ContiOcean

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

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

(Stock Code: 2613)

CHANGE IN USE OF PROCEEDS

Reference is made to (i) the prospectus of ContiOcean Environment Tech Group Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 December 2024 (the "**Prospectus**") in relation to the listing of the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited, which sets out the intended use of the net proceeds from the global offering of the Company at the time of preparing the Prospectus; (ii) the announcement and circular of the Company both dated 15 December 2025 in relation to the modification of certain use of proceeds; and (iii) the annual report of the Group for the financial year ended 31 December 2025 (the "**2025 Annual Report**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

CHANGE IN USE OF PROCEEDS

As disclosed in the 2025 Annual Report, the net proceeds from the Global Offering after deducting underwriting fee and relevant expenses amounted to approximately HK$273.4 million (equivalent to approximately RMB253.2 million) (the "**Actual Net Proceeds**").

As at 15 April 2026, the unutilised Actual Net Proceeds amounted to approximately RMB119 million (the "**Unutilised Net Proceeds**"). The Board has resolved to change the use and allocation of the Unutilised Net Proceeds as follows:

Business objective	Approximate allocation of net proceeds as previously disclosed in the Prospectus *(RMB million)*	Approximate utilisation amount of proceeds from the Listing Date *(RMB million)*	Approximate amount of net proceeds unutilised as at the Latest Practicable Date *(RMB million)*	Change of business objective (if any)	Revised allocation (if any) *(RMB million)*	Expected timeline for utilising the Unutilised Net Proceeds
(1) 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	90.7	90.7	—	—	—	Before end of 2025 (note: the acquisition is currently in progress and is scheduled for completion before the end of July 2026.)
(2) Development of prototype products such as the LFSS (for ammonia), optimization development of the carbon capture system and the waste heat recovery system	19.5	12.2	7.3	—	7.3 (No change)	Before end of 2026
(3) Recruitment of and retaining around 13 new R&D staff	10.4	1.4	9.0	Same objective	4.0	Before end of 2025 (note: currently under active recruitment, expected to be delayed until the end of 2026; the fundraising amount is calculated based on the new salaries of 13 employees for 3 years.)
				Cooperative R&D with universities, enterprises, or R&D institutions to develop company prototype products	5.0	Before end of 2027. Please refer to Business objective (4)

Business objective	Approximate allocation of net proceeds as previously disclosed in the Prospectus *(RMB million)*	Approximate utilisation amount of proceeds from the Listing Date *(RMB million)*	Approximate amount of net proceeds unutilised as at the Latest Practicable Date *(RMB million)*	Change of business objective (if any)	Revised allocation (if any) *(RMB million)*	Expected timeline for utilising the Unutilised Net Proceeds
(4) Cooperative R&D with universities, enterprises, or R&D institutions	6.1	2.6	3.5	Cooperative R&D with universities, enterprises, or R&D institutions to develop company prototype products	8.5 (Increased 5.0 from Business objective (3))	In 2025 and 2026
(5) Potential mergers and acquisitions	37.9	—	37.9	Acquiring High-Quality Targets Through a Combination of Domestic and Overseas M&A	19.9	Before end of 2027 as there are currently no identified targets and no transaction documents have been entered into.
				Expand production capacity through a combination of leasing and acquiring production facilities, alongside technical upgrades to our own factories	18.0	Please refer to Business objective (6)
(6) Leasing a production facility in mainland China or Southeast Asia	37.9	—	37.9	Expand production capacity through a combination of leasing and acquiring production facilities, alongside technical upgrades to our own factories	67.9 (Increased 30.0 from Business objectives (5) and (7))	The location to be determined by 2025 following an extensive research (note: due to market conditions, the location has not yet been finalised, and completion is now expected to be delayed until the end of 2026.)

