cash reserves: RMB296.7 million), we sustained strategic R&D investments (current period: RMB9.6 million) to advance industrialization roadmaps for next-generation technologies for the energy-saving devices and clean-energy supply systems.

Going forward, we will reinforce our competitive edge through deepening penetration in regulation-driven markets (e.g., Europe) to continuously consolidate our industry leadership. The ongoing industry recalibration in the short term creates value-generation opportunities for technologically integrated enterprises. With the introduction of more mandatory environmental regulations by the European Union and the IMO, early adopters offering integrated ship ESG solutions are expected to gain significant economic profits. The Group will, through precision resource deployment and differentiated technological development strategies, achieve simultaneous advancement in market share expansion and profitability resilience enhancement during the industry's evolution.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Revenue	*4*	**143,486**	336,466
Cost of sales		**(99,050)**	(193,684)
Gross profit		**44,436**	142,782
Other income	*6*	**5,173**	2,631
Other gains and losses	*7*	**(1,297)**	5,345
Distribution and selling expenses		**(9,734)**	(20,550)
Administrative expenses		**(22,963)**	(23,495)
Research and development expenses		**(9,569)**	(10,148)
Listing expenses		**(25)**	–
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**1,654**	(304)
Finance costs		**(1,162)**	(443)
Profit before tax	*8*	**6,513**	95,818
Income tax expense	*9*	**(452)**	(13,736)
Profit for the period		**6,061**	82,082
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**7**	(2,594)
Total comprehensive income for the period		**6,068**	79,488

		Six months ended 30 June	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Profit (loss) for the period attributable to owners of the Company:			
Owners of the Company		**6,945**	82,494
Non-controlling interests		**(884)**	(412)
		6,061	82,082
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**6,032**	80,146
Non-controlling interests		**36**	(658)
		6,068	79,488
EARNINGS PER SHARE			
Basic *(in RMB)*	*10*	**0.18**	2.75
Diluted *(in RMB)*	*10*	**0.18**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

	NOTES	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment ("**PPE**")		**45,071**	46,781
Right-of-use assets		**9,932**	8,412
Other receivables	*12*	**39,919**	–
Goodwill		**8,578**	8,710
Other intangible assets		**503**	303
Deferred tax assets		**2,314**	1,702
Restricted bank deposits		**208**	1,172
		106,525	67,080
Current assets			
Inventories		**54,212**	28,649
Contract assets		**1,386**	1,776
Trade and other receivables	*12*	**209,362**	165,617
Contract costs		**9,291**	9,459
Tax recoverable		**2,429**	–
Financial assets at fair value through profit or loss ("**FVTPL**")		**137,896**	19,768
Term deposits with an original maturity over three months but within one year		**–**	21,565
Restricted bank deposits		**5,170**	6,303
Bank balances and cash		**296,677**	133,402
		716,423	386,539

	NOTES	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*13*	**127,235**	87,872
Bank borrowings		**127,300**	9,950
Income tax payable		**5,060**	4,335
Lease liabilities		**2,297**	1,396
Provisions		**2,980**	4,109
Contract liabilities		**28,736**	31,181
Other current liabilities		**132**	–
		293,740	138,843
Net current assets		**422,683**	247,696
Total assets less current liabilities		**529,208**	314,776
Capital and reserves			
Share capital		**40,000**	30,000
Reserves		**445,977**	252,422
Equity attributable to owners of the Company		**485,977**	282,422
Non-controlling interests		**1,846**	1,810
Total equity		**487,823**	284,232
Non-current liabilities			
Lease liabilities		**1,385**	544
Bank borrowings		**40,000**	30,000
		41,385	30,544
		529,208	314,776

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 "**Stock Exchange**"). 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 announcement, the Company is controlled by Mr. Zhou Yang, Mr. Zhao Mingzhu and Mr. Chen Zhiyuan, and ContiOcean Corporate Development LLP (together the "**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 interim condensed consolidated financial information are presented in RMB, which is also the functional currency of the Company. The interim condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, agenda decision/decisions of the IFRS Interpretations Committee (the "**Committee**") of the IASB, and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to a IFRS Accounting Standard and the Committee's agenda decision/decisions in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Type of services		
Marine exhaust gas cleaning systems	**45,173**	204,402
Marine energy-saving devices	**7,688**	22,557
Marine clean-energy supply systems	**36,316**	13,288
Maritime services	**54,309**	96,219
	143,486	336,466

Geographical markets

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Mainland China	**78,769**	191,771
Overseas	**64,717**	144,695
	143,486	336,466

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Timing of revenue recognition		
At a point in time	**143,486**	336,466

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**"), which 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 six months ended 30 June 2025 and 2024, the CODM assesses the operating performance and allocated the resources of the Group as a whole as the Group is primarily engaged in the marine exhaust gas cleaning solution, marine energy-saving and carbon reduction solution, marine clean-energy solution and global maritime services. Therefore, the CODM considers the Group only has one operating segment.

