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

INTERIM REPORT 2026

Contents

Definitions

In this Interim Report, the following expressions shall have the meanings set out below, unless the context otherwise requires:

"Adoption Date"	1 August 2025, being the date on which the Scheme is approved and adopted by the Shareholders
"Affiliate(s)"	shall include the following: (a) any direct or indirect holding company of the Company; (b) any direct or indirect subsidiary of any company included in (a) above; and (c) any associated company of the Company, but excluding any members of the Group
"Announcement and Circular"	the announcement and circular of the Company both dated 2 July 2026 in respect of the change in use of proceeds
"Articles of Association" or "Articles"	the articles of association of the Company adopted on 27 July 2024, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Award Letter"	the letter issued by the Company to each Participant in such form as the Board or the Committee may from time to time determine, specifying the grant terms, including the date of grant, the manner of acceptance of the Awards, the number of restricted Shares underlying the Awards, the vesting dates and conditions, the grant price (if applicable) and such other details, terms and conditions as they may consider necessary and in compliance with the Scheme
"Awards"	the awards granted by the Board or the Committee to an Eligible Participant pursuant to the Scheme
"Board of Directors" or "Board"	the board of Directors
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board

"Co-founders"	Mr. Zhou Yang, Mr. Zhao Mingzhu and Mr. Chen Zhiyuan
"Committee"	means the person(s) from time to time delegated by the Board with the power and authority to administer the Scheme
"Company" or "our Company" or "the Company"	ContiOcean Environment Tech Group Co., Ltd. (上海匯舸環保科技集團股份有限公司) (stock code: 2613), a joint stock company incorporated in the PRC with limited liability
"Concert Party Agreement"	the concert party agreement (一致行動人協議書) dated 13 October 2022 entered into among Mr. Zhou Yang, Mr. Zhao Mingzhu and Mr. Chen Zhiyuan
"ContiOcean Development"	ContiOcean Corporate Development LLP (上海匯舸企業發展合夥企業(有限合夥)), formerly known as Huzhou ContiOcean Equity Investment Partnership (LP) (湖州匯舸股權投資合夥企業(有限合夥)) and ContiOcean (Huzhou) Corporate Management Partnership (LP) (匯舸(湖州)企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on 21 May 2021 and our employee shareholding platform, with its general partner being ContiOcean Industrial
"ContiOcean Industrial"	ContiOcean (Nantong) Environment Industrial Holdings Co., Ltd. (匯舸(南通)環保產業控股有限公司), a limited liability company established in the PRC on 14 May 2021 and controlled by our Co-founders
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Date of Grant"	means the date on which the Board or the Committee resolves to make an offer of an Award to an Eligible Participant, which date must be a business day
"Deed of Non-Competition Undertaking"	a deed of non-competition undertaking dated 12 October 2023, which was entered into by each of Mr. Zhou Yang, Mr. Zhao Mingzhu and Mr. Chen Zhiyuan in favour of the Company
"Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive directors

"Eligible Participant(s)"	persons who are eligible to participate in, and be granted Awards under, the Scheme
"Employee Participant(s)"	any employee (excluding core connected persons) of the Company and any of its subsidiaries (each such person being an "Employee Participant")
"ECL"	expected credit loss
"ESG"	environment, social and governance
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "our", "we", or "us"	the Company and its subsidiaries, or any one of them as the context may require or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"H1 2025"	the six-month period from 1 January 2025 to 30 June 2025
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars", "HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Public Offering"	has the meaning ascribed to it in the Prospectus
"IFRS"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"International Offering"	has the meaning ascribed to it in the Prospectus
"LFSS"	low-flashpoint fuel supply system
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	9 January 2025, the date on which the H Shares were initially listed on the Hong Kong Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented, or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Other Participant(s)"	means any person or entity (excluding core connected persons) other than the Employee Participants, the Related Entity Participants and the Service Providers, whom the Board or the Committee in its sole discretion considers may contribute or have contributed to the Group (including but not limited to any consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate of the Group)
"Participants"	the participants of the Pre-IPO Share Option Scheme
"PRC", "China" or "Mainland China"	the People's Republic of China, but for the purpose of this Interim Report and for geographical reference only and except where the context requires otherwise, such references in this Interim Report do not apply to Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme which came into effect on 27 July 2024
"Prospectus"	the prospectus of the Company dated 31 December 2024
"R&D"	research and development
"Related Entity Participant(s)"	any employee of the Affiliates (each such person being a "Related Entity Participant")
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period" or the "Period" or "H1 2026"	the six-month period from 1 January 2026 to 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme" or "2025 H Share Restricted Share Scheme"	the 2025 H Share Restricted Share Scheme adopted by the Company

"Service Provider(s)"	means any person (including any entity) that provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group including but not limited to person(s) who work for any member of the Group as independent contractors (such as agents, distributors, contractors, vendors, suppliers, advisers, consultants and other service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Trust"	the trust constituted or to be constituted by the Trust Deed
"Trust Deed"	a trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the 2025 H Share Restricted Share Scheme
"Trustee"	the trustee (which is independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the Scheme or any additional or replacement trustee
"U.S." or "United States"	the United States of America, its territories, its possessions, and all areas subject to its jurisdiction
"USD" or "US$"	United States dollars, the lawful currency of the United States
"VAT"	value-added-tax
"WMP(s)"	wealth management product(s)
"%"	per cent

Corporate information

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Yang *(Chairman)*
Mr. Zhao Mingzhu
Mr. Chen Zhiyuan
Mr. Chen Rui
Mr. Shu Wa Tung, Laurence (resigned with effect from 1 June 2026)

Independent Non-executive Directors

Mr. Zhu Rongyuan
Dr. Guan Yanmin
Ms. Kung Man (appointed with effect from 17 July 2026)
Ms. Ng Sin Kiu (resigned with effect from 17 July 2026)

AUDIT COMMITTEE

Mr. Zhu Rongyuan *(Chairman)*
Dr. Guan Yanmin
Ms. Kung Man (appointed with effect from 17 July 2026)
Ms. Ng Sin Kiu (resigned with effect from 17 July 2026)

REMUNERATION COMMITTEE

Dr. Guan Yanmin *(Chairman)*
Mr. Zhao Mingzhu (appointed with effect from 1 June 2026)
Mr. Zhu Rongyuan
Mr. Shu Wa Tung, Laurence (resigned with effect from 1 June 2026)

NOMINATION COMMITTEE

Mr. Zhu Rongyuan *(Chairman)*
Mr. Zhou Yang
Ms. Kung Man (appointed with effect from 17 July 2026)
Ms. Ng Sin Kiu (resigned with effect from 17 July 2026)

STOCK CODE

2613

LISTING DATE

9 January 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Zhao Mingzhu *(Chairman)*
Mr. Chen Zhiyuan
Mr. Chen Rui
Mr. Zhu Rongyuan

REGISTERED OFFICE

Room 1101, No. 2 Maji Road
China (Shanghai) Pilot Free Trade Zone
Shanghai, PRC

COMPANY'S WEBSITE

www.contioceangroup.com

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Shanghai International Fortune Center
No. 36 Xin Jin Qiao Road
Pudong New District, Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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25th Floor, Landmark South
39 Yip Kan Street
Wong Chuk Hang
Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY SECRETARY

Mr. Shu Wa Tung, Laurence (resigned with effect from 6 January 2026)
Mr. Tung Tat Chiu Michael (appointed with effect from 6 January 2026)

AUTHORIZED REPRESENTATIVES

Mr. Shu Wa Tung, Laurence (resigned with effect from 6 January 2026)
Mr. Tung Tat Chiu Michael (appointed with effect from 6 January 2026)
Mr. Chen Rui

COMPLIANCE ADVISER

China Galaxy International Securities (Hong Kong) Co., Limited
20th Floor, Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

HONG KONG LEGAL ADVISER

Allen Overy Shearman Sterling (resigned with effect from 6 January 2026)
9th Floor, Three Exchange Square
Central
Hong Kong

Tung & Co. (appointed with effect from 6 January 2026)
Office 1601, 16th Floor
LHT Tower
31 Queen's Road Central
Hong Kong

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.
Shanghai Branch, Changle Sub-branch
No. 801 Changle Road
Shanghai
PRC

Bank of Communications Co., Ltd.
Shanghai Municipal Branch
10th Floor, 99 South Zhong Shan Road
Shanghai
PRC

Interim Financial Highlights

	H1 2026 (Unaudited) RMB'000	H1 2025 (audited) RMB'000	Change (%)
Revenue	**233,814**	143,486	62.9%
Gross profit	**75,281**	44,436	69.4%
Profit for the period	**20,534**	6,061	238.8%
Profit attributable to owners of the Company	**20,607**	6,945	196.7%
	RMB	RMB	%
Basic earnings per share	**0.53**	0.18	194.4%
Diluted earnings per share	**0.53**	0.18	194.4%

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000	Change (%)
Total assets	**850,302**	813,681	4.5%
Total liabilities	**353,034**	321,775	9.7%
Net assets	**497,268**	491,906	1.1%

OVERVIEW

The Group's revenue and profit for the Reporting Period were approximately RMB233.8 million (H1 2025: RMB143.5 million) and RMB20.5 million (H1 2025: RMB6.1 million), respectively. Basic earnings per share attributable to owners of the Company for the Reporting Period was approximately RMB0.53 (H1 2025: RMB0.18). The Board has not recommended any payment of interim dividend for the Reporting Period.

GEOGRAPHICAL MARKET ANALYSIS

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

	H1 2026 (Unaudited) (RMB'000)	H1 2025 (Unaudited) (RMB'000)	**Approximate percentage change**	**Approximate percentage of total revenue in H1 2026**	Approximate percentage of total revenue in H1 2025
Mainland China	**120,284**	78,769	52.7%	**51.4%**	54.9%
Overseas	**113,530**	64,717	75.4%	**48.6%**	45.1%
	233,814	143,486	63.0%	**100.0%**	100.0%

The Group's revenue from the Mainland China increased by approximately RMB41.5 million or 52.7% from RMB78.8 million in H1 2025 to RMB120.3 million in H1 2026. The increase was mainly attributable to the delivery of long-cycle new-building vessel orders entered into with domestic shipyards in previous years, corresponding revenue was recognised upon delivery in the Reporting Period and resulting in higher revenue.

The Group's revenue from overseas increased by approximately RMB48.8 million or 75.4% from RMB64.7 million in H1 2025 to RMB113.5 million in H1 2026. The increase was mainly due to (i) the enlarged overseas customer base of the Group; (ii) the delivery of newly launched energy-saving products including shaft generator systems, which were mainly targeted at overseas customers, and the revenue had been recognised upon the completion of relevant orders, which had correspondingly expanded the scale of the Group's overseas revenue; and (iii) the vessel Conti Shanghai was successfully delivered in April 2026, generating a revenue of approximately RMB10.5 million in H1 2026.

The Company has proactively pivoted to expand its footprint in new markets and fast-tracked product development and partnerships to address emerging demand.

