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 2025

The board (the "**Board**") of directors (the "**Directors**") of ContiOcean Environment Tech Group Co., Ltd. (the "**Company**" or "**ContiOcean**") hereby presents the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**", "**we**" or "**us**") for the year ended 31 December 2025 (the "**Reporting Period**", "**Year**" or "**2025**").

OVERVIEW

The Group's ("**our**") revenue and profit for the Year were approximately RMB383.2 million (2024: RMB614.4 million) and approximately RMB4.2 million (2024: RMB120.3 million), respectively. Basic earnings per share attributable to owners of the Company for the Year was RMB0.14 (2024: RMB4.03). The Board has not recommended the payment of final dividend for the Reporting Period. (2024: final dividend of RMB1.5 per share).

GEOGRAPHICAL MARKET ANALYSIS

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

	2025 **(RMB'000)**	2024 *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in 2025**	Approximate percentage of total revenue in 2024
Mainland China	**221,835**	311,662	-28.8%	**57.9%**	50.7%
Overseas	**161,344**	302,733	-46.7%	**42.1%**	49.3%
	383,179	614,395	-37.6%	**100.0%**	100.0%

The Group's revenue from Mainland China decreased by approximately RMB89.8 million or approximately 28.8% from 2024 to 2025, which was mainly due to many new domestic orders secured in 2025 were newbuilds, which were predominantly long-cycle in nature, and accordingly the relevant orders had not been completed and the associated revenue had not been recognised during the Reporting Period.

The Group's revenue from overseas decreased by approximately RMB141.4 million or approximately 46.7% from 2024 to 2025, which was mainly due to (i) the extended delivery cycle for newbuilding orders received by the Group since 2024; (ii) the shift in many overseas clients' preference toward contracting through domestic shipyards for newbuilding orders, leading to a decrease in our overseas revenue; and (iii) impacts on China's shipbuilding and shipping industries resulting from geopolitical tensions and tariff-induced market volatility, coupled with peak shipyard repair schedules and substantially higher repair charges at domestic yards, which had inclined overseas shipowners to postpone retrofitting ships.

We remain committed to bolstering our marketing competencies and extending our global reach to customers.

BUSINESS SEGMENT ANALYSIS

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

	2025 *(RMB'000)*	2024 *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in 2025**	Approximate percentage of total revenue in 2024
Marine exhaust gas cleaning systems	**116,234**	287,814	-59.6%	**30.3%**	46.8%
Marine energy-saving devices	**14,665**	64,360	-77.2%	**3.8%**	10.5%
Marine clean-energy supply systems	**84,235**	67,040	25.6%	**22.0%**	10.9%
Maritime services	**168,045**	195,181	-13.9%	**43.9%**	31.8%
	383,179	614,395	-37.6%	**100.0%**	100.0%

Marine exhaust gas cleaning systems serve as a mature revenue stream for the Company, generating revenues of approximately RMB287.8 million in 2024 and approximately RMB116.2 million in 2025. Revenue from marine exhaust gas cleaning system decreased by about 59.6% year-on-year in the Reporting Period, primarily due to the following reasons:

(1) many new orders secured in 2025 are predominantly long-cycle in nature, and accordingly the relevant orders had not been completed and the associated revenue had not been recognised during the Reporting Period;

(2) impacts on China's shipbuilding and shipping industries resulting from geopolitical tensions and tariff-induced market volatility, coupled with peak shipyard repair schedules and substantially higher repair charges at domestic yards, leading many overseas shipowners to postpone vessel retrofit plans.

Marine energy-saving devices revenue decreased from approximately RMB64.4 million in 2024 to approximately RMB14.7 million in 2025, which was mainly due to (i) impacts on China's shipbuilding and shipping industries resulting from geopolitical tensions and tariff-induced market volatility, coupled with the peak repair period at shipyards and significantly higher docking repair prices domestically, leading shipowners to postpone energy-saving devices retrofit plans, which resulted in a notably lower number of such devices delivered by the Company this year compared to 2024 and consequently a significant revenue decline; and (ii) the Company's newly developed marine energy-saving devices such as plate heat exchangers attracting a substantial number of new orders during the Reporting Period, most of which, however, were long-cycle projects that had not yet been delivered or generated revenue within the Reporting Period.

Marine clean-energy supply systems revenue increased by about 25.6%, from approximately RMB67.0 million in 2024 to approximately RMB84.2 million in 2025, due to (i) the gradual implementation of global shipping environmental and carbon reduction regulations, which was driving the increasing adoption of clean fuels such as LNG and methanol. The use and transportation of these low-flashpoint fuels required operations such as tank inerting and purging with nitrogen to ensure safety, thereby continuously boosting market demand for our nitrogen systems; and (ii) the Company's continuous increase in R&D investment in the clean energy sector, which had effectively reduced costs while improving system performance and stability. Both the external market demand and the Company's own technical and cost advantages had led to rapid growth in new order intake, with revenue achieving leapfrog growth as these orders were progressively delivered.

Maritime services revenue decreased from approximately RMB195.2 million in 2024 to approximately RMB168.0 million in 2025. The approximate 13.9% decrease was mainly due to the extended delivery cycle for newbuild vessels, both the contracting and delivery progress of complete sets of lashing equipment having been delayed, leading to a declining trend in the Group's revenue from lashing products.

We will leverage new opportunities created by the International Maritime Organisation ("**IMO**") regulations and marine environmental initiatives to grow revenue across our equipment and systems.