The CODM reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies as set out in Note 3 and no further analysis of the single segment is presented.

Geographical information

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Mainland China	**63,519**	65,340
Overseas	**565**	168
	64,084	65,508

6. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Interest income	**2,794**	2,435
Government grants *(Note)*	**2,376**	185
Others	**3**	11
	5,173	2,631

Note: The amount 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 recognized when payments were received.

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Net foreign exchange (losses) gains	**(3,175)**	5,470
Fair value gains on financial assets at FVTPL	**1,882**	–
Loss on disposal of equipment	**–**	(121)
Others	**(4)**	(4)
	(1,297)	5,345

8. PROFIT BEFORE TAX FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Profit before tax for the period has been arrived at after charging (crediting):		
Depreciation of PPE	**2,148**	2,290
Depreciation of right-of-use assets	**1,174**	764
Amortisation of other intangible assets	**118**	8
	3,440	3,062
Changes in amount capitalised in inventories	**(504)**	933
	2,936	3,995
Auditor's remuneration	**1,190**	894
Directors' and supervisors' emoluments	**7,035**	8,472
Other staff costs:		
— Salaries, bonus and other allowances	**11,218**	14,767
— Retirement benefit scheme contributions	**1,011**	927
— Equity-settled share-based payment expenses	**193**	754
	19,457	24,920
Changes in amount capitalised in inventories	**(460)**	751
	18,997	25,671
Amortisation of contract costs	**11,669**	18,982
Cost of inventories recognized as an expense (excluding write-down of inventories)	**93,190**	190,325
(Reversal)write-down of inventories	**(90)**	394

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current Tax:		
PRC Enterprise Income Tax	**26**	11,314
Singapore Income Tax	**504**	827
Hong Kong Profits Tax	**499**	305
Portuguese Income Tax	**18**	–
	1,047	12,446
Deferred Tax	**(595)**	1,290
	452	13,736

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Profit for the period attributable to owners of the Company	**6,945**	82,494
Number of shares		
Weighted average number of ordinary shares in issue	**39,558**	30,000

The computation of diluted earnings per share for the six months ended 30 June 2025 does not assume the exercise of the Company's options granted under a share option scheme adopted in 2024, since the performance conditions included were not satisfied as at 30 June 2025.

No diluted earnings per share for the six months ended 30 June 2025 was presented as there were no potential ordinary shares in issue during the six months ended 30 June 2025.

11. DIVIDENDS

During the current interim period, a final dividend in respect of the year ended 31 December 2024 of RMB1.5 per ordinary share, in aggregate amount of RMB60,000,000 (31 December 2023: RMB48,000,000) has been approved by the shareholders in the annual general meeting, and was subsequently paid in July 2025.

12. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	At 30 June 2025 *RMB'000* (Unaudited)	At 31 December 2024 *RMB'000* (Audited)
Trade receivables	**51,170**	84,446
Less: Allowance for credit losses	**(2,564)**	(4,226)
	48,606	80,220
Prepayments	**146,190**	31,571
Notes receivables	**5,834**	9,262
Deferred issue costs	**–**	27,449
Value-added-tax ("**VAT**") recoverable	**1,734**	1,413
Prepaid income tax	**–**	410
VAT export refund receivable	**726**	28
Rental deposits	**1,592**	1,073
Less: Allowance for credit losses	**(638)**	(638)
	954	435
Letter of credit and bank guarantee deposits	**4,976**	13,934
Advance to employees	**693**	498
Deposits for acquisition of an operating vessel	**39,372**	–
Others	**196**	397
	249,281	165,617
Analyzed as:		
Non-current	**39,919**	–
Current	**209,362**	165,617
	249,281	165,617

The Group normally grants a credit period of 30 days or a particular period agreed with customers effective from the date when the services and goods have been completed and accepted by customers.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the date of invoice at the end of each reporting period:

	At 30 June 2025 *RMB'000* (Unaudited)	At 31 December 2024 *RMB'000* (Audited)
0–30 days	**21,750**	47,232
31–90 days	**5,405**	30,035
91–180 days	**4,781**	2,775
181–365 days	**16,615**	151
Over 1 year	**55**	27
	48,606	80,220

13. TRADE AND OTHER PAYABLES

	At 30 June 2025 *RMB'000* (Unaudited)	At 31 December 2024 *RMB'000* (Audited)
Trade payables		
— third parties	**43,305**	40,822
Notes payables	**9,265**	14,862
Payroll payables	**3,257**	7,608
Other payables		
— third parties	**7,890**	17,627
Accrued expenses	**3,253**	5,776
Dividend payable *(Note)*	**60,000**	–
Other tax payables	**265**	1,177
	127,235	87,872

Note: The dividend payable was subsequently paid in July 2025.