BUSINESS SEGMENT ANALYSIS

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

	H1 2026 (Unaudited) (RMB'000)	H1 2025 (Unaudited) (RMB'000)	**Approximate percentage change**	**Approximate percentage of total revenue in H1 2026**	Approximate percentage of total revenue in H1 2025
Marine exhaust gas cleaning systems	**69,503**	45,173	53.9%	**29.7%**	31.5%
Marine energy-saving devices	**22,225**	7,688	189.1%	**9.5%**	5.4%
Marine clean-energy supply systems	**40,006**	36,316	10.2%	**17.1%**	25.3%
Maritime services	**91,601**	54,309	68.7%	**39.2%**	37.8%
Vessel chartering	**10,479**	–	–	**4.5%**	0.0%
	233,814	143,486	63.0%	**100.0%**	100.0%

Marine exhaust gas cleaning systems generated revenue of approximately RMB45.2 million in H1 2025 and RMB69.5 million in H1 2026. Revenue from marine exhaust gas cleaning systems increased by about 53.9% in H1 2026 as compared to H1 2025, primarily due to the following reasons:

(i) the progressive deliveries for newbuild orders of marine exhaust gas cleaning systems; and

(ii) the Group's growing capabilities for engineering, procurement and construction, which had enabled it to secure turnkey contracts of marine exhaust gas cleaning systems. Such orders carried higher unit prices, which had driven the growth of total revenue for the segment.

The Group's revenue from marine energy-saving devices increased from approximately RMB7.7 million in H1 2025 to RMB22.2 million in H1 2026 mainly due to the energy-saving business segment having launched new products such as plate heat exchangers and shaft generator systems, which had demonstrated strong market adaptability and high customer acceptance. Backed by rigorous end-to-end process control and management, these new orders for the new products had been delivered promptly, driving revenue growth for the segment.

The Group's revenue from marine clean-energy supply systems slightly increased from approximately RMB36.3 million in H1 2025 to RMB40.0 million in H1 2026 mainly due to the Group's containerised nitrogen generators having been well-received in the market. The increase in both orders secured and fulfilled had driven revenue growth in this segment.

The Group's revenue from maritime services increased from approximately RMB54.3 million in H1 2025 to RMB91.6 million in H1 2026. The approximate 68.7% increase was mainly due to:

(i) the ongoing delivery of legacy long-cycle newbuild outfitting contracts; and

(ii) the Group's interior upgrading services having gained strong market traction by virtue of design excellence and service quality, which continued to attract new clients and further expanded the revenue scale of the segment.

The Group generated approximately RMB10.5 million in revenue from vessel Conti Shanghai operations during the Reporting Period.

CUSTOMER ANALYSIS

Below is a breakdown of revenue by customers:

	H1 2026 (Unaudited) (RMB'000)	H1 2025 (Unaudited) (RMB'000)	**Approximate percentage change**	**Approximate Percentage of total revenue in H1 2026**	Approximate percentage of total revenue in H1 2025
Customer A	**60,972**	39,316	55.1%	**26.1%**	27.4%
Customer B	**48,184**	16,465	192.6%	**20.6%**	11.5%
Customer C	**35,069**	19,452	80.3%	**15.0%**	13.6%
Customer D	**13,211**	23,522	-43.8%	**5.7%**	16.4%
Other customers	**76,378**	44,731	70.7%	**32.6%**	31.1%
	233,814	143,486	63.0%	**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 increased by approximately RMB21.7 million or 55.1% year-on-year. This growth was primarily driven by the Group's continued deepening of cooperation with Customer A and the sustained expansion of collaborative scopes across both products and services, which facilitated a steady rise in revenue from this account. The revenue from Customer B and Customer C surged by approximately 192.6% and 80.3% year-on-year, respectively. This growth was primarily driven by the phased delivery of various long-cycle orders secured in prior years. The revenue from Customer D decreased by approximately RMB10.3 million or 43.8% year-on-year. This decline was primarily attributable to the timing of the Group's delivery schedule, as a substantial portion of the backlog is slated for delivery and revenue recognition in the year of 2027 and subsequent years.

Our approach to de-risking concentration risks centers on geographic and product diversification, penetrating emerging markets and expanding our portfolio to serve varied customer bases, while bolstering brand recognition through strategic sales execution. Complementing this, we are embedding technology at the core of our operations to drive disruptive innovation and enhance our competitive edge. This integrated strategy is pivotal to building diversified revenue streams and securing a defensible market position for the long term.

RESEARCH AND DEVELOPMENT

Building on its global leadership in marine environmental protection equipment and systems, the Group is driven by R&D excellence and sustained innovation to continuously deliver products and services spanning the following areas:

Marine energy-saving devices

— ContiPower Foil: marking a significant technological breakthrough, the Group secured its first order for its power foils in H1 2026. Capable of reducing fuel consumption by approximately 15%–30%, the technology has been certified by Class Nippon Kaiji Kyokai (Class NK).

— Shaft Generator System: the Group successfully delivered the first-of-its-kind retrofit unit in March 2026. The system not only facilitated efficient Power Take-Out (PTO) operations but also leveraged real-time data and visual feeds from its remote monitoring interface to support advanced diagnostics and fault resolution.

Artificial Intelligence Drives

— ContiOcean Intelligent Vessel System (COIVS): the Group successfully delivered its first COIVS in H1 2026. It featured an integrated "Perception — Decision — Coordination — Optimisation" platform for large commercial vessels, marking a major milestone in smart shipping.

— Real-Vessel Validation Platform: in April and July 2026, the Company completed the acquisition of two vessels. This milestone signified our strategic transformation from a technology enterprise focused on R&D of marine environmental protection equipment into an "atypical shipowner" integrating independent R&D, real-vessel verification, and customer demonstration, opening a new path for the development of the green maritime technology industry.

Patent Achievements

The Group was successfully granted 9 new patents (including 9 invention patents) in the Reporting Period, bringing the total portfolio to 107 patents (including 65 invention patents).

OUTLOOK

In H1 2026, external environment remained under sustained pressure amid geopolitical tensions, including the US-Iran conflict. Confronted with profound industry transformation, the Group standing at the forefront as a leading global provider of marine environmental protection equipment and systems, remains steadfast in its strategic positioning and continues to deepen its commitment to the green shipping sector.

Building on this foundation, we will further consolidate the competitive moat of our technology R&D. Leveraging the certification of our ContiPower Foil technology and the successful delivery of our inaugural shaft generator system retrofit project, the Group will accelerate the commercialisation of its new products. In addition, we will intensify R&D investment to ensure our technology pipeline stays ahead of market dynamics, fully preparing us for the ongoing industry evolution.

Concurrently, the deep integration of digital intelligence will emerge as another growth curve for the Group. Anchored by the first COIVS secured in the first half of 2026, we will accelerate data convergence to build a closed-loop ecosystem of "hardware + software + data". In the second half of 2026, the Group will focus its R&D efforts on the application of "digital intelligence" in ship energy efficiency management. Through AI algorithms that optimise the matching between vessel speed and energy consumption, we aim to leap from mere "passive monitoring" to "active optimisation" — thereby strengthening customer stickiness and unlocking sustainable recurring service revenue streams.

In serving the global market, we will fully capitalise on the momentum of order conversion. With the upgrade of operational services in Asia-Pacific and European regions, coupled with the accumulation of real-world test data from our owned vessels serving as ocean-going R&D platforms, the Group's localised service capability in the shipping market will be significantly enhanced.

Meanwhile, we will optimise supply chain management to ensure production capacity release during the intensive delivery period in the second half of 2026. On this basis, we will actively convert overseas customer leads generated from maritime exhibitions, striving for substantive breakthroughs in securing bulk orders in new markets.

Looking ahead, although macroeconomic volatility may pose challenges to near-term delivery schedules, we remain highly confident in the long-term demand for marine ESG solutions. The Group will continuously strengthen its financial resilience, ensuring a dynamic balance between R&D investment and commercial returns through precise resource allocation. We expect that as the revenue contribution from high-margin products such as intelligent systems increases, the Group's profitability will improve in tandem. Moving forward, we will prudently evaluate merger and acquisition opportunities along the industrial value chain. By pursuing both organic growth and inorganic expansion, we will steadily increase our market share and create long-term sustainable value for our shareholders.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to RMB233.8 million, increased by approximately RMB90.3 million or 62.9% as compared to that of RMB143.5 million in H1 2025. The increase in revenue was mainly due to (i) a number of long-cycle orders which were postponed in 2025 having been delivered in H1 2026; (ii) the Group having commenced taking orders for new products such as shaft generator systems and plate heat exchangers, which had started to generate revenue in H1 2026; and (iii) a RMB10.5 million charter hire revenue generated from the operation of the vessel Conti Shanghai which was delivered in April 2026.

Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit amounted to RMB75.3 million, increased by approximately RMB30.9 million or 69.6% as compared to that of RMB44.4 million in H1 2025, mainly due to the increases in gross profit of (i) marine exhaust gas cleaning systems from RMB16.1 million in H1 2025 to RMB28.3 million in the Reporting Period; and (ii) maritime services from RMB16.4 million in H1 2025 to RMB25.9 million in the Reporting Period.

Our overall gross profit margin edged up slightly from 31.0% in H1 2025 to 32.2% in the Reporting Period, mainly because of the optimisation of product design schemes, which enhanced cost efficiency.

Other income

The Group's other income amounted to RMB3.1 million in the Reporting Period, decreased by approximately RMB2.1 million or 40.4% as compared to that of RMB5.2 million in H1 2025. This decrease was primarily attributable to government grants received in H1 2025 being more than that in the Reporting Period, which comprised local financial incentives for business operations and industry-specific subsidies.

Please refer to the table below and note 6 to the consolidated financial statements for details:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income on bank deposits	**2,523**	2,794
Government grants related to income (Note)	**532**	2,376
Others	**–**	3
	3,055	5,173

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 recognised when payments were received.

Other gains and losses

The Group recorded a loss of RMB10.7 million in the Reporting Period, increased by approximately RMB9.4 million or 723.1% as compared to that of RMB1.3 million loss in H1 2025 for other gains and losses, primarily due to (i) the heightened exchange losses arising from the marked devaluation of the USD against the RMB, which significantly exceeded the volatility recorded in H1 2025; and (ii) the absence of the RMB1.9 million fair value gain from WMPs recorded last year.

Please refer to the table below and note 7 to the consolidated financial statements for details:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**(10,865)**	(3,175)
Fair value gains on financial assets at FVTPL	**118**	1,882
Losses on lease termination	**(3)**	–
Others	**33**	(4)
	(10,717)	(1,297)

Distribution and selling expenses

The Group's distribution and selling expenses amounted to RMB16.3 million in the Reporting Period, increased by approximately RMB6.6 million or 68.0% from that of RMB9.7 million in H1 2025. It was primarily due to (i) the stepped-up market development efforts including promotions, exhibitions and channel expansion, to capture market share and to develop potential customers; and (ii) increased salesforce headcount and associated travel and entertainment costs amid business expansion.