CUSTOMER ANALYSIS

Below is a breakdown of revenue by customers:

	2025 *(RMB'000)*	2024 *(RMB'000)*	**Approximate percentage change**	**Approximate percentage of total revenue in 2025**	Approximate percentage of total revenue in 2024
Customer A	**89,738**	139,522	-35.7%	**23.4%**	22.7%
Customer B	**59,641**	113,595	-47.5%	**15.6%**	18.5%
Customer C	**55,998**	104,294	-46.3%	**14.6%**	17.0%
Customer D	**50,522**	75,532	-33.1%	**13.2%**	12.3%
Other customers	**127,280**	181,452	-29.9%	**33.2%**	29.5%
	383,179	614,395	-37.6%	**100.0%**	100.0%

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.

The revenue from Customer A decreased by approximately RMB49.8 million, or approximately 35.7%, compared to 2024, primarily due to a decline in revenue from lashing equipment products resulting from the extended delivery cycle for newbuild vessels. Revenue from Customer B, Customer C, and Customer D, whose cooperation with the Group was mainly focused on newbuild orders, also decreased, largely attributable to the prolonged delivery cycle for newbuild vessels.

In light of increasing geopolitical tensions, we are proactively diversifying our geographic and customer concentration risks. This includes cultivating partnerships in emerging markets and expanding our portfolio of equipment and systems to meet diverse regional demands and regulatory standards. Concurrently, we are enhancing our local market development and sales outreach to strengthen our brand presence and customer acquisition in key growth areas. Furthermore, we are accelerating innovation through technology adoption to future-proof our offerings, enhance supply chain resilience, and solidify our competitive advantage.

Ultimately, these efforts are designed to build a more resilient and balanced revenue base, securing our long-term market position amid a complex global environment.

RESEARCH AND DEVELOPMENT

As a leading global provider of marine environmental protection equipment and systems, the Group places great emphasis on technological research and development, and takes pride in introducing the following innovative products and services below:

Marine exhaust gas cleaning systems and Carbon capture systems

— Completed the design and delivery of the first complete set of a hybrid marine exhaust gas cleaning system, while optimising five series of tower configurations, achieving a total height reduction of approximately 9%–13%.

— Marine Carbon Capture System: designed specifically for ship emission reduction, this system utilises innovative absorption and separation technologies to collect and liquefy carbon sources from exhaust gases for storage, significantly reducing the vessel's operational carbon footprint. In 2025, the Company successfully implemented the third-generation absorbent and amine solution purification system, extending the lifespan of both absorbents and equipment by up to 50%. This advancement notably lowered the operational costs and maintenance frequency for onboard carbon capture, establishing a core technological engine for the green and low-carbon transformation of the shipping industry.

Marine energy-saving devices

— PowerFoil: Successfully developed the PowerFoil, which is driven by a dual-engine system combining Bernoulli's Principle with AI heading collaborative control, constructing an all-condition, high-efficiency auxiliary propulsion solution. Verified through wind tunnel testing and large-model simulation, the system enables vessels to achieve approximately 15–30% fuel savings, delivering significant energy conservation and emission reduction results.

— Waste Heat Recovery System: the first WHRS100 waste heat recovery system was officially delivered and put into operation onboard a vessel in 2025. This system utilises waste heat generated during the main engine's operation and converts it into electrical energy, effectively reducing the vessel's energy consumption during operation and contributing to energy conservation and emission reduction in the shipping industry. Meanwhile, the Company has carried out system upgrades and optimised the control logic for this product. Faced with various complex operating conditions, the product has demonstrated exceptional adaptability.

Marine clean-energy supply systems

— Stirling Cryogenerator: it is a highly efficient ultra-low temperature refrigeration device that operates on the reverse Stirling cycle principle. It features a compact and small-sized design, making it suitable for the re-liquefaction and recovery of boil-off gas (BOG) in the fuel tanks of dual-fuel vessels, significantly reducing fuel loss. In 2025, the Company's latest product has obtained DNV AIP approval, undergone test bench validation, and completed system commissioning and operation, demonstrating stable performance and excellent reliability.

— Methanol Supply System: this system provides stable, safe, and controllable methanol fuel delivery for equipment using methanol fuel. The Company successfully delivered its first complete set of the product in 2025.

Maritime services

— COIVS (ContiOcean Intelligent Vessel System): it is a comprehensive intelligent solution covering navigation, voyage, engine room operations, and shore-based collaboration for modern large commercial vessels operating in complex scenarios. It builds an integrated intelligent AI platform featuring "perception, decision-making, collaboration, and optimisation," marking a key step for ContiOcean in the field of smart shipping. In 2025, the Company completed the development of the system demo and accomplished onboard installation, commissioning, and trial operation.

Patent Achievements

The Group was successfully granted 16 new patents (including 13 invention patents) in 2025, bringing the total portfolio to 96 patents (including 55 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**
2025 Shanghai Manufacturing Single Champion (Product)	Shanghai Municipal Commission of Economy and Informatization
Specialized, Refined, Distinctive, and Innovative Small and Medium-sized Enterprises Enterprise in Shanghai	Shanghai Municipal Commission of Economy and Informatization
Environmental, Social,and Governance ("**ESG**") Rating: BB	CCX Green Finance International Limited
Environmental, Social,and Governance Rating: A	Wind ESG
ContiOcean (Nantong) E.P. Equipment Co., Ltd.	**Presenting Authority/Association**
National Specialized, Refined, Distinctive and Innovative 'Little Giant' Enterprises"	Ministry of Industry and Information Technology of China

OUTLOOK

The year 2026 marks the beginning of a new journey. We will continue to deepen our core business operations, enhance investment in research and innovation, advance capital initiatives, and accelerate our progress on the path of high-quality development. At the same time, we will remain committed to long-termism, continue to cultivate the field of ESG, empower corporate growth with the concept of green development, and demonstrate brand value through social responsibility.