The average credit period on purchases of goods and services of the Group is 90 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 as at the end of the reporting periods:

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0–90 days	**32,025**	8,986
91–180 days	**4,227**	19,394
181–365 days	**3,403**	9,204
Over 365 days	**3,650**	3,238
	43,305	40,822

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to RMB143.5 million, decreased by RMB193.0 million or 57.4% as compared to that of RMB336.5 million in H1 2024. The decrease in revenue was mainly due to (i) the impact on China's shipbuilding and shipping industries as a result of geopolitical tensions and recent tariff-driven volatility; (ii) delay in the delivery of certain high-value backlog orders that had been secured before 2025, as a result of adjustments in shipyard repair and newbuilding schedules of our customers during the Reporting Period; and (iii) most new orders secured in early 2025 are predominantly long-cycle in nature, and accordingly the relevant orders have not been completed and the revenue has not been recognized in the Reporting Period.

Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit amounted to RMB44.4 million, decreased by RMB98.4 million or 68.9%, as compared to that of RMB142.8 million in H1 2024, mainly due to the decreases in gross profit of (i) marine exhaust gas cleaning systems from RMB107.2 million in H1 2024 to RMB16.1 million in the Reporting Period; (ii) marine energy-saving devices from RMB11.2 million in H1 2024 to RMB2.3 million in the Reporting Period; and (iii) maritime services from RMB21.4 million in H1 2024 to RMB16.4 million in the Reporting Period.

Our overall gross profit margin decreased from 42.4% in H1 2024 to 31.0% in the Reporting Period, partly because the revenue contribution from marine clean-energy supply systems and maritime services further increased in H1 2025, as compared to H1 2024. These business segments had not yet achieved full in-house manufacturing and accounted for a higher proportion of operating costs, resulting in a decline in overall gross profit margin in H1 2025. The drop in gross profit margin of our marine exhaust gas cleaning systems due to the overall decease in market price, as a result of increasing competition and the increase in shipyard installation cost, being another factor leading to the decline of the Group's overall gross profit margin.

Other income

The Group's other income amounted to RMB5.2 million in the Reporting Period, increased by approximately RMB2.6 million or 100.0% as compared to that of RMB2.6 million in H1 2024. This increase was mainly due to the increased government grants from RMB0.2 million in H1 2024 to RMB2.4 million in the Reporting Period, as more subsidies were granted by the PRC local government authorities to group entities as incentives for the Group's operating activities in the Reporting Period.

Other gains and losses

The Group recorded a gain of RMB5.3 million in H1 2024 while a loss of RMB1.3 million in the Reporting Period for other gains and losses, primarily due to net foreign exchange losses of RMB3.2 million recorded in the Reporting Period, compared to the net foreign exchange gains of RMB5.5 million incurred in H1 2024. This was mainly due to the depreciation of USD and HKD against RMB during the Reporting Period, generating material exchange losses on the Company's USD/HKD-denominated monetary assets. Conversely, USD appreciation against RMB in H1 2024 yielded exchange gains on USD holdings.

Distribution and selling expenses

The Group's distribution and selling expenses amounted to approximately RMB9.7 million in the Reporting Period, decreased by RMB10.9 million or 52.9% from that of RMB20.6 million in H1 2024. It was primarily due to the decrease in sales commission from RMB14.8 million incurred in H1 2024 to RMB4.4 million incurred in the Reporting Period.

Administrative expense

The Group's administrative expenses amounted to RMB23.0 million in the Reporting Period, slightly decreased by RMB0.5 million or 2.1% from that of RMB23.5 million in H1 2024.

Research and development expenses

The Group's research and development expenses amounted to RMB9.6 million in the Reporting Period, slightly decreased by RMB0.5 million or 5.0% from RMB10.1 million in H1 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 a gain of RMB1.7 million in the Reporting Period, decreased by RMB2.0 million, as compared to a loss of RMB0.3 million in H1 2024. It was mainly due to the decrease in our trade receivables balance as at 30 June 2025, as compared to the amount as at 31 December 2024, resulting in a reversal of previously recognized impairment losses on trade receivables.