Administrative expenses

The Group's administrative expenses amounted to RMB18.9 million in the Reporting Period, decreased by approximately RMB4.1 million or 17.8% from that of RMB23.0 million in H1 2025, which was mainly due to the Group having incurred expenses related to its listing process in H1 2025 while no such expenses were recorded in the Reporting Period.

Research and development expenses

The Group's research and development expenses amounted to RMB7.4 million in the Reporting Period, decreased by approximately RMB2.2 million or 22.9% from RMB9.6 million in H1 2025, which was due to (i) the Group having expanded its in-house R&D team and shifted towards self-developed solutions to partially replace commissioned and collaborative research projects in the Reporting Period, which resulted in a decrease in external R&D expenditures; and (ii) prototype development and the corresponding consumption of R&D materials were anticipated to occur primarily in the second half of 2026 since certain ongoing projects remained in the early development stages.

Impairment losses under ECL model, net of reversal

The Group's impairment losses under the ECL model, net of reversal, amounted to a gain of RMB0.1 million in the Reporting Period, decreased by approximately RMB1.6 million, as compared to a gain of RMB1.7 million in H1 2025. It was primarily attributable to the delays in order deliveries leading to a substantial decline in revenue in H1 2025, which in turn drove a corresponding decrease in the accounts receivable balance as of June 2025 compared to the end of 2024. This resulted in a significant reversal of previously recognised impairment losses. With revenue growth in the Reporting Period, accounts receivable and related impairment movements were not impacted by the temporary factors seen in H1 2025.

Finance costs

The Group's finance costs amounted to RMB2.0 million in the Reporting Period, increased by approximately RMB0.8 million or 66.7% as compared to RMB1.2 million in H1 2025. The increase in finance costs was primarily due to the Group having deepened its collaboration with banks since mid last year, resulting in a higher average outstanding bank borrowing balance compared to H1 2025.

Income tax expense

Our income tax expense increased by approximately 440% from RMB0.5 million in H1 2025 to RMB2.7 million in the Reporting Period. This was primarily attributed to the increase of profit before tax in H1 2026 as compared to H1 2025.

Profit for the Reporting Period

As a result of the foregoing, the Group's profit for the Reporting Period amounted to RMB20.5 million, increased by approximately RMB14.4 million or 236.1% as compared to RMB6.1 million in H1 2025.

Property, plant and equipment

Our property, plant and equipment mainly consisted of (i) vessels, (ii) buildings, (iii) machinery and equipment, (iv) office equipment and furniture, (v) transportation equipment, (vi) leasehold improvements, and (vii) construction in progress.

As at 30 June 2026, the Group's property, plant and equipment amounted to RMB143.2 million, increased by approximately RMB99.6 million or 228.4% from RMB43.6 million as at 31 December 2025. The increase was mainly due to the acquisition of a vessel 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 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Finished goods	**70,625**	46,374
Raw materials and consumables	**3,266**	4,464
Work in progress	**9,584**	7,041
	83,475	57,879

The Group's inventories amounted to RMB83.5 million as at 30 June 2026, increased by approximately RMB25.6 million or 44.2% as compared to RMB57.9 million as at 31 December 2025. It is primary due to the significant increase in finished goods as at 30 June 2026, which was driven by the mass delivery phase of the Group's order backlog. A substantial volume of equipment was currently undergoing installation, commissioning, and customer acceptance procedures, leading to higher inventory balances compared to the amount as at 31 December 2025.

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, advance to employees and deposits paid.

The Group's trade and other receivables amounted to RMB369.8 million as at 30 June 2026, increased by approximately RMB75.1 million or 25.4% as compared to RMB294.7 million as at 31 December 2025, which was mainly due to the following reasons:

(i) Driven by the rapid expansion of new orders in the Reporting Period, procurement volume increased correspondingly. This included advance payments required under certain customised equipment procurement contracts, resulting in a RMB16.5 million increase in prepayments for materials.

(ii) The Group made substantial payments for the acquisition of the vessel OM Singapore, including deposits. The acquisition was successfully completed on 29 July 2026.

(iii) In 2025, to implement its 2025 H Share Restricted Share Scheme, the Group established a trust plan and funded the Trustee to purchase Shares for the Scheme. As of 31 December 2025, a balance of RMB12.2 million remained in the prepayment to the Trustee. This amount was fully utilised to purchase Shares during the Reporting Period.

Financial assets at fair value through profit or loss

The Group's financial assets amounted to nil as at 30 June 2026, decreased by approximately RMB136.8 million or 100.0% as compared to RMB136.8 million as at 31 December 2025. All WMPs held as at 31 December 2025 had been fully redeemed in the Reporting Period. As at 30 June 2026, there were no outstanding WMPs or securities investment held by the Group.

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 approximately RMB31.3 million or 87.7% from RMB35.7 million as at 31 December 2025 to RMB4.4 million as at 30 June 2026. This decrease was primarily due to the release of restricted bank deposits in early 2026. These funds had been pledged as collateral for WMPs that matured at the end of 2025 but were not released from restriction until early 2026.

Cash and cash equivalents

The Group's cash and cash equivalents slightly decreased by approximately RMB4.4 million or 2.0% from RMB215.4 million as at 31 December 2025 to RMB211.0 million as at 30 June 2026. The decrease was mainly attributable to (i) operating activities yielding a net cash inflow of RMB6.3 million, which is mainly driven by pre-tax profit of RMB23.2 million, and partially offset by a RMB16.9 million working capital outflow; (ii) investing activities included a RMB165.9 million outlay for the purchase consideration and deposits for acquiring two vessels; and (iii) investing cash inflows of RMB161.9 million were generated from WMPs redemptions and the release of the deposits upon maturity that had been placed as collateral for such WMPs.

Trade and other payables

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

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Trade payables — third parties	**63,282**	71,751
Notes payables	**14,233**	3,851
Construction cost payables	**3,052**	3,490
Other payables and accrued expenses	**13,692**	12,280
Payroll payables	**3,648**	7,130
Other tax payables	**766**	1,294
	98,673	99,796

The average credit period on purchases of goods and services of the Group is 120 days.

The Group's trade and other payables slightly decreased by approximately RMB1.1 million or 1.1% from RMB99.8 million as at 31 December 2025 to RMB98.7 million as at 30 June 2026. The decrease was mainly due to the decrease of trade payables and payroll payables.

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 slightly decreased by approximately RMB4.4 million or 2.0% from RMB215.4 million as at 31 December 2025 to RMB211.0 million as at 30 June 2026. The reasons for decline are set out in the preceding "Cash and cash equivalents" section.

CASH FLOW FROM (USED IN) OPERATING ACTIVITIES

For the six months ended 30 June 2026, the net cash generated in operating activities by the Group amounted to RMB6.3 million (six months ended 30 June 2025: used RMB103.6 million), the increase was mainly due to:

(i) the Group's operating profit had improved significantly in H1 2026 as compared to H1 2025;

(ii) the Group had progressively delivered long-cycle orders secured previously in H1 2026. This, coupled with the collection of milestone advance payments in accordance with project contracts, had resulted in a substantial increase in operating cash inflows for the Reporting Period; and

(iii) the Group had further optimised payment terms with suppliers and partners. By renegotiating procurement agreements to lower the advance payment ratio for raw materials and services, we had effectively reduced operating cash outflows.

CASH FLOW FROM (USED IN) INVESTING ACTIVITIES

For the six months ended 30 June 2026, the net cash used in investing activities by the Group amounted to RMB2.4 million (six months ended 30 June 2025: RMB132.4 million), the decrease was mainly due to:

(i) the Group's full redemption of principal-guaranteed WMPs subscribed in H1 2025 generated investing cash inflows from the return of principal and investment gains; and

(ii) investing cash outflows increased significantly due to capital outlays for acquiring the vessels OM Singapore and Conti Shanghai, covering purchase prices and closing deposits.

CASH FLOW FROM (USED IN) FINANCING ACTIVITIES

For the six months ended 30 June 2026, the net cash used in financing activities by the Group amounted to RMB6.5 million (six months ended 30 June 2025: generated RMB398.8 million), the decrease was mainly due to:

(i) proceeds received from issuance of H Shares amounted to approximately RMB294.5 million in H1 2025;

(ii) the decrease of proceeds from bank borrowings from RMB152.9 million in H1 2025 to RMB104.5 million in H1 2026; and

(iii) repayment of bank borrowings increased from RMB25.6 million in H1 2025 to RMB108.0 million in H1 2026.

CAPITAL EXPENDITURES AND INVESTMENT

During the six months ended 30 June 2026, the Group's capital expenditures amounted to approximately RMB166.8 million, primarily comprising RMB103.4 million for the acquisition of property, plant and equipment, and RMB63.2 million for the prepayment and deposits in relation to the acquisition of two in-service vessels (Conti Shanghai and OM Singapore). The Group also invested RMB0.2 million in intangible assets.

Save as disclosed above, the Group did not make any significant investments during the six months ended 30 June 2026.

ORDER BOOK

Our order backlog (by order number and value) as at 30 June 2026 are as follows:

(i) Marine exhaust gas cleaning systems: we had 318 orders on hand as of 30 June 2026 with a total contract value of approximately RMB346.9 million (226 orders on hand as of 31 December 2025 with a total contract value of approximately RMB328.0 million).

(ii) Marine energy-saving devices: we had 149 orders on hand with a total contract value of approximately RMB165.2 million as of 30 June 2026 (55 orders on hand with a total contract value of approximately RMB48.9 million as of 31 December 2025).

(iii) Marine clean-energy supply systems: we had 80 orders on hand with a total contract value of approximately RMB99.3 million as of 30 June 2026 (90 orders on hand with a total contract value of approximately RMB123.6 million as of 31 December 2025).

(iv) Maritime services: we had 798 orders on hand with a total contract value of approximately RMB632.3 million as of 30 June 2026 (518 orders on hand with a total contract value of approximately RMB382.4 million as of 31 December 2025).

INDEBTEDNESS

Our indebtedness mainly included bank borrowings and lease liabilities. Our indebtedness decreased from RMB151.4 million as of 31 December 2025 to RMB149.3 million as of 30 June 2026. It was primarily attributable to the decrease of bank borrowings.

As at 30 June 2026, the Group's bank loans amounted to RMB144.5 million (31 December 2025: RMB148.0 million), and lease liabilities amounted to RMB4.8 million (31 December 2025: RMB3.5 million). The annual interest rates of the bank loans ranged from 2.30% to 2.40% (31 December 2025: 2.30% to 3.00%).

PLEDGE OF ASSETS

As of 30 June 2026, the Group did not pledge any assets.

GEARING RATIO

The gearing ratio is total liabilities divided by total asset at the end of the Reporting Period and multiplied by 100%. As of 30 June 2026, the gearing ratio of the Group was approximately 41.5% (as of 31 December 2025: approximately 39.5%).