Though challenges may lie ahead, by staying true to our original aspirations, we will overcome difficulties together and achieve our goals. The future of ContiOcean depends on the joint efforts of every ContiOcean member and investor.

In the new year, may we unite in consensus, share the mission, move forward together, and embark on a new chapter. In 2026, let us carry forward the past glory and confidence, unite our hearts, and stride together toward a brilliant future for ContiOcean.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

		Year ended 31 December,	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
Revenue	*4*	**383,179**	614,395
Cost of sales		**(265,151)**	(368,625)
Gross profit		**118,028**	245,770
Other income	*6*	**8,979**	7,365
Other gains and losses, net	*7*	**(5,573)**	4,330
Distribution and selling expenses		**(29,270)**	(40,003)
Administrative expenses		**(44,521)**	(43,788)
Research and development expenses		**(17,587)**	(27,169)
Listing expenses		**(21,507)**	(377)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(777)**	(2,218)
Finance costs	*8*	**(3,315)**	(1,017)
Profit before tax	*9*	**4,457**	142,893
Income tax expense	*10*	**(212)**	(22,627)
Profit for the year		**4,245**	120,266
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(2,489)**	412
Other comprehensive (expense) income for the year, net of income tax		**(2,489)**	412
Total comprehensive income for the year		**1,756**	120,678

		Year ended 31 December,	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
Profit (loss) for the year attributable to:			
Owners of the Company		**5,637**	120,891
Non-controlling interests		**(1,392)**	(625)
Profit for the year		**4,245**	120,266
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**1,728**	121,530
Non-controlling interests		**28**	(852)
		1,756	120,678
EARNINGS PER SHARE			
Basic *(in RMB)*	*11*	**0.14**	4.03
Diluted *(in RMB)*	*11*	**0.14**	4.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		At 31 December	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
Non-Current Assets			
Property, plant and equipment		**43,635**	46,781
Right-of-use assets		**9,721**	8,412
Goodwill		**8,459**	8,710
Other intangible assets		**598**	303
Deferred tax assets		**4,527**	1,702
Restricted bank deposits		**1,118**	1,172
		68,058	67,080
Current Assets			
Inventories		**57,879**	28,649
Trade and notes receivables	*13*	**100,336**	89,482
Other receivables		**194,352**	76,135
Contract assets		**1,701**	1,776
Contract costs		**4,273**	9,459
Tax recoverable		**338**	–
Financial assets at fair value through profit or loss ("**FVTPL**")	*14*	**136,770**	19,768
Term deposits with an original maturity over three months but within one year		**–**	21,565
Restricted bank deposits		**34,556**	6,303
Cash and cash equivalents		**215,418**	133,402
		745,623	386,539

		At 31 December	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
Current Liabilities			
Trade and notes payables	*15*	**75,602**	55,684
Other payables		**24,194**	32,188
Bank borrowings		**147,950**	9,950
Income tax payable		**975**	4,335
Lease liabilities		**1,990**	1,396
Provisions		**2,765**	4,109
Contract liabilities		**66,313**	31,181
		319,789	138,843
Net Current Assets		**425,834**	247,696
Total Assets Less Current Liabilities		**493,892**	314,776
Capital and Reserves			
Share capital		**40,000**	30,000
Shares held for restricted share scheme		**(14,106)**	–
Reserves		**463,363**	252,422
Equity attributable to owners of the Company		**489,257**	282,422
Non-controlling interests		**2,649**	1,810
Total Equity		**491,906**	284,232
Non-Current Liabilities			
Deferred tax liability		**502**	–
Bank borrowings		**–**	30,000
Lease liabilities		**1,484**	544
		1,986	30,544
		493,892	314,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 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 and delisted on NEEQ in August 2025. 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 in the PRC of the Company are Room 1101, No. 2 Maji Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC. As at the date of this announcement, the Company is controlled by Mr. Zhou Yang (the Chairman), Mr. Zhao Mingzhu (executive director of the Company) and Mr. Chen Zhiyuan (executive director of the Company), who act in concert in accordance with the Concert Party Agreement entered into among them on 13 October, 2022 (the "**Controlling Shareholders**").

The Company and its subsidiaries (collectively, 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 Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard issued by the International Accounting Standard Board ("**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 consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to the IFRS Accounting Standard in the current year 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 the consolidated financial statements.

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 IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-Dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sales 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[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

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, 2026.
3 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 new and 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*. IFRS 18 *Presentation and Disclosure in Financial Statements*, 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; provides disclosures on management-defined performance measures ("**MPMs**") 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 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and the consequential amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have a significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. 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 ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The directors of the Company have assessed the Group's ability to continue as a going concern at the time of approving these consolidated financial statements. Based on this assessment, the directors of the Company have a reasonable expectation that the Group has sufficient resources to continue its operations and to meet its obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

4. REVENUE

Disaggregation of revenue from contracts with customers

The Group's revenue streams are categorised as follows:

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Type of goods or services		
Marine exhaust gas cleaning systems	**116,234**	287,814
Marine energy-saving devices	**14,665**	64,360
Marine clean-energy supply systems	**84,235**	67,040
Maritime services	**168,045**	195,181
	383,179	614,395

(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 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 sale of equipment or systems involves design, manufacture and delivery of the tailor-made products, and installation, commissioning and system testing on the customers' marine vessels. Since the customers cannot benefit from part of the process, each of the contract for sale of 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 of the promised good is transferred upon the award of the sea trial report following the completion of commissioning and trials being obtained, representing the timing when the customers can direct the use of the products and the Group has attained the enforceable rights to the contract consideration. 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: (i) ship interior decoration services for design and decoration of the ship's living quarters, with revenue of RMB70,559,000 for the year ended 31 December 2025 (2024: RMB96,716,000); (ii) other products and maritime services, mainly including containership and PCTC lashing gears products sales, with revenue of RMB97,486,000 for the year ended 31 December 2025 (2024: RMB98,465,000).