Finance costs

The Group's finance costs amounted to RMB1.2 million in the Reporting Period, increased by RMB0.8 million or 200.0% as compared to approximately RMB0.4 million in H1 2024. The increase in finance costs was primarily due to the higher average balance of our bank borrowings in the Reporting Period as compared to H1 2024.

Income tax expense

Our income tax expense decreased by 96.4% from RMB13.7 million in H1 2024 to RMB0.5 million in the Reporting Period. This was primarily attributed to the decrease of profit before tax in H1 2025 as compared to H1 2024.

Profit for the Reporting Period

As a result of the foregoing, the Group's profit for the Reporting Period amounted to RMB6.1 million, decreased by RMB76.0 million or 92.6% as compared to RMB82.1 million in H1 2024.

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 30 June 2025, the Group's property, plant and equipment amounted to RMB45.1 million, decreased by RMB1.7 million or 3.6% from RMB46.8 million as at 31 December 2024. The decrease was mainly due to depreciation in the Reporting Period.

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 30 June 2025 *RMB'000* **(Unaudited)**	At 31 December 2024 *RMB'000* (Audited)
Finished goods	**43,891**	24,177
Raw materials and consumables	**3,898**	1,143
Work in progress	**6,423**	3,329
	54,212	28,649

The Group's inventories amounted to RMB54.2 million as at 30 June 2025, increased by RMB25.6 million or 89.5% as compared to RMB28.6 million as at 31 December 2024. The primary reason is that the Company's newly secured orders and order backlog scale rapidly increased during the Reporting Period. Consequently, the scale of raw materials, work-in-progress, and finished goods all experienced substantial growth compared to the amount as at 31 December 2024.

Trade and other receivables

Our trade and other receivables mainly consisted of (i) trade receivables, less allowance for expected credit losses; and (ii) prepayments, notes receivables, VAT recoverable, rental deposits, letter of credit and bank guarantee deposits, advance to employees and deposits for acquisition of an operating vessel.

The Group's trade and other receivables amounted to RMB249.3 million as at 30 June 2025, increased by RMB83.7 million or 50.5% as compared to RMB165.6 million as at 31 December 2024, which was mainly due to the following reasons:

(i) the decrease in trade receivables and letter of credit and bank guarantee deposits, from RMB80.2 million and RMB13.9 million as at 31 December 2024 respectively to RMB48.6 million and RMB5.0 million as at 30 June 2025, which was mainly due to the decrease of revenue in H1 2025 as compared to H1 2024;

(ii) the prepayments of RMB146.2 million as at 30 June 2025 which included the down payment to suppliers, consultant service fee, research and development fee, compared to RMB31.6 million as at 31 December 2024; and

(iii) the payment of the deposit for acquisition of an operating vessel amounting RMB39.4 million in the Reporting Period, whereas there was nil payment of deposits for the same purpose as at 31 December 2024, as this deposit payment was for the purpose of acquisition of a long term asset, which was classified as other receivables under non-current assets.

Financial assets at fair value through profit or loss

The Group's financial assets amounted to RMB137.9 million as at 30 June 2025, increased by RMB118.1 million or 596.5% as compared to RMB19.8 million as at 31 December 2024.

The financial assets represented a subscription of wealth management products the Group subscribed from independent third parties. 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 1.0% to 4.5% per annum. The wealth management product are principal-and-return-guaranteed.

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. The Group's restricted bank deposits decreased by RMB2.1 million or 28.0% from RMB7.5 million as at 31 December 2024 to RMB5.4 million as of 30 June 2025. This decrease was mainly because of the release of the deposits upon the expiration of certain bank guarantees.

Cash and cash equivalents

The Group's cash and cash equivalents increased by RMB163.3 million or 122.4% from RMB133.4 million as at 31 December 2024 to RMB296.7 million as at 30 June 2025. The increase was mainly attributable to the proceeds received from issuance of H shares of the Company and proceeds from bank borrowings.

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, (vi) dividend payable and (vii) other tax payables.

	At 30 June 2025 *RMB'000* **(Unaudited)**	At 31 December 2024 *RMB'000* (Audited)
Trade payables — third parties	**43,305**	40,822
Notes payables	**9,265**	14,862
Payroll payables	**3,257**	7,608
Other payables — third parties	**7,890**	17,627
Accrued expenses	**3,253**	5,776
Dividend payable	**60,000**	–
Other tax payables	**265**	1,177
	127,235	87,872

The average credit period on purchases of goods and services of the Group is 90 days.

The Group's trade and other payables increased by RMB39.3 million or 44.7% from RMB87.9 million as at 31 December 2024 to RMB127.2 million as at 30 June 2025. The increase was mainly due to the dividend payable of RMB60.0 million, which was subsequently paid in July 2025.