CONTINGENT LIABILITIES

As of 30 June 2026, we did not have any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group completed the acquisition of the vessel Conti Shanghai on 16 April 2026.

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 2026, the Group had a total workforce of 145 employees (31 December 2025: 133 employees). The remuneration packages for the Group's employees are determined with reference to their job responsibilities, position level, professional experience, and work performance.

The remuneration package of our employees includes salaries, allowances, performance-based bonus and retirement benefit scheme contributions. The Group formulates employee remuneration plans based on the overall market remuneration situation, industry practices and the Group's remuneration strategy.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Significant events after Reporting Period" in this Interim Report and in the Prospectus, the Group currently does not have other plans for material investments or capital assets investments.

INTERIM DIVIDEND

The Board did not recommend any payment of interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

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 CG 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 CG Code.

During the Reporting Period, the public float of the Company had fallen below the minimum percentage of 25% as prescribed under the Listing Rules due to the Trustee holding 910,000 H Shares under the 2025 H Share Restricted Share Scheme. The public float was subsequently restored on 9 June 2026. For further details, please refer to the announcements of the Company dated 4 March 2026, 24 March 2026, 9 April 2026, 6 May 2026, 3 June 2026, 7 July 2026 and 31 July 2026 respectively.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors on terms no less exacting than the required standards set in the Model Code.

Having made specific enquiries of all Directors, 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, 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. To achieve this purpose, the Deed of Non-Competition Undertaking was entered into by each of Mr. Zhou Yang, Mr. Zhao Mingzhu and Mr. Chen Zhiyuan as Controlling Shareholders in favour of the Company. Accordingly, the Controlling Shareholders have provided written confirmation of their compliance with the Deed of Non-Competition Undertaking and the independent non-executive Directors have conducted a review and confirmed that, as at 30 June 2026, they were not aware of any conflicts of interests between the Group and the Controlling Shareholders.

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the following Directors or chief executive of the Company had or were deemed or taken to have interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long positions in the Shares or underlying Shares of the Company

Name	Nature of Interest	Number of Shares held/ interested[1]	Approximate shareholding percentage in total share capital of the Company (%)
Mr. Zhou Yang[2]	Beneficial owner	9,872,500 (L)[3]	71.89
	Interest in controlled corporation	2,400,000 (L)	
	Interest held jointly with another person	16,482,500 (L)	
Mr. Zhao Mingzhu[2]	Beneficial owner	8,241,250 (L)[3]	71.89
	Interest in controlled corporation	2,400,000 (L)	
	Interest held jointly with another person	18,113,750 (L)	
Mr. Chen Zhiyuan[2]	Beneficial owner	8,241,250 (L)[3]	71.89
	Interest in a controlled corporation	2,400,000 (L)	
	Interest held jointly with another person	18,113,750 (L)	
Mr. Chen Rui	Beneficial owner	102,000 (L)[3]	0.26
Ms. Shen Xiaojiao	Beneficial owner	47,600 (L)[3]	0.12

Notes:

(1) The letter "L" denotes a "long position" (as defined under Part XV of the SFO) in such Shares.

(2) Mr. Zhou Yang, Mr. Zhao Mingzhu and Mr. Chen Zhiyuan are parties acting in concert. Please see "Relationship with Our Controlling Shareholders — Controlling Shareholders — The Concert Party Agreement" in the Prospectus for further details. In addition, for the purpose of Part XV of the SFO, each of them is deemed to be interested in the 2,400,000 Shares held by ContiOcean Development, whose general partner is ContiOcean Industrial, a company owned by Mr. Zhou Yang, Mr. Zhao Mingzhu and Mr. Chen Zhiyuan.

(3) Each of Mr. Zhou Yang, Mr. Zhao Mingzhu, Mr. Chen Zhiyuan, Mr. Chen Rui and Ms. Shen Xiaojiao was granted share options under the Pre-IPO Share Option Scheme to each subscribe for 250,000 Shares, 250,000 Shares, 250,000 Shares, 300,000 Shares and 140,000 shares. 165,000, 165,000, 165,000, 198,000 and 92,400 share options for Mr. Zhou Yang, Mr. Zhao Mingzhu, Mr. Chen Zhiyuan, Mr. Chen Rui and Ms. Shen Xiaojiao had lapsed as the vesting conditions were not met.

Save as disclosed above, as at 30 June 2026, there were no other Directors and chief executives of the Company who had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares[1]	Approximate shareholding percentage in total share capital of the Company (%)
Ms. Sun Xin[2]	Interest of spouse	28,755,000 (L)	71.89
Ms. Sun Wenting[3]	Interest of spouse	28,755,000 (L)	71.89
Ms. Sun Yuanyuan[4]	Interest of spouse	28,755,000 (L)	71.89
Harvest International Capital Management Limited[5]	Interest in a controlled corporation	2,093,000 (L)	5.23
ContiOcean Industrial[6]	Interest in a controlled corporation	2,400,000 (L)	6.00
ContiOcean Development[6]	Beneficial owner	2,400,000 (L)	6.00
Matrix Income SPC — Matrix Income SP[7]	Investment manager	1,170,500 (L)	2.93
Invincible Investment SPC — Invincible Stable Growth SP[8]	Investment manager	870,000 (L)	2.18
Capital Melody Investments LPF[9]	Beneficial owner	732,900 (L)	1.83

Notes:

(1) The letter "L" denotes a "long position" (as defined under Part XV of the SFO) in such Shares.

(2) Ms. Sun Xin, who is the spouse of Mr. Zhou Yang, is deemed to be interested in all the Shares in which Mr. Zhou Yang is interested.

(3) Ms. Sun Wenting, who is the spouse of Mr. Zhao Mingzhu, is deemed to be interested in all the Shares in which Mr. Zhao Mingzhu is interested.

(4) Ms. Sun Yuanyuan, who is the spouse of Mr. Chen Zhiyuan, is deemed to be interested in all the Shares in which Mr. Chen Zhiyuan is interested.

(5) According to the disclosure of interests form submitted by Harvest International Capital Management Limited dated 26 May 2026, Harvest International Premium Value (Secondary Market) Fund SPC on behalf of Harvest Oriental SP is owned as to 100% by Harvest International Capital Management Limited. Harvest International Capital Management Limited is therefore deemed to be interested in 2,093,000 H Shares in which Harvest International Premium Value (Secondary Market) Fund SPC on behalf of Harvest Oriental SP is interested.

(6) ContiOcean Industrial is the general partner of ContiOcean Development. ContiOcean Industrial is therefore deemed to be interested in the 2,400,000 H Shares held by ContiOcean Development.

(7) According to the disclosure of interests form submitted by Matrix Income SPC — Matrix Income SP dated 23 January 2025, Matrix Income SPC — Matrix Income SP is interested in 1,170,500 H Shares in the capacity of investment manager.

(8) According to the disclosure of interests form submitted by Invincible Investment SPC — Invincible Stable Growth SP dated 23 January 2025, Invincible Investment SPC — Invincible Stable Growth SP is interested in 870,000 H Shares in the capacity of investment manager.

(9) According to the disclosure of interests form submitted by Capital Melody Investments LPF dated 22 July 2025, Capital Melody Investments LPF is interested in 732,900 H Shares in the capacity of beneficial owner.

Save as disclosed above, as at 30 June 2026, there were no other persons (other than the Directors and chief executives of the Company) who had or was deemed to have any interests or short positions in the Shares or underlying Shares of the Company which were required to be notified the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

PRE-IPO SHARE OPTION SCHEME

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme which became effective on 27 July 2024. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of options by the Company after the Listing.

(a) Purpose

The purpose of the Pre-IPO Share Option Scheme is to improve our Company's incentive mechanism to attract and retain outstanding talents, to better align the interests of our Company's employees and senior management with those of the Shareholders and our Company, and to promote the long-term, sustainable and healthy development of our Company.

(b) Number of Shares

The maximum number of Shares underlying the options under the Pre-IPO Share Option Scheme shall be 3,930,000 H Shares, representing approximately 13.1% of the issued share capital of the Company on 27 July 2024 (being the date of approval of the scheme). Each option entitles the purchase of one H Share. There is no reserved entitlement under the Pre-IPO Share Option Scheme. No further options will be granted under the Pre-IPO Share Option Scheme after Listing.

(c) Participants

The Participants are our executive Directors, senior managements (as defined under the Articles of Association) and core employees working for our Group as approved by the Shareholders' meeting of the Company.

(d) Administration

The Board is responsible for the implementation of the Pre-IPO Share Option Scheme.

(e) Implementation

Adjustment of the number of share options and the exercise price: In the event of any conversion of capital reserve into share capital, distribution of stock dividends, share split, reduction of share capital, allotment of shares or distribution of dividends by the Company before exercise of share options, the number of share options and the exercise price shall be adjusted accordingly pursuant to the terms of the Pre-IPO Share Option Scheme.

Alteration and termination of the Pre-IPO Share Option Scheme: Shareholders' approval is required for considering and approving the implementation, alteration and termination of the Pre-IPO Share Option Scheme and authorising the Board for handling certain matters relating to the Pre-IPO Share Option Scheme. Upon the termination of the Pre-IPO Share Option Scheme, the Company shall cancel any outstanding share options. The total number of share options available for grant under the Pre-IPO Share Option Scheme is 3,930,000 H Shares, which have been granted on 29 July 2024.

(f) Date of grant of options

All options under the Pre-IPO Share Option Scheme have been granted on 29 July 2024. No consideration was paid for the grant of such options, which is to align with the purpose of the Pre-IPO Share Option Scheme as disclosed above. No further options will be granted under the Pre-IPO Share Option Scheme.

(g) Exercising Arrangement

The options granted under the Pre-IPO Share Option Scheme shall be exercised in tranches as per the agreed proportions upon satisfaction of the exercising conditions. The exercising date must be a trading day within the validity period of the Pre-IPO Share Option Scheme. Details of the exercising period and exercising arrangements for all options granted under the Pre-IPO Share Option Scheme are as follows:

Exercising period	Exercising time	Exercising proportion
First exercising period	From the first trading day after 12 months from the Listing Date to the last trading day within 24 months from the Listing Date	33%
Second exercising period	From the first trading day after 24 months from the Listing Date to the last trading day within 36 months from the Listing Date	33%
Third exercising period	From the first trading day after 36 months from the Listing Date to the last trading day within 48 months from the Listing Date	34%

(h) Exercise of Options

The Board shall consider whether the exercising conditions stipulated in the Pre-IPO Share Option Scheme are satisfied. The exercising conditions stipulated in the Pre-IPO Share Options Scheme include performance targets at both Company-level and grantee-level. The Company-level performance target is based on the net profit of the Company during the exercising period. The grantee-level performance target is based on the annual grantee-level performance appraisal of the relevant grantee. Only those grantees who achieve at least a grantee-level performance appraisal of satisfactory standard are qualified to exercise their options. For grantees who satisfy the exercising conditions, the Company may make centralised arrangements for the exercise of share options and handle relevant matters of the exercise. For grantees who fail to satisfy the conditions, the Company shall cancel their share options with respect to such exercise that they have applied for.