Revenue from ship interior decoration services is recognised on over time basis because the Group's performance creates or enhances the ship that the customer controls as the work progresses. Progress towards satisfaction of the performance obligation is measured using an input method, based on the proportion of costs incurred to date relative to the estimated total costs required to fulfil the contract. Abnormal or inefficient costs (such as rework or wasted materials) are excluded from the measure of progress. For the supply of container fixed and loose fittings related equipment and systems, it involves design, manufacture and supply of the products in accordance with the requirements of technical specifications, industry practices or standards and classification of society rules and regulations. Revenue is recognised at a point in time when the control of the products has been transferred to the customers, which typically occurs when the products have been delivered to the customer and have been inspected and accepted in accordance with the contract terms.

The Group normally requires advance and progress payments at a particular percentage of the contract value 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 warranty 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, presented by geographical region, determined based on the domicile location of the external customers, are as follows:

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Mainland China	**221,835**	311,662
Hong Kong	**7,213**	46,391
Singapore	**102,734**	214,409
United Kingdom	**20,822**	18,196
United States	**14,364**	1,625
Others	**16,211**	22,112
	383,179	614,395

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time	**312,620**	517,679
Over time	**70,559**	96,716
	383,179	614,395

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 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 as a whole prepared based on the same material accounting policies and no further analysis of the single operating 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,	
	2025	2024
	RMB'000	*RMB'000*
Customer A	**89,738**	139,522
Customer B	**59,641**	113,595
Customer C	**55,998**	104,294
Customer D	**50,522**	75,532
	255,899	432,943

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,	
	2025	2024
	RMB'000	*RMB'000*
Mainland China	**60,618**	64,179
Overseas	**1,795**	27
	62,413	64,206

6. OTHER INCOME

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Government grants related to income *(Note)*	**3,638**	2,451
Interest income on bank deposits	**5,134**	4,914
Others	**207**	–
	8,979	7,365

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, NET

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Net foreign exchange (losses) gains	**(8,764)**	4,371
Loss on disposal of equipment	**–**	(158)
Fair value gains of financial assets at FVTPL	**3,243**	–
Others	**(52)**	117
	(5,573)	4,330

8. FINANCE COSTS

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Interest expenses on borrowings	**3,179**	905
Interest expenses on lease liabilities	**136**	112
	3,315	1,017

9. PROFIT BEFORE TAX

Profit before tax has been charged and credited by the following:

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Profit before tax for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	**4,198**	4,556
Depreciation of right-of-use assets	**2,512**	1,558
Amortisation of other intangible assets	**256**	74
	6,966	6,188
Changes in amount capitalised in inventories, net	**(1,611)**	106
	5,355	6,294
Sales commissions (included in distribution and selling expenses)	**12,546**	25,478
Legal and professional fees (included in administrative expenses)	**5,747**	8,746
Listing expenses (Note iii)	**21,507**	–
Auditor's remuneration	**926**	4,660
— capitalised in deferred issue cost	**–**	2,980
Directors and supervisors' remuneration	**12,256**	13,685
Other staff costs:		
— Salaries, bonus and other allowances	**34,345**	30,349
— Retirement benefit scheme contributions	**2,538**	2,077
— Equity-settled share-based payment expenses	**898**	3,195
	50,037	49,306
Changes in amount capitalised in inventories, net	**(943)**	1,704
	49,094	51,010
Sub-contractor costs (included in cost of sales)	**21,807**	34,043
Cost of inventories sold (Note i)	**243,344**	334,582
Reversal of write-down of inventories, net	**(3)**	(1,570)

Notes:

(i) For the year ended 31 December, 2025, cost of inventories sold mainly represented cost of raw materials and equipment components purchased from external suppliers amounting to RMB238,408,000 (2024: RMB330,457,000), together with capitalised staff costs and depreciation and amortisation expenses.

(ii) For the year ended 31 December 2025, the Group incurred research and development expenses of RMB17,587,000 (2024: RMB27,169,000), all of which were charged to profit or loss as they did not meet the criteria for capitalisation. These expenses are mainly included in the various expense categories above, and mainly consist of the following as part of the research and development expenses:

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Research and development expenses:		
Depreciation of property, plant and equipment	**255**	242
Amortisation of other intangible assets	**190**	40
Staff costs	**9,083**	12,292
Fees for research and development services provided by external third parties at their own facilities	**2,952**	2,146
Cost of inventories used for research and development activities	**3,446**	11,407

(iii) During the initial public offering process of the Company that resulted in the Company's H shares becoming listed on The Stock Exchange of Hong Kong Limited on 9 January, 2025, the Company incurred legal and professional fees amounted to RMB20,083,000 (mainly including lawyers' fees of RMB12,347,000, sponsors' fees of RMB3,460,000, IPO reporting accountants' fees of RMB2,532,000), financial printer's fees of RMB1,329,000 and underwriting fees of RMB8,734,000. The total IPO costs incurred by the Company amounted to RMB37,266,000, of which the incremental IPO costs which were directly attributable to issuing new H-Shares of the Company during the IPO process were determined to amount to RMB15,759,000 and were accounted for as a deduction from equity. The remaining IPO costs of RMB21,507,000 have been charged in consolidated profit or loss as listing expenses.