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 increased by RMB163.3 million or 122.4% from RMB133.4 million as at 31 December 2024 to RMB296.7 million as at 30 June 2025. The increase was primarily attributable to the proceeds received from issuance of H shares of the Company and increase of the proceeds from bank borrowings in the Reporting Period.

ORDER BOOK

Our order backlog (by order number and value) as at 30 June 2025 are as follows:

(i) Marine exhaust gas cleaning systems: we had 185 orders on hand as of 30 June 2025, including 53 orders for ship exhaust gas cleaning systems and 132 orders for spare parts, with a total contract value of RMB308.9 million (185 orders on hand as of 31 December 2024, including 20 orders for ship exhaust gas cleaning systems and 165 orders for spare parts, with a total contract value of RMB140.4 million.).

(ii) Marine energy-saving devices: we had 44 orders on hand with a total contract value of RMB29.1 million as of 30 June 2025. (32 orders on hand with a total contract value of RMB20.9 million as of 31 December 2024)

(iii) Marine clean-energy supply systems: we had 96 orders on hand with a total contract value of RMB146.7 million as of 30 June 2025. (70 orders on hand with a total contract value of RMB148.6 million as of 31 December 2024.)

(iv) Maritime services: we had 637 orders on hand with a total contract value of RMB377.0 million as of 30 June 2025. (649 orders on hand with a total contract value of RMB273.2 million as of 31 December 2024).

INDEBTEDNESS

Our indebtedness mainly included bank borrowings and lease liabilities. Our indebtedness increased from RMB41.9 million as of 31 December 2024 to RMB171.0 million as of 30 June 2025. It was primarily attributable to the increase of bank borrowings.

PLEDGE OF ASSETS

As of 30 June 2025, the Group did not pledge any assets.

CONTINGENT LIABILITIES

As of 30 June 2025, we did not have any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

For the period ended 30 June 2025, 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. 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 30 June 2025, the Group had a total workforce of 126 employees (31 December 2024: 111 employees). The remuneration packages for the Group's employees are determined with reference to their job responsibilities, position level, professional experience, and work performance.

INTERIM DIVIDEND

The Board did not recommend any payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

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.

In the Reporting Period, 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.

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 in the Reporting Period.

CORPORATE GOVERNANCE MEASURES TO AVOID POTENTIAL CONFLICTS OF INTEREST

As stated in the prospectus of the Company dated 31 December 2024, the Company has adopted certain measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the Controlling Shareholders. Accordingly, the independent non-executive Directors have conducted an annual review on whether there are any conflicts of interests between the Group and the Controlling Shareholders, and confirmed that they are not aware that there are any conflicts of interests between the Group and the Controlling Shareholders.

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 (the "**Listing Date**"). 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 INTERIM RESULTS

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2025. The Audit Committee considers that the interim financial results for the six months ended 30 June 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been made.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Reference is made to the circular of the Company dated 16 July 2025 (the "**Circular**"). To recognise and acknowledge the contributions which the eligible participants have made or may make to the Group, the Group adopted a restricted share scheme, pursuant to which a maximum of 4,000,000 shares shall be granted to the eligible participants, which was subsequently approved by the shareholders at the extraordinary general meeting on 1 August 2025. The scope of eligible participants include: (i) Employee Participants; (ii) Related Entity Participants; (iii) Service Providers; and (iv) Other Participants, each as defined in the Circular.

The Board shall entrust a qualified trust manager to act as the trustee under the trust scheme to establish a trust plan with the objective of implementing equity incentives. The eligible participants will be granted the awards and thus indirectly hold the interest of the Company's shares through the trust. The awards will be vested upon the fulfilment of certain conditions. The Board will instruct the trustee to purchase existing H shares of the Company on the Stock Exchange or off the Stock Exchange from our existing shareholders.

On 16 July 2025, the Board passed a resolution to propose to apply for the delisting of non-H shares of the Company from the NEEQ, which was subsequently approved by the shareholders at the extraordinary general meeting on l August 2025. Our application for delisting of the Company's non-H shares from the NEEQ was submitted to the NEEQ on 12 August 2025. The NEEQ has granted its approval for our NEEQ delisting application on 25 August 2025. Pursuant to the approval letter issued by the NEEQ, the non-H shares of the Company will be delisted from and no longer be traded on the NEEQ from 27 August 2025.

PUBLICATION OF THE INTERIM RESULTS AND 2025 INTERIM REPORT

This announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.contioceangroup.com. The interim report of the Company for the period ended 30 June 2025 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company 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, 26 August 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.