Exercise price of share options: The exercise price of all share options granted under the Pre-IPO Share Option Scheme is RMB25 per H Share. The exercise price was determined by reference to the fair value per share established in the issuer's asset valuation report as of 30 November 2023.

Cancellation of options: If a grantee fails to apply for exercise of options within the requisite period or is unable to apply for exercise of options due to the failure to meet exercising conditions, the Company shall cancel the corresponding options that have not been exercised according to the specified rules under the Pre-IPO Share Option Scheme.

(i) Expiry of options

The validity period for all of the options granted under the Pre-IPO Share Option Scheme shall be from 29 July 2024 (being the date of grant) to the date on which the relevant share option granted are exercised or cancelled, which in any event will not be longer than 10 years from the date of grant. The Participants may only exercise their options within the validity period in accordance with relevant rules. After the expiry of the validity period, all outstanding share options will lapse and be cancelled.

(j) Rights and restrictions attached to the Pre-IPO Share Option Scheme

The Participants who are granted options under the Pre-IPO Share Option Scheme shall abide by the rights and obligations under the Pre-IPO Share Option Scheme and relevant laws and regulations. Share options under the Pre-IPO Share Option Scheme shall not be transferred, used as security or to repay debts. If a Participant leaves the Group for any reason other than death, disability, retirement or redeployment, that Participant's unexercised and unvested options under the Pre-IPO Share Option Scheme will be cancelled by the Company. Such Participant's exercised options under the Pre-IPO Share Option Scheme will not be affected. If a Participant retires and continues to provide services to the Group, the Participant's options under the Pre-IPO Share Option Scheme will remain valid and the individual performance target in relation to exercising conditions will be based on the combined performance of the original and new positions. If a Participant retires and does not continue to provide services to the Group, that Participant's unexercised and unvested options under the Pre-IPO Share Option Scheme will be cancelled by the Company.

(k) Summary of Grantees

On 29 July 2024, our Company granted share options for an aggregate of 3,930,000 H Shares (being the maximum number of H Shares underlying the options under the Pre-IPO Share Option Scheme), representing 9.83% of the issued share capital of the Company immediately following completion of the Global Offering to 50 grantees. As at 30 June 2026, there were a total of 1,237,600 outstanding share options.

Details of the share options under the Pre-IPO Share Option Scheme during the Reporting Period are as follows:

Grantee	Number of outstanding share options as at the beginning of the Reporting Period	Number of share options granted during the Reporting Period	Number of share options exercised during the Reporting Period	Number of share options cancelled during the Reporting Period	Number of outstanding share options lapsed in accordance with the terms of the Scheme during the Reporting Period	Number of outstanding share options as at the end of the Reporting Period
Directors						
Zhou Yang	85,000	0	0	0	0	85,000
Zhao Mingzhu	85,000	0	0	0	0	85,000
Chen Zhiyuan	85,000	0	0	0	0	85,000
Shu Wa Tung, Laurence	68,000	0	0	0	68,000	0
Chen Rui	102,000	0	0	0	0	102,000
Employees (Other than Directors)						
Other company's employees	901,000	0	0	0	20,400	880,600
Total	1,326,000	0	0	0	88,400	1,237,600

The number of Shares that may be issued in respect of share options granted during the Reporting Period under the Pre-IPO Share Option Scheme divided by the weighted average number of Shares of the relevant class in issue for the six months ended 30 June 2026 was nil.

The vesting period of the Pre-IPO Share Option Scheme is from the date of grant until the commencement of the period during which they are exercisable.

The Pre-IPO Share Option Scheme will expire on 28 July 2034 unless otherwise cancelled or amended. As at the date of this Interim Report, the remaining period of validity of the Pre-IPO Share Option Scheme is approximately 8 years.

THE 2025 H SHARE RESTRICTED SHARE SCHEME

The following is a summary of the principal terms of the 2025 H Share Restricted Share Scheme which became effective on 1 August 2025. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, as the Scheme does not involve the issue of new Shares or the grant of any options to new Shares of the Company, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. As at the date of this Interim Report, the Board has instructed the Trustee to purchase 910,000 existing H Shares on the Stock Exchange, but has not yet signed or issued any Award Letter to the Eligible Participants.

(a) Purpose

The purpose of the Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group. The Scheme provides the Eligible Participants with an opportunity to acquire proprietary interests in the Company, with the view to achieving the following principal objectives:

(1) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group;

(2) rewarding the Eligible Participants who have achieved outstanding performance; and

(3) attracting and retaining or otherwise maintaining ongoing business relationships with the Eligible Participants whose contributions are, or will, or are expected to be, beneficial to the Group.

(b) Administration

The general meeting of the Shareholders as the highest authority of the Company can authorise the Board to handle matters pertaining to the Scheme within the scope of its authority.

In order to implement the Scheme, the general meeting of the Shareholders authorises the Board and the Committee as authorised by the Board to serve as the administrators of the Scheme, which are responsible for reviewing and approving the implementation, changes and termination of the Scheme, and handling other related matters of the Scheme within the scope as authorised by the general meeting of the Shareholders.

(c) Eligible Participants and the basis of determining the eligibility of the Eligible Participants

The Eligible Participants who may participate in the Scheme shall be the persons who have the right to receive the Award as determined by the Board in accordance with the terms of the Scheme, and the scope of the Eligible Participants include: (i) Employee Participants; (ii) Related Entity Participants; (iii) Service Providers; and (iv) Other Participants.

In determining the basis of eligibility of each Eligible Participant, the Board or the Committee would take into account of, among others, the experience of the Eligible Participant in respect of the business of the Group, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions that the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

(d) Source of the Awards

The Board shall entrust a qualified trust manager to act as the Trustee under the 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 Awards granted to the Eligible Participants shall be subject to the terms of the Scheme and the restrictive terms as agreed in the Trust Deed. The Eligible Participants shall be entitled to the corresponding rights and interests in accordance with the terms agreed in the Trust Deed.

The Board instructs the Trustee to purchase existing H Shares on the Stock Exchange or off the Stock Exchange from existing Shareholders. Should the Shares be purchased by the Trustee off the Stock Exchange from existing Shareholders, the purchase price must not be higher than the lower of the following: (i) the closing market price on the date of such purchase; and (ii) the average closing market price for the five (5) preceding trading days on which the H Shares were traded on the Stock Exchange.

(e) Life of the Scheme

Subject to any early termination of the Scheme pursuant to the terms of the Scheme, the Scheme shall be valid and effective for ten (10) years commencing from the Adoption Date (i.e. 1 August 2025 which is the day on which the Scheme is approved by the Shareholders at the extraordinary general meeting).

(f) Maximum number of shares of the Scheme

The maximum number of H Shares that the Trustee can acquire and hold from time to time under the Scheme throughout the life of the Scheme shall not exceed 10% of the total number of issued Shares of the Company (excluding treasury shares, if any) (the "Scheme Mandate Limit").

As at the Latest Practicable Date, the total number of issued Shares of the Company (excluding treasury shares) was 40,000,000 Shares. The Scheme Mandate Limit is 4,000,000 Shares (representing 10% of the total number of the issued Shares of the Company (excluding treasury shares, if any) as at the Adoption Date).

Within the Scheme Mandate Limit, the maximum number of H Shares that may be granted to the Service Providers under the Scheme and all share options and share awards that may be granted under any other share scheme(s) of the Company must not in aggregate exceed 1% of the total number of issued Shares of the Company (excluding treasury shares) (the "Service Provider Sublimit"). The Service Provider Sublimit is 400,000 Shares (representing 1% of the total number of the issued Shares of the Company (excluding treasury shares) as at the Adoption Date).

The Company will take appropriate measures to ensure at least 25% of the Company's total issued Shares are held by the public Shareholders from time to time, and the Company will not make any Award under the 2025 H Share Restricted Share Scheme which will render the Company failing to maintain the public float requirement.

(g) Maximum entitlement to each Eligible Participant

According to the Scheme, the maximum entitlement of the Awards and all share options and share awards that may be granted under any other scheme(s) to be granted to any Eligible Participant (excluding any Awards lapsed in accordance with the terms of the Scheme) in any period of twelve (12) months up to and including the date of such grant shall not in aggregate exceed 1% of the total number of issued Shares of the Company (excluding treasury shares, if any) unless approved by way of special resolution at the general meeting.

(h) Date of Grant

The date on which the Awards are granted to the Eligible Participants is the date when the Company signs and issues the Award Letter to the Eligible Participants. The Date of Grant shall be determined by the Board or the Committee.

(i) Consideration for the grant of the Scheme

According to the provisions of the Scheme, the incentive consideration (if any) of the Eligible Participants shall be determined by the Board or the Committee and shall be agreed in the Award Letter.

The Eligible Participant shall, in accordance with the Scheme, pay the relevant amount of the purchase price, if any, corresponding to the Awards vested and received by the Eligible Participant to the Company or such other entity as the Company may designate in accordance with the instructions as set out in the Award Letter.

(j) Vesting period

Subject to the satisfaction of all vesting conditions as set out in the Award Letter to each Eligible Participant, the Award granted under the Scheme shall be held for not less than twelve (12) months before being vested on the Eligible Participant and in accordance with the applicable vesting schedule as set out in the Award Letter.

However, to ensure the practicability in fully attaining the purpose of the Scheme, the Board and the Remuneration Committee are of the view that (1) there are certain instances where a strict twelve (12) months vesting requirement would not work or would not be fair to the holders of the Awards, (2) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, and (3) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition and thus should have flexibility to impose vesting conditions depending on individual circumstances and performance-based vesting conditions, or such other time-based vesting criteria which effectively restricts an Eligible Participant's Award shares for at least 12 months. Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period is in line with the market practice and is appropriate and align with the purpose of the Scheme.

Vesting date may be less than twelve (12) months from the grant date in the following circumstances:

(1) grants of "make whole" Awards to a new Employee Participant to replace Awards such Employee Participant forfeited when leaving his or her previous employer;

(2) grants of Awards which are subject to the fulfilment of performance targets pursuant to the terms of the Scheme;

(3) grant of Awards that are made in batches during a year for administrative and compliance reasons;

(4) grants of Awards with a mixed vesting schedule such that the Awards vest evenly over a period of 12 months; or

(5) grants of Awards with a total vesting and holding period of more than 12 months.

(k) Vesting conditions of the Scheme and clawback mechanism

The Awards granted to an Eligible Participant shall be vested to the Eligible Participant during the vesting period upon satisfaction of the vesting conditions and the performance targets, if any, set forth in the Scheme. The vesting conditions and the performance targets, if any, shall be determined at the sole discretion of the Board or the Committee in the Award Letter.