10. INCOME TAX EXPENSE

	Year ended 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Income tax expenses comprise:		
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**1,002**	14,279
Hong Kong Profits tax	**1,111**	2,023
Singapore Income tax	**466**	1,582
	2,579	17,884
(Over) under provision in respect of prior years	**(45)**	3,010
Deferred tax	**(2,322)**	1,733
	212	22,627

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% from year 2025 to 2027. Besides, ContiOcean (Nantong) E.P. Equipment Co., Ltd. ("**ContiOcean Nantong**"), a wholly-owned subsidiary of the Company, has been accredited as a HNTE in December 2025, and subjected to the preferential income tax rate of 15% from 2025 to 2027.

Under the two-tiered profits tax rates regime in Hong Kong, the first Hong Kong Dollar ("**HK$**") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5% for the years ended 31 December, 2025 and 2024.

The tax rate used by the subsidiaries in Singapore is 17% during the years ended 31 December, 2025 and 2024. The subsidiaries in Singapore enjoy a 75% exemption on the first Singapore dollar ("**SGD**") 10,000 of taxable income and a further 50% exemption on the next SGD190,000 of taxable income during the years ended 31 December, 2025 and 2024.

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

11. 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,	
	2025	2024
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company	**5,637**	120,891

	Year ended 31 December,	
	2025	2024
	'000	*'000*
Weighted average number of ordinary shares in issue	**39,789**	30,000

For the year ended 31 December 2025, the weighted average number of ordinary shares in issue for the purpose of basic earnings per share has excluded 490,000 shares purchased for the restricted share scheme adopted in August 2025.

The computation of diluted earnings per share for the years ended 31 December, 2025 and 2024 does not assume the exercise of the Company's options granted under a share option scheme adopted in 2024 (the "**Pre-IPO Share Option Scheme**"), because the performance conditions included were not satisfied as at 31 December, 2025 and 2024.

12. DIVIDENDS

	Year ended 31 December,	
	2025	2024
	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	**–**	48,000
2024 special dividend: RMB1.6 per ordinary share	**–**	48,000
2024 final dividend: RMB1.5 per ordinary share	**60,000**	–
	60,000	96,000

The board of directors of the Company does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: final dividend of RMB1.50 per share).

13. TRADE AND NOTES RECEIVABLES

	At 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**82,246**	84,446
Less: allowance for ECL	**(4,831)**	(4,226)
Trade receivables, net	**77,415**	80,220
Notes receivables *(Note i)*	**22,921**	9,262
	100,336	89,482

The Group normally grants a credit period of 30 to 90 days from the date when the revenue were recognised.

Note:

i. All the Group's notes receivables are letters of credit issued by banks on behalf of customers.

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,	
	2025	2024
	RMB'000	*RMB'000*
0–30 days	**47,260**	47,232
31–90 days	**11,306**	30,035
91–180 days	**6,415**	2,775
181–365 days	**6,141**	151
Over 365 days	**6,293**	27
	77,415	80,220

The Group does not hold any collateral over these balances.

The maturity date of the notes receivables is generally within 1 month.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Financial assets at FVTPL	**136,770**	19,768

During the year ended 31 December 2025, the Group subscribed to five (2024: one) wealth management products, that mainly represent short-term and high-quality monetary market instruments, issued by China Rock Fund SPC, North Rock Fund SPC, Vanguard Fund SPC, Prudent Wealth Global Fund SPC and LSC Stable Income LPF (collectively the "**Fund Issuers**"), all of them are independent third parties, for a total of US$19,000,000 (equivalent to approximately RMB133,547,000) (2024: Prudent Wealth Global Fund SPC of US$2,750,000 (equivalent to approximately RMB19,768,000)).

As at 31 December 2025, the fair value of the wealth management products held by the Group amounted to US$19,650,000 (equivalent to approximately RMB136,770,000) (2024: US$2,750,000 (equivalent to approximately RMB19,768,000)).

According to the terms of subscriptions of the wealth management products, the underlying investment portfolio of the wealth management products mainly includes short-term and high-quality monetary market instruments such as United States Treasury securities with remaining maturities of less than one year, and cash and cash equivalents. Except for LSC Stable Income LPF, the remaining wealth management products carry expected annual return rate from 1.0% to 4.5% (2024: 1.0% to 4.5% for Prudent Wealth Global Fund SPC). As at 31 December, 2025 and 2024, the Group had not pledged any of its investments in the wealth management products.

In January and March 2026, the Group exercised the redemption rights embedded in the wealth management products by issuing redemption notices to the Fund Issuers of the wealth management products, and the respective principal amounts of the wealth management products were received by the Group in January and March 2026.

15. TRADE AND NOTES PAYABLES

	At 31 December,	
	2025	2024
	RMB'000	*RMB'000*
Trade payables *(Note i)*	**71,751**	40,822
Notes payable *(Note ii)*	**3,851**	14,862
	75,602	55,684

Notes:

(i) The average credit period on purchases of goods and services of the Group is within 120 days (2024: 120 days).