Business objective	Approximate allocation of net proceeds as previously disclosed in the Prospectus *(RMB million)*	Approximate utilisation amount of proceeds from the Listing Date *(RMB million)*	Approximate amount of net proceeds unutilised as at the Latest Practicable Date *(RMB million)*	Change of business objective (if any)	Revised allocation (if any) *(RMB million)*	Expected timeline for utilising the Unutilised Net Proceeds
(7) Establishing four service centres internationally	20.3	0.1	20.2	Same objective	8.2	In 2025 and 2026. Please refer to Business objective (6)
				Expand production capacity through a combination of leasing and acquiring production facilities, alongside technical upgrades to our own factories	12.0	
(8) Upgrading our service centres	5.1	2.0	3.1	—	—	Before end of 2026
(9) Working capital and other general corporate purposes	25.3	25.3	—	—	—	N/A
Total	253.2	134.2	119.0			

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The reasons for and benefits of each of the change in use of proceeds of the Unutilised Net Proceeds are set out below:

(a) Cooperative R&D With Universities, Enterprises, Or R&D Institutions to Develop Company Prototype Products

In response to the accelerating pace of technological iteration within the industry, the Company is shifting from a predominantly internal R&D approach to an open collaborative innovation model. A portion of the budget totaling RMB5 million has been reallocated from solely expanding the team to fostering industry-academia-research collaboration. This initiative aims to leverage the laboratory resources and cutting-edge technical expertise of universities, leading research institutions, or enterprises to tackle key technological challenges at a lower marginal cost. This strategy not only mitigates the pressure of sustained increases in rigid labor costs but also enhances the Company's R&D efficiency and technological barriers in the environmental technology sector within a shorter timeframe through resource-sharing mechanisms, thereby accelerating the industrial application of scientific research achievements.

(b) Acquiring High-Quality Targets Through a Combination of Domestic and Overseas M&A

In view of the complex international geopolitical landscape and the tightening of antitrust scrutiny on cross-border mergers and acquisitions, the Board, after a comprehensive assessment of capital expenditure efficiency and associated risks, has decided to optimize the Company's investment strategy. The original plan focused solely on overseas acquisitions has been adjusted to a "dual-track approach combining domestic and overseas initiatives," aimed at capturing market opportunities arising from the global green transition in shipping with greater flexibility. By balancing mature, high-quality domestic targets with advanced technological assets abroad, the Company can diversify geopolitical policy risks while leveraging the well-established industrial chain ecosystem within the domestic market. This facilitates the rapid synergy of technology transfer and market share expansion, thereby enhancing both the success rate of post-merger integration and the overall return on invested capital.

(c) Expand Production Capacity Through a Combination of Leasing and Acquiring Production Facilities, alongside Technical Upgrades to Our Own Factories

To address the accelerating pace of technological iteration in the industry and growing customer demand for shorter delivery cycles of customized products, the Company has decided to reshape its capacity expansion strategy. The original singular "asset-light leasing model" has been upgraded to a hybrid model that combines leasing, acquisitions, and technical upgrades to existing self-owned factories. This initiative not only secures production resources in core locations to ensure supply chain stability but also significantly enhances unit output efficiency and process barriers through the intelligent and eco-friendly retrofitting of existing production lines. While enabling a rapid ramp-up in production capacity, this strategy effectively balances fixed asset investment with operational flexibility, laying a solid foundation for the Company's medium- to long-term cost leadership strategy.

(d) Reallocation of approximately RMB18 million from the M&A Project to the Capacity Expansion Project

In light of the tightening of global shipping environmental policies and volatility in the clean energy supply chain, the Company has adopted a more prudent investment strategy. Approximately RMB18 million originally allocated for overseas acquisitions will be redirected to capacity expansion projects, with the aim of strengthening core competitiveness through internal growth. This move enables the Company to seize current market opportunities by developing its own manufacturing facilities, allowing for rapid response to customer demands while mitigating the integration risks and uncertainties associated with reliance on external acquisition targets. Consequently, this enhances the security of fund utilization and the return on investment.

(e) Reallocation of approximately RMB12 million from the Establishment of Service Centers to the Capacity Expansion Project

With the proliferation of digital operation and maintenance tools and the maturation of remote diagnostics technology, the traditional offline physical service center