The performance targets, if any, shall be based on the performance of the Eligible Participant and/or the operating or financial performance of the Group and/or such other performance target to be determined by the Board or the Committee in its absolute discretion from time to time.

If the Eligible Participant fails to fulfil the vesting conditions applicable to the relevant Awards, the relevant part of the Awards which may otherwise be vested during the respective vesting period shall, unless the Board or the Committee otherwise agrees, lapse forthwith and the relevant restricted shares shall not vest on the relevant vesting date. In such case, the Company will give notice of such partial lapse to the Trustee, who will hold the relevant unvested shares as returned shares ("Returned Shares") for the purpose of the Scheme and may upon instructions by the Board or the Committee (i) allocate such Returned Shares as restricted shares to any grantees; or (ii) sell or procure to be sold such Returned Shares, in which case the net sale proceeds thereof shall be deemed as income of the trust fund of the Trust and shall be applied in accordance with the Scheme.

Under the Scheme, the Board or the Committee may impose a clawback mechanism for the Company to recover or withhold the remuneration (which may include any Awards granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the financial statements of the Company or other circumstances in respect of the Awards granted. The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the restricted shares under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain or otherwise maintain ongoing business relationships that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

(l) Rights on voting and dividends

Neither the Eligible Participants nor the Trustee may exercise any voting rights attached to any Shares held by the Trustee under the Trust Deed.

Subject to the provisions of the Scheme, a grantee shall not have the right to receive dividends prior to the vesting date. Dividends payable in respect of Awards which have not yet vested shall be retained by the Trustee and form part of the trust fund of the Trust.

(m) Restrictions and limitations

A grant or any instruction from the Board to the Trustee to acquire or sell H Shares may not be made after a price sensitive event or inside information has occurred or a price sensitive matter or inside information has been the subject of a decision until such price sensitive information or inside information has been published in accordance with the Listing Rules. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results, no grant may be made to the Directors or connected persons, and the Board shall not give any instruction to the Trustee to purchase or sell the H Shares.

Upon the sale or purchase of the Awards by the Eligible Participants, such person shall comply with the restrictive requirements under the relevant laws and regulations, including but not limited to the restrictions on inside information and compliance with the restrictions (if any) in the number of Shares to be sold.

(n) Termination of the Scheme

In the event of termination of the Scheme, any ungranted Awards shall lapse and the restricted shares underlying the lapsed Awards shall be sold by the Trustee. The Scheme shall terminate on the earlier of: (i) the expiration of the life of the Scheme; or (ii) the date as determined by the Board or the Committee.

As of the Latest Practicable Date, in accordance with the rules of the 2025 H Share Restricted Share Scheme and the terms of the Trust Deed, a total of 910,000 Shares of the Company have been purchased by the Trustee on the Stock Exchange, and no Shares have been granted under the Scheme.

MATERIAL LITIGATION

The Company was not involved in any litigation, arbitration or claim of material importance, during the six months ended 30 June 2026.The Directors are also not aware of any litigation, arbitration or claim of material importance that are pending or threatened against the Group which would have a material adverse effect on our financial condition or results of operations, taken as a whole, during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company's H Shares were initially listed on the Main Board of the Stock Exchange on 9 January 2025.

The Trustee purchased a total of 910,000 H Shares of the Company on the Stock Exchange at a total consideration of about HK$29.0 million pursuant to the terms of the Scheme and the Trust Deed in 2025.

The conversion of 30,000,000 domestic Shares into H Shares had been completed on 9 June 2026.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed the Company's listed securities during the Reporting Period.

CHANGES IN DIRECTORS AND CHIEF EXECUTIVES

With effect from 1 June 2026, Mr. Shu Wa Tung, Laurence ceased to be the executive Director, chief financial officer and a member of Remuneration Committee of the Company and Mr. Zhao Mingzhu, the executive Director of the Company, has been appointed as a member of the Remuneration Committee.

With effect from 17 July 2026, Ms. Ng Sin Kiu ceased to be the independent non-executive Director, a member of Audit Committee and nomination committee of the Company, and Ms. Kung Man has been appointed as the independent non-executive Director, a member of the Audit Committee and the nomination committee.

Save as disclosed in this Interim Report, there has been no change in the information of the Directors and chief executives which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SHARE CAPITAL AND SHARES ISSUED

On 9 January 2025, the Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited. Based on the offer price HK$31.8 per share, the net proceeds with 10,000,000 H Shares offered from the Global Offering received by the Company, after deduction of the underwriting commission and relevant expenses by the Company in connection with the Global Offering were HK$273.4 million.

On 9 June 2026, the conversion of 30,000,000 domestic Shares into H Shares has been completed, the total H shares of the Company are 40,000,000 shares as at 30 June 2026.

BANK BORROWINGS

Particulars of bank loans of the Group as at 30 June 2026 are set out in notes 19 to the consolidated financial statements.

LOAN AND GUARANTEE

As of 30 June 2026, we have not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors and senior management of the Company, the Controlling Shareholders of the Company or their respective connected persons.

CONVERTIBLE BONDS

The Group did not issue any convertible bonds during the six months ended 30 June 2026.

DIVIDENDS

During the six months ended 30 June 2026, no dividend was distributed.

PERMITTED INDEMNITY

The Company has purchased appropriate liability insurance for its Directors and senior management in January 2026, and such permitted indemnity provision for the benefit of Directors and senior management still in force and continued to be in force till the date of this Interim Report.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company completed the Global Offering of its H Shares on 9 January 2025. After deducting underwriting commissions and related listing expenses, the net proceeds received by the Group from the Global Offering amounted to approximately HKD273.4 million (equivalent to approximately RMB253.2 million). As at 30 June 2026, save as mentioned in the announcement and circular of the Company both dated 15 December 2025, there has been no change to the intended application of the net proceeds from the Global Offering according to the intentions previously disclosed in the "Future Plans and Use of Proceeds" section of the Prospectus, and the Company had used, and proposed to use, the net proceeds from the Global Offering according to the intentions disclosed therein. As at 30 June 2026, the unutilised actual net proceeds amounted to approximately RMB106.1 million.

Further details of the usage as at 30 June 2026 were as follows:

	Percentage of the total net proceeds as previously disclosed in the Prospectus	Approximate allocation of net proceeds as previously disclosed (RMB million)	Approximate amount of net proceeds unutilized as at 30 June 2026 (RMB million)	Approximate utilization amount of proceeds from the Listing Date to 30 June 2026 (RMB million)	Estimated timeline for utilization of net proceeds
Acquire the controlling stake in a company holding an ocean-going ship as our maritime R&D platform and a mobile exhibition platform to showcase our equipment and system offering and pipeline products	35.8%	90.7	0.0	90.7	Before end of 2025 (Note)
Development of prototype products such as the LFSS (for ammonia), optimization development of the carbon capture system and the waste heat recovery system	7.7%	19.5	4.4	15.1	Before end of 2026
Recruitment of and retaining around 13 new R&D staff (Note)	4.1%	10.4 (Note)	3.1	2.3	Before end of 2025 (Note)
Cooperative R&D with universities, enterprises, or R&D institutions (Note)	2.4%	6.1 (Note)	0	11.1	In 2025 and 2026

	Percentage of the total net proceeds as previously disclosed in the Prospectus	Approximate allocation of net proceeds as previously disclosed (RMB million)	Approximate amount of net proceeds unutilized as at 30 June 2026 (RMB million)	Approximate utilization amount of proceeds from the Listing Date to 30 June 2026 (RMB million)	Estimated timeline for utilization of net proceeds
Potential mergers and acquisitions (Note)	15.0%	37.9 (Note)	19.9	0.0	Before end of 2026 (Note)
Leasing a production facility in mainland China or Southeast Asia (Note)	15.0%	37.9 (Note)	67.9	0.0	The location to be determined by 2025 following extensive research (Note)
Establishing four service centers internationally	8.0%	20.3 (Note)	8.0	0.3	In 2025 and 2026
Upgrading our service centers	2.0%	5.1	2.9	2.2	Before end of 2026
Working capital and other general corporate purposes	10.0%	25.3	0.0	25.3	N/A
Total	100.0%	253.2	106.1	147.1	

Note: Reference is made to the Announcement and Circular, the Board had resolved to change the use and allocation of the unutilised net proceeds and it was approved by the extraordinary general meeting on 17 July 2026.

REVIEW OF INTERIM RESULTS

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 2026. The Audit Committee considers that the interim financial results for the six months ended 30 June 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been made.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

Completion of the acquisition of the Vessel:

Reference is made to the announcement of the Company dated 29 July 2026, after the acquisition of Conti Shanghai on 16 April 2026, the consideration for the acquisition of OM Singapore has been paid by the OM Singapore Buyer to the OM Singapore Seller in accordance with the OM Singapore Memorandum of Agreement, and completion of the acquisition of OM Singapore took place on 29 July 2026.

Proposed acquisition of the assets in Jiangsu through public tender:

Reference is made to the announcements of the Company dated 24 August 2026 and 1 September 2026 respectively, the Company has submitted a bid on 25 August 2026 for the proposed acquisition of the land, property and equipment offered for sale by the vendor through public tender. On 1 September 2026 (after trading hours), the Company, being the successful bidder, entered into the transaction contract with the vendor.

SUFFICIENCY OF PUBLIC FLOAT

During the Reporting Period, the public float of the Company had fallen below the minimum percentage of 25% as prescribed under the Listing Rules due to the trustee holding 910,000 H Shares under the 2025 H Share Restricted Share Scheme. The public float was subsequently restored on 9 June 2026. For further details, please refer to the announcements of the Company dated 4 March 2026, 24 March 2026, 9 April 2026, 6 May 2026, 3 June 2026, 7 July 2026 and 31 July 2026 respectively.

Based on information that is publicly available and within the knowledge of the Directors, the Company maintained the prescribed public float as required under the Listing Rules as at the date of this Interim Report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the PRC that would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules. All references above to other sections, reports or notes in this report form part of this Interim Report.

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

Shanghai, PRC, 27 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

	NOTES	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	**233,814**	143,486
Cost of sales		**(158,533)**	(99,050)
Gross profit		**75,281**	44,436
Other income	6	**3,055**	5,173
Other gains and losses,net	7	**(10,717)**	(1,297)
Distribution and selling expenses		**(16,290)**	(9,734)
Administrative expenses		**(18,932)**	(22,963)
Research and development expenses		**(7,381)**	(9,569)
Listing expenses		**–**	(25)
Net impairment reversal under expected credit loss ("ECL") model		**133**	1,654
Finance costs		**(1,955)**	(1,162)
Profit before tax	8	**23,194**	6,513
Income tax expense	9	**(2,660)**	(452)
Profit for the period		**20,534**	6,061
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(4,173)**	7
Total comprehensive income for the period		**16,361**	6,068
Profit(loss) for the period attributable to owners of the Company:			
Owners of the Company		**20,607**	6,945
Non-controlling interests		**(73)**	(884)
		20,534	6,061

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income *(Continued)*

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
	NOTES	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Total comprehensive income(expense) for the period attributable to:			
Owners of the Company		**16,367**	6,032
Non-controlling interests		**(6)**	36
		16,361	6,068
EARNINGS PER SHARE			
Basic (in RMB)	10	**0.53**	0.18
Diluted (in RMB)	10	**0.53**	0.18

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	NOTES	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment ("PPE")	12	**143,155**	43,635
Right-of-use assets	12	**11,215**	9,721
Goodwill		**8,076**	8,459
Other intangible assets		**581**	598
Deferred tax assets		**4,866**	4,527
Restricted bank deposits		**214**	1,118
		168,107	68,058
Current assets			
Inventories	13	**83,475**	57,879
Trade and other receivables	15	**369,760**	294,688
Contract assets	14	**2,265**	1,701
Contract costs	16	**10,806**	4,273
Tax recoverable		**727**	338
Financial assets at fair value through profit or loss ("FVTPL")	17	**–**	136,770
Restricted bank deposits		**4,167**	34,556
Cash and cash equivalents		**210,995**	215,418
		682,195	745,623
Current liabilities			
Trade and other payables	18	**98,673**	99,796
Bank borrowings	19	**144,465**	147,950
Income tax payable		**2,963**	975
Lease liabilities		**2,212**	1,990
Provisions	20	**2,631**	2,765
Contract liabilities		**98,961**	66,313
		349,905	319,789
Net current assets		**332,290**	425,834
Total assets less current liabilities		**500,397**	493,892

Condensed Consolidated Statement of Financial Position *(Continued)*

At June 30, 2026

	NOTES	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Capital and reserves			
Share capital	21	**40,000**	40,000
Shares held for restricted share scheme		**(26,269)**	(14,106)
Reserves		**480,678**	463,363
Equity attributable to owners of the Company		**494,409**	489,257
Non-controlling interests		**2,859**	2,649
Total equity		**497,268**	491,906
Non-current liabilities			
Deferred tax liability		**496**	502
Lease liabilities		**2,633**	1,484
		3,129	1,986
		500,397	493,892

The condensed consolidated financial statements on pages 44 to 70 were approved and authorised for issue by the board of directors on 27 August 2026 and signed on its behalf by:

Zhou Yang
Director

Zhao Mingzhu
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company									
	Share capital RMB'000	Shares held for restricted share scheme RMB'000	Share premium RMB'000	Foreign currency transaction reserves RMB'000	Other reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2025 (Audited)	30,000	–	36,229	4,050	18,483	12,389	181,271	282,422	1,810	284,232
Profit (loss) for the period	–	–	–	–	–	–	6,945	6,945	(884)	6,061
Other comprehensive (expense) income for the period	–	–	–	(913)	–	–	–	(913)	920	7
Total comprehensive (expense) income for the period	–	–	–	(913)	–	–	6,945	6,032	36	6,068
Issue of H shares	10,000	–	284,468	–	–	–	–	294,468	–	294,468
Transaction costs attributable to issue of shares	–	–	(37,266)	–	–	–	–	(37,266)	–	(37,266)
Recognition of equity settled share-based payments	–	–	–	–	–	321	–	321	–	321
Distribution to the shareholders	–	–	–	–	–	–	(60,000)	(60,000)	–	(60,000)
Provision of safety fund surplus reserve	–	–	–	–	773	–	(773)	–	–	–
Utilisation of safety fund surplus reserve	–	–	–	–	(95)	–	95	–	–	–
At June 30, 2025 (audited)	40,000	–	283,431	3,137	19,161	12,710	127,538	485,977	1,846	487,823
At January 1, 2026 (Audited)	**40,000**	**(14,106)**	**304,938**	**141**	**18,826**	**13,704**	**125,754**	**489,257**	**2,649**	**491,906**
Profit (loss) for the period	**–**	**–**	**–**		**–**	**–**	**20,607**	**20,607**	**(73)**	**20,534**
Other comprehensive expense for the period	**–**	**–**	**–**	**(4,240)**	**–**	**–**	**–**	**(4,240)**	**67**	**(4,173)**
Total comprehensive (expense) income for the period	**–**	**–**	**–**	**(4,240)**	**–**	**–**	**20,607**	**16,367**	**(6)**	**16,361**
Capital injection from a non-controlling shareholder (note)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**216**	**216**
Recognition of equity settled share-based payments	**–**	**–**	**–**	**–**	**–**	**948**	**–**	**948**	**–**	**948**
Provision of safety fund surplus reserve	**–**	**–**	**–**	**–**	**496**	**–**	**(496)**	**–**	**–**	**–**
Utilisation of safety fund surplus reserve	**–**	**–**	**–**	**–**	**(120)**	**–**	**120**	**–**	**–**	**–**
Purchase of shares held for restricted share scheme	**–**	**(12,163)**	**–**	**–**	**–**	**–**	**–**	**(12,163)**	**–**	**(12,163)**
At June 30, 2026 (Unaudited)	**40,000**	**(26,269)**	**304,938**	**(4,099)**	**19,202**	**14,652**	**145,985**	**494,409**	**2,859**	**497,268**

Note: Minority shareholder capital injection into AMS ContiOcean Partners Limited.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before tax	**23,194**	6,513
Adjustments for:		
Interest income	**(2,523)**	(2,794)
Interest expenses on borrowings	**1,898**	1,087
Interest expenses on lease liabilities	**57**	75
Depreciation of PPE	**3,604**	1,644
Depreciation of right-of-use assets	**1,223**	1,174
Amortisation of other intangible assets	**469**	118
Gain arising on changes in fair value of financial assets at FVTPL	**(118)**	(1,882)
Net impairment losses (reversal) of financial assets and other items under ECL	**8**	(1,654)
Impairment losses on contract assets	**(141)**	(21)
Reversal of provision for inventories	**–**	(90)
Net foreign exchange losses (gain)	**4,671**	(108)
Losses on early termination of lease arrangements	**3**	–
Share-based payment expenses	**948**	321
OPERATING CASH FLOW BEFORE MOVEMENTS IN WORKING CAPITAL	**33,293**	4,383
(Increase) decrease in contract costs	**(6,533)**	168
(Increase) decrease in contract assets	**(423)**	411
Increase in trade and other receivables	**(28,411)**	(58,172)
Decrease in restricted bank deposits	**3,294**	2,097
Decrease in provisions	**(134)**	(1,129)
Decrease in trade and other payables and other current liabilities	**(1,123)**	(21,546)
Increase (decrease) in contract liabilities	**32,648**	(2,445)
Increase in inventories	**(25,596)**	(24,969)
CASH FROM (USED IN) OPERATIONS	**7,015**	(101,202)
Income tax paid	**(679)**	(2,358)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**6,336**	(103,560)

Condensed Consolidated Statement of Cash Flows *(Continued)*

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
INVESTING ACTIVITIES		
Interest received	**2,523**	2,794
Rental deposits paid	**–**	(359)
Purchase of property, plant and equipment	**(103,406)**	(438)
Prepayment for acquisition of an operating vessel	**(30,649)**	–
Deposits paid for acquisition of an operating vessel	**(32,529)**	(39,372)
Purchase of intangible assets	**(169)**	(318)
Purchase of financial assets at FVTPL	**–**	(116,246)
Proceeds received upon disposal of financial assets at FVTPL	**133,875**	–
Decrease in restricted bank deposits	**27,999**	
Withdrawal of term deposits	**–**	21,565
NET CASH USED IN INVESTING ACTIVITIES	**(2,356)**	(132,374)
FINANCING ACTIVITIES		
Repayment of lease liabilities	**(1,300)**	(924)
Interest paid on lease liabilities	**(57)**	(69)
Proceeds from bank borrowings	**104,465**	152,910
Repayment of bank borrowings	**(107,950)**	(25,560)
Bank interest paid	**(1,898)**	(1,087)
Proceeds received from issuance of H shares	**–**	294,468
Deferred issue cost paid	**–**	(20,889)
Capital injection from a non-controlling shareholder	**216**	–
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(6,524)**	398,849
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(2,544)**	162,915
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**215,418**	133,402
Effects of exchange rate changes	**(1,879)**	360
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**210,995**	296,677

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 December 28, 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 respective address of the registered office and the principal place of business of the Company are Room 1101, No. 2 Maji Road, China (Shanghai) Pilot Free Trade Zone, Shanghai. As at the date of this report, the Company is collectively 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 Company and its subsidiaries (collectively referred to as the "Group"), are principally engaged in the provision of marine exhaust gas cleaning system, marine energy-saving devices, marine clean-energy supply systems and maritime services. During the six months ended 30 June 2026, the Group initiated a new business for the provision of vessel chartering services.

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

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 interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values.

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 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. ACCOUNTING POLICIES *(Continued)*

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

The application of the amendments to IFRS Accounting Standards 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

Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Type of services		
Marine exhaust gas cleaning systems	**69,503**	45,173
Marine energy-saving devices	**22,225**	7,688
Marine clean-energy supply systems	**40,006**	36,316
Maritime services	**91,601**	54,309
Vessel chartering	**10,479**	–
	233,814	143,486

4. REVENUE *(Continued)*

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 June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**120,284**	78,769
Overseas	**113,530**	64,717
	233,814	143,486

Timing of revenue recognition

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At a point in time	**188,708**	143,486
Over time	**45,106**	–
	233,814	143,486

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 reporting period, the CODM assesses the operating performance and allocated 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 accounting policies 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 June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**61,343**	63,519
Overseas	**101,684**	565
	163,027	64,084

6. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants related to income (Note)	**532**	2,376
Interest income on bank deposits	**2,523**	2,794
Others	**–**	3
	3,055	5,173

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 June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**(10,865)**	(3,175)
Fair value gains on financial assets at FVTPL	**118**	1,882
Losses on lease termination	**(3)**	–
Others	**33**	(4)
	(10,717)	(1,297)

8. PROFIT BEFORE TAX

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit before tax for the period has been arrived at after charging (crediting):		
Depreciation of PPE	**3,604**	2,148
Depreciation of right-of-use assets	**1,223**	1,174
Amortisation of other intangible assets	**469**	118
	5,296	3,440
Changes in amount capitalised in inventories	**(806)**	(504)
	4,490	2,936
Auditor's remuneration	**–**	1,190
Directors' and supervisors' emoluments	**3,931**	7,035
Other staff costs:		
— Salaries, bonus and other allowances	**17,992**	11,218
— Retirement benefit scheme contributions	**1,736**	1,011
— Equity-settled share-based payment expenses	**629**	193
	24,288	19,457
Changes in amount capitalised in inventories	**(773)**	(460)
	23,515	18,997
Amortisation of contract costs	**17,703**	11,669
Cost of inventories recognized as an expense (excluding write-down of inventories)	**119,197**	93,190
Reversal of write-down of inventories	**–**	(90)

9. INCOME TAX EXPENSE

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current Tax:		
PRC Enterprise Income Tax	**692**	26
Singapore Income Tax	**306**	504
Hong Kong Profits Tax	**2,475**	499
Portuguese Income Tax	**–**	18
	3,473	1,047
Deferred Tax	**(813)**	(595)
	2,660	452

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 June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**20,607**	6,945
Number of shares		
Weighted average number of ordinary shares in issue	**39,133**	39,558

For the six months ended 30 June 2026 , the weighted average number of ordinary shares in issue for the purpose of basic earnings per share has excluded 910,000 shares (six months ended 30 June 2025: nil) purchased for the restricted share scheme adopted in August 2025.