(ii) These relate to trade payables in respect of which the Group has arranged for the issuance of letters of credit and bank acceptance bills by banks in favour of the relevant suppliers as settlement instruments for trade payables incurred in the ordinary course of business. Under these arrangements, the suppliers may obtain payment from the banks on the maturity dates of the letters of credit or bank acceptance bills, subject to the presentation of complying documents, and the Group is obliged to make payments to the relevant banks on the due dates of the bills in accordance with the original terms agreed with the suppliers without any extension of payment terms. The Group continues to recognise these balances as notes payables, as the use of letters of credit and bank acceptance bills does not change the nature or timing of the underlying payment obligations and represents credit enhancement or settlement mechanisms only. In the consolidated statement of cash flows, settlements of these letters of credit and bank acceptance bills by the Group are included within operating cash flows, consistent with the nature of the arrangements.

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,	
	2025	2024
	RMB'000	*RMB'000*
0–90 days	**51,546**	8,986
91–180 days	**5,311**	19,394
181–365 days	**10,262**	9,204
Over 365 days	**4,632**	3,238
	71,751	40,822

The maturity date of the notes payable is generally between 1 to 6 months.

FINANCIAL REVIEW

Revenue

During the Year, the Group's revenue amounted to approximately RMB383.2 million, decreased by approximately RMB231.2 million or approximately 37.6% as compared to that of approximately RMB614.4 million in 2024. The decrease in revenue was mainly from the decrease in revenue from marine exhaust gas cleaning systems, marine energy-saving devices 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 approximately RMB118.0 million, decreased by approximately RMB127.8 million or approximately 52.0%, mainly due to the decreases in gross profit of marine exhaust gas cleaning systems from approximately RMB142.2 million in 2024 to approximately RMB43.3 million in 2025.

Our overall gross profit margin decreased from approximately 40.0% in 2024 to approximately 30.8% in 2025, mainly due to the fierce market competition for marine exhaust gas cleaning systems and marine energy-saving devices, which had led to an overall decline in market selling prices.

Other income

The Group's other income amounted to approximately RMB9.0 million in 2025, increased by approximately RMB1.6 million or 21.6% as compared to that of approximately RMB7.4 million in 2024, mainly due to (i) the increased government grants related to income, which was approximately RMB3.6 million in 2025, compared to approximately RMB2.5 million in 2024; and (ii) the increase in the Group's capital scale this year, more bank interest income was generated by subscribing to term deposits and bank wealth management products with idle funds.

Other gains and losses, net

The Group recorded a gain of approximately RMB4.3 million in 2024 and a loss of approximately RMB5.6 million in 2025 for other gains and losses, net, primarily due to (i) net foreign exchange gains of approximately RMB4.4 million recorded in 2024, compared to the net foreign exchange losses of approximately RMB8.8 million incurred in 2025. This was mainly due to foreign exchange rate fluctuation impacting the listing proceeds that were demomiated in HK dollars and U.S. dollars; and (ii) in 2025, the Group subscribed to principal-guaranteed wealth management products using idle funds, generating a fair value gain of approximately RMB3.2 million.

Distribution and selling expenses

The Group's distribution and selling expenses amounted to approximately RMB29.3 million in 2025, decreased by approximately RMB10.7 million or approximately 26.8% from that of approximately RMB40.0 million in 2024. The decrease was primarily due to the reduction in selling commission expenses from approximately RMB25.5 million in 2024 to approximately RMB12.5 million in 2025, in line with the decrease in revenue.

Administrative expenses

The Group's administrative expenses amounted to approximately RMB44.5 million in 2025, slightly increased by approximately RMB0.7 million or approximately 1.6% from that of approximately RMB43.8 million in 2024.

Research and development expenses

The Group's research and development ("**R&D**") expenses amounted to approximately RMB17.6 million in 2025, decreased by approximately RMB9.6 million or approximately 35.3% from approximately RMB27.2 million in 2024. This decrease was primarily due to the a decrease in direct materials inputs for R&D from approximately RMB11.4 million in 2024 to approximately RMB3.4 million in 2025, which was because the Group conducted intensive prototype trial production activities in the second half of 2024, leading to increased demand for material costs. The production and manufacturing of prototypes for certain new product developments this year were scheduled to be completed in 2026, with associated material inputs.

Listing expenses

The Group's listing expenses amounted to approximately RMB21.5 million in 2025 which represent one-off expenses incurred in connection with the listing of the Company's H Shares on the Stock Exchange in January 2025, and should be recognised as expenses in accordance with the relevant accounting standards for the year ended 31 December 2025.

Impairment losses under expected credit loss ("ECL") model, net of reversal

The Group's impairment losses under the ECL model, net of reversal, amounted to approximately RMB0.8 million in 2025, decreased by approximately RMB1.4 million or approximately 63.6% as compared to approximately RMB2.2 million in 2024. The decrease was mainly due to the balance of trade receivables as of the end of 2025 only had a slight change compared to the end of 2024, while the balance as of the end of 2024 had increased significantly relative to the end of 2023.

Finance costs

The Group's finance costs amounted to approximately RMB3.3 million in 2025, increased by approximately RMB2.3 million or 230.0% as compared to approximately RMB1.0 million in 2024. The increase in finance costs was primarily due to the higher average balance of our bank borrowings in 2025 as compared to 2024.

Income tax expense

Our income tax expense decreased by approximately 99.1% from approximately RMB22.6 million in 2024 to approximately RMB0.2 million in 2025. The decrease in the income tax expense was mainly attributable to a reduction in the Group's pre-tax profit.

Profit for the Year

As a result of the foregoing, the Group's profit for the Year amounted to approximately RMB4.2 million, decreased by approximately RMB116.1 million or approximately 96.5% as compared to approximately RMB120.3 million in 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 31 December 2025, the Group's property, plant and equipment amounted to approximately RMB43.6 million, decreased by approximately RMB3.2 million or approximately 6.8% from approximately RMB46.8 million as at 31 December 2024. The decrease was mainly due to depreciation in 2025.

Inventories

Our inventories primarily consisted of (i) raw materials and consumables such as stainless-steel plates and stainless-steel pipes, (ii) work in progress, representing products (including marine desulfurization systems, clean energy supply systems, and marine energy-saving devices) at various stages of the production process prior to the completion of quality inspection, and (iii) finished goods, i.e. products that were manufactured, completed quality inspection processes and were ready to be delivered.

The Group's inventories amounted to approximately RMB57.9 million as at 31 December 2025, increased by approximately RMB29.3 million or approximately 102.4% as compared to approximately RMB28.6 million as at 31 December 2024. The increase was primarily due to the Group's new shipbuilding orders had entered an intensive delivery phase, especially as orders for marine exhaust gas cleaning systems were being transported to shipyards for installation and commissioning, resulting in a significant increase in the inventory level.

Trade and notes receivables, and other receivables

Our trade and notes receivables, and other receivables mainly consisted of (i) trade receivables, less allowance for expected credit losses, in connection with the outstanding amounts due from customers, (ii) notes receivable, all are letters of credit issued by banks on behalf of customers, and (iii) other receivables comprise of prepayments, deferred issue costs, value-added-tax ("**VAT**") recoverable, VAT export refund receivable, rental deposits, letter of credit deposits, deposits paid, and fund held by trustee for restricted share scheme.

The Group's trade and notes receivables, and other receivables amounted to approximately RMB294.7 million as at 31 December 2025, increased by approximately RMB129.1 million or 78.0% as compared to approximately RMB165.6 million as at 31 December 2024, which was mainly due to the following reasons:

(i) prepayments for purchase of materials and operating expenses increased by approximately RMB108.6 million from approximately RMB31.6 million as of 31 December 2024, to approximately RMB140.2 million as of 31 December 2025, primarily attributable to prepaid amounts for procurement contracts, collaborative R&D fees, and consulting service fees;

(ii) the deposits mainly represented a USD5,500,000 (equivalent to approximately RMB38,658,000) refundable deposit paid to a cooperating party under an arrangement entered into by the Group for the cooperating party to procure vessels for the Group under the Group's collaborative vessel acquisition arrangements. Such deposit is refundable prior to the cooperating party's payment for any vessel acquisition.

(iii) the Group's plan to implement the 2025 H share restricted share scheme, entrusting a qualified trust manager as the trustee to establish a trust for this purpose, with an advance of approximately RMB12.2 million to the trust remaining unused for share purchases as of 31 December 2025; and

(iv) as at 31 December 2024, the remaining balance of listing expenses paid by the Group in connection with the global offering amounted to RMB27.4 million. Such issuance costs had been fully settled, with no remaining balance as at the end of 2025.

Financial assets at fair value through profit or loss

As at 31 December 2025, the Group's financial assets at fair value through profit or loss amounted to approximately RMB136.8 million (2024: RMB19.8 milion). These financial assets represent the Group's subscriptions in wealth management products issued by independent third parties.

According to the terms of subscription, the underlying investment portfolio of these wealth management products mainly consists of short-term and high-quality money market instruments, such as United States Treasury securities with remaining maturities of less than one year, and cash and cash equivalents.

Except for LSC Stable Income LPF, which has no expected annual return rate, the remaining wealth management products carry expected annual return rates ranging from 1.0% to 4.5% (2024: 1.0% to 4.5% for Prudent Wealth Global Fund SPC). For LSC Stable Income LPF, the directors of the Company anticipate the expected annual return rate to range from 1% to 3% (2024: Nil).

Restricted bank deposits

Our restricted bank deposits represent margin funds held with banks for purposes such as bank guarantees, letters of credit, bank acceptance bills, and subscribing to bank wealth management products. The Group's restricted bank deposits increased by approximately RMB28.2 million from approximately RMB7.5 million as of 31 December 2024, to approximately RMB35.7 million as of 31 December 2025. This increase was mainly due to margin deposits required for bank wealth management products subscribed by the Group. Although the wealth management products matured at the end of 2025, the corresponding bank deposit was not released in a timely manner. This deposit was subsequently released and became unrestricted in early 2026.

Cash and cash equivalents

The Group's cash and cash equivalents increased by approximately RMB82.0 million or approximately 61.5% from approximately RMB133.4 million as at 31 December 2024 to approximately RMB215.4 million as at 31 December 2025. The increase was primarily due to proceeds from the Group's H-share issuance.

Trade and notes payables, and other payables

The Group's trade and notes payables, and other payables increased by approximately RMB11.9 million or approximately 13.6% from approximately RMB87.9 million as at 31 December 2024 to approximately RMB99.8 million as at 31 December 2025. The increase was mainly due to the trade payables increased from approximately RMB40.8 million as of 31 December 2024, to approximately RMB71.8 million as of 31 December 2025, due to our ongoing negotiations with suppliers to extend payment terms.

Contract liabilities

The Group's contract liabilities amounted to approximately RMB66.3 million as at 31 December 2025, increased by approximately 112.5% as compared to approximately RMB31.2 million as at 31 December 2024. The increase was primarily due to the Company's new shipbuilding orders entering an intensive delivery phase, where the goods have been transported to shipyards for installation and commissioning, and the Company collects contract payments upon shipment.

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 from approximately RMB133.4 million as of 31 December 2024 to approximately RMB215.4 million as of 31 December 2025. The increase was primarily due to proceeds from the Group's H-share issuance.