The computation of diluted earnings per share for the six months ended 30 June 2026 and 2025 does not assume the exercise of the Company's options granted under a share option scheme adopted in 2024, because the performance conditions included were not satisfied as at 30 June 2026 and 2025.

11. DIVIDENDS

The Board did not recommend any payment of interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

12. PPE AND RIGHT-OF-USE ASSETS

During the six months ended June 30, 2026 and 2025, the Group incurred RMB103,103,000 (unaudited) and RMB438,000 (audited) on acquisition of PPE, respectively. There was no significant disposal or write off PPE during the reporting periods.

During the current interim period, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 2 to 3 years (six months ended June 30, 2025: several). On date of lease commencement, the Group recognised right-of-use assets of RMB3,007,000 (six months ended 30 June 2025: RMB2,660,000). The Group is required to make fixed monthly payments.

13. INVENTORIES

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Finished goods	**70,625**	46,374
Raw materials and consumables	**3,266**	4,464
Work in progress	**9,584**	7,041
	83,475	57,879

Finished goods are net of a write-down of approximately RMB491,000(unaudited) and RMB491,000(audited) as of June 30, 2026 and December 31, 2025.

Raw materials are net of a write-down of approximately RMB707,000(unaudited) and RMB707,000 (audited) as at June 30, 2026 and December 31, 2025.

14. CONTRACT ASSETS

Certain marine services contracts of the Company and its subsidiaries include terms that require certain portion of the payments to be withheld by the customers until the expiry of the warranty period.

The Group typically agrees to a retention period of 12 months for a percentage ranging from 2% to 5% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditioned on the marine services not having any quality issues. The contract assets are transferred to trade receivables when the warranty obligations expire.

The Group classifies these contract assets as current because the Group expects to realize them in its normal operating cycle.

15. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Trade receivables	**88,435**	82,246
Less: allowance for ECL	**(4,839)**	(4,831)
Trade receivables, net	**83,596**	77,415
Notes receivables	**10,922**	22,921
Subtotal	**94,518**	100,336
Prepaid for purchases of materials	**103,157**	86,611
Prepaid operating expenses	**62,221**	53,557
Value-added-tax ("VAT") recoverable	**1,712**	976
Prepaid income tax	**1,269**	107
Prepayment for purchase of an operating vessel	**30,649**	–
VAT export refund receivable	**26**	668
Rental deposits	**901**	975
Deposits paid	**74,622**	38,798
Advance to employees	**622**	429
Funds held by trustee for restricted share scheme	**10**	12,174
Others	**53**	57
Subtotal	**275,242**	194,352
	369.760	294,688

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.

15. TRADE AND OTHER RECEIVABLES *(Continued)*

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

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
0–30 days	**39,610**	47,260
31–90 days	**21,225**	11,306
91–180 days	**5,085**	6,415
181–365 days	**10,224**	6,141
Over 1 year	**7,452**	6,293
	83,596	77,415

16. CONTRACT COSTS

Details of contract cost are as follows:

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Incremental costs to obtain contracts (Note a)	**8,592**	1,598
Costs to fulfill contracts (Note b)	**2,214**	2,675
	10,806	4,273

16. CONTRACT COSTS *(Continued)*

Notes:

a. Contract costs capitalized relate to the incremental sales commissions paid to agents whose selling activities resulted in customers entering into sale and purchase agreements whose revenue has not yet been recognized at the end of the reporting period.

b. Costs to fulfill contracts are mainly in relation to the design review fees of ongoing projects at each of the end of the reporting period.

Contract costs are recognized as expenses in the consolidated statement of profit or loss in the period in which the corresponding revenue is recognized.

There was no impairment in relation to the opening balance of capitalized costs or the costs capitalized during the reporting period.

17. FINANCIAL ASSETS AT FVTPL

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Financial assets at FVTPL	**–**	136,770

18. TRADE AND OTHER PAYABLES

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Trade payables		
— third parties	**63,282**	71,751
Notes payables	**14,233**	3,851
Construction cost payable	**3,052**	3,490
Other payables and accrued expenses	**13,692**	12,280
Payroll payables	**3,648**	7,130
Other tax payables	**766**	1,294
	98,673	99,796

The average credit period on purchases of goods and services of the Group is 120 days.

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

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
0–90 days	**37,976**	51,546
91–180 days	**11,491**	5,311
181–365 days	**7,832**	10,262
Over 365 days	**5,983**	4,632
	63,282	71,751

19. BANK BORROWINGS

As at June 30, 2026 and December 31, 2025, bank borrowings of RMB85,887,000 (unaudited) and RMB58,000,000 (audited) are unsecured but guaranteed by the Company.

As at June 30, 2026 and December 31, 2025, bank borrowings of RMB58,578,000 (unaudited) and RMB69,950,000 (audited) are unsecured and unguaranteed.

As at June 30, 2026 and December 31, 2025, bank borrowings of RMBnil (unaudited) and RMB10,000,000 (audited) are unsecured but guaranteed by the Company for small and medium-sized enterprises ("SMEs") .

As at June 30, 2026 and December 31, 2025, bank borrowings of RMBnil (unaudited) and RMB10,000,000 (audited) are unsecured but guaranteed by the Company and Shanghai Administration Center of Policy Financing Guarantee Funds for SMEs .

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Fixed-rate borrowings	**2.30%–2.40%**	2.30%–3.00%

	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
The carrying amounts of the above borrowings are repayable		
Within one year	**144,465**	147,950
	144,465	147,950

20. PROVISIONS

	Warranty provision RMB'000
At December 31, 2025 (audited)	2,765
Reversal of provision during the period	(34)
Utilisation of provision during the period	(100)
At June 30, 2026 (unaudited)	**2,631**

The warranty provision represents management's best estimate of the Group's liability under 12 to 60 months assurance-type warranty granted on products, based on prior experience and industry averages for defective products.

21. SHARE CAPITAL

	Number of shares	Nominal value of shares RMB'000
Ordinary shares of RMB1 each		
At January 1, 2026 (audited)	40,000,000	40,000
Issuance of H shares	–	–
At June 30, 2026 (unaudited)	**40,000,000**	**40,000**

22. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

Set out below are details of the movements of the outstanding shares options granted under the share-based payment arrangements during the six months ended June 30, 2026.

	At June 30, 2026
Directors	
At the beginning of the period	**425,000**
Forfeited during the period	**–**
At the end of the period	**425,000**
Other employees	
At the beginning of the period	**901,000**
Forfeited during the period	**(20,400)**
At the end of the period	**880,600**

During the six months ended June 30, 2026 and 2025 equity-settled share-based payment compensation expenses of RMB948,000 (unaudited) and RMB321,000 (unaudited), in relation to the above mentioned share-based payment arrangements were charged to profit or loss.

23. RELATED PARTY TRANSACTIONS

Save for disclosed in elsewhere of these condensed consolidated financial statements, the Group has the following transactions and balances with related parties during the reporting periods.

Compensation of key management personnel

The remuneration of key management of the Group during the reporting periods were as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term benefits	**3,442**	5,188
Discretionary bonus	**–**	1,440
Retirement benefit scheme contributions	**170**	279
Share-based payments	**319**	128
	3,931	7,035

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the Group's financial asset that is measured at fair value on a recurring basis

As at June 30, 2026, the Group did not hold any financial assets at FVTPL. As at December 31, 2025, financial assets at FVTPL of the Group were measured at fair value. The following table gives information about how the fair value of the financial assets is determined (in particular, the valuation techniques and inputs used).

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input
	June 30, 2026 RMB'000	December 31, 2025 RMB'000			
Financial assets at FVTPL	–	136,770	Level 3	Based on the reported net asset value per unit of the Underlying Funds as at 31 December, 2025, which were set out in the net asset statements provided by the Fund Issuers. The reported net asset valuations reflect aggregate market values of the underlying investment portfolios of the Underlying Funds, together with adjustments for related expenses, without disclosure of the number of units or observable quoted prices of the underlying investments	Issuer-provided aggregate NAV and assumptions embedded in NAV

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the Group's financial asset that is measured at fair value on a recurring basis *(Continued)*

As at December 31, 2025. the classification of the fair value measurement of the wealth management products as Level 3 of the fair value hierarchy reflects that the valuation was based on net assets statements provided by the Fund Issuers that provide only aggregate market values of the underlying investments, without disclosing the observable prices of the underlying investments held by the Underlying Funds. Accordingly, significant unobservable inputs were involved in the valuation processes in preparing the net assets statements, and the fair value measurement has been classified as Level 3.

There were no transfers between Level 1 and Level 2, or between Level 2 and Level 3, during the year ended 31 December, 2025.

Reconciliation of fair value measurement categories within Level 3

	Wealth management products classified as financial assets at FVTPL RMB'000
At December 31, 2024 (audited)	19,768
Fair value gain recognised in profit or loss	1,882
Purchases	116,246
At June 30, 2025 (unaudited)	137,896
Fair value gain recognised in profit or loss	1,361
Exchange adjustments	(2,487)
At 31 December, 2025 (audited)	**136,770**
Fair value gain recognised in profit or loss	**118**
Disposal	**(136,888)**
At 30 June, 2026 (unaudited)	**–**

The Group had assessed its exposure to other price risk arising from the wealth management products classified as financial assets at FVTPL, taking into account factors including the short-term nature, the characteristics and the historical price volatility of the underlying investments. The Group considered such exposure to be insignificant and, accordingly, no sensitivity analysis has been presented.

25. EVENTS AFTER THE REPORTING PERIOD

Except for the events or transaction disclosed elsewhere in the condensed consolidated financial statements, the Group incurred the below event after the reporting period:

Completion of the acquisition of the Vessel:

As disclosed in the announcement of the Company dated 29 July 2026, after the acquisition of Conti Shanghai on 16 April 2026, the consideration for the acquisition of OM Singapore has been paid by the OM Singapore Buyer to the OM Singapore Seller in accordance with the OM Singapore Memorandum of Agreement, and completion of the acquisition of OM Singapore took place on 29 July 2026.

Proposed acquisition of the assets in Jiangsu through public tender:

As disclosed in the announcement of the Company dated 24 August 2026, the Company has submitted a bid on 25 August 2026 for the proposed acquisition of the land, property and equipment offered for sale by the vendor through public tender. On 1 September 2026 (after trading hours), the Company, being the successful bidder, entered into the transaction contract with the vendor.