ORDER BOOK

Our order backlog (by order number and value) as at 31 December 2025 are as follows:

(i) Marine exhaust gas cleaning systems: we had 226 orders on hand as of 31 December 2025, including 73 orders for ship exhaust gas cleaning systems and 153 orders for spare parts, with a total contract value of RMB328.0 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 55 orders on hand with a total contract value of RMB48.9 million as of 31 December 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 90 orders on hand with a total contract value of RMB123.6 million as of 31 December 2025 (70 orders on hand with a total contract value of RMB148.6 million as of 31 December 2024).

(iv) Maritime services: we had 518 orders on hand with a total contract value of RMB382.4 million as of 31 December 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 approximately RMB41.9 million as of 31 December 2024 to approximately RMB151.5 million as of 31 December 2025. It was primarily attributable to increase of bank borrowings.

PLEDGE OF ASSETS

As of 31 December 2025, the Group did not pledge any assets.

CONTINGENT LIABILITIES

As of 31 December 2025, we did not have any material contingent liabilities.

CAPITAL COMMITMENT

As at 31 December 2025, the Group had capital commitments totaling of US$28,750,000 (equivalent to approximately RMB202,078,000) in respect of the acquisition of vessels, which were contracted but not provided for.

On 15 December 2025, two subsidiaries of the Group entered into separate Memoranda of Agreement to acquire two vessels at an aggregate purchase price of US$28,750,000 (equivalent to approximately RMB202,078,000). The transactions are subject to certain conditions, including shareholder approval, approval from the Stock Exchange and other regulatory bodies, and the approval for overseas direct investment ("**ODI**").

Pursuant to the agreements, aggregate deposits of US$5,750,000 (equivalent to approximately RMB40,416,000) were required to be paid within three calendar weeks after the execution of the agreements. As at 31 December 2025, these deposits had not yet been paid, and were subsequently paid in January 2026, totaling US$5,750,000 (equivalent to approximately RMB40,416,000).

MATERIAL ACQUISITIONS AND DISPOSALS

The Group has entered into the Memoranda of Agreement on 15 December 2025 for the acquisition of the Vessels at a consideration of US$28,750,000 (approximately RMB202,078,000) in aggregate. The Transaction represents the vessel acquisition as contemplated in the prospectus of the Company dated 31 December 2024 and are estimated to be concluded in the first half of 2026.

Besides that, 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 31 December 2025, the Group had a total workforce of 133 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.

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 of directors of the Company did not recommend or declare the payment of final dividend for the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**AGM**") is scheduled to be held on 22 May 2026. 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 19 May 2026 to 22 May 2026 (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 18 May 2026. The record date for determining the entitlement of the members of H Shares of the Company to attend and vote at the AGM will be 22 May 2026.

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, the PRC.

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 "**Listing Date**"), the Corporate Governance Code was not applicable to the Company prior to the Listing Date. To the best of the Directors' knowledge, save for the sufficiency of public float as disclosed below, 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.

The trustee of the Company's 2025 H share restricted share scheme purchased a total of 490,000 H shares of the Company on the Stock Exchange at a total consideration of about HK$15.5 million pursuant to the terms of the scheme and trust deed of the scheme in the Reporting Period.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed the Company's listed securities during the year ended 31 December 2025.

REVIEW OF ANNUAL RESULTS

The consolidated financial results of the Group for the year ended 31 December 2025 has been audited by the Company's auditor, Fan, Chan & Co. Limited, 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 2025, consolidated statement of profit or loss and other 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, Fan, Chan & Co. Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year as approved by the Board on 31 March 2026. The work performed by Fan, Chan & Co. Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by Fan, Chan & Co. Limited on preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

With reference to the announcements of the Company dated 4 March 2026 and 24 March 2026 (the "**Announcements**") and as at the date of this announcement, the public float of the Company is approximately 22.73%, which is below the minimum percentage of 25% as prescribed under Rule 19A.28B(1)(a) of the Listing Rules. This shortfall arose because 910,000 H shares, representing approximately 2.28% of the Company's total issued shares as at the date hereof, are held by OCEAN YIELDS ENTERPRISES LIMITED ("**Ocean Yields**"), which is wholly-owned by CMB WING LUNG (TRUSTEE) LIMITED ("**CMB Wing Lung Trustee**"), the trustee of the 2025 H Share Restricted Share Scheme adopted by the Company on 1 August 2025 (the "**Share Award Scheme**") for eligible participants who are non-core connected persons. These shares have not yet been granted to any participants and are therefore not regarded as part of the public float.

To restore the public float of the Company as soon as possible, the Company is considering various measures which were disclosed in the Announcements.

Based on the proposed measures for restoring the public float as disclosed in the Announcements, the Company expects to comply with the prescribed minimum threshold stipulated under Rule 19A.28B(1)(a) of the Listing Rules on or before the end of August 2027.

For so long as the Company remains non-compliant with the provisions of Rule 19A.28B of the Listing Rules, the Company will continue to: (i) provide regular updates on the status of its public float and the progress of its restoration plan (including publish monthly announcements in accordance with the Listing Rules until the public float is restored) to keep the Shareholders and the market informed of the progress; and (ii) comply with other requirements under Rule 19A.28E of the Listing Rules as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The supervisory committee was approved to be abolished by the 2026 first extraordinary general meeting on 6 January 2026.

Save as disclosed above, no significant event of the Group occurred subsequent to the Reporting Period.

PUBLICATION OF THE ANNUAL RESULTS AND 2025 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 2025 (the "**2025 Annual Report**") 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, 31 March 2026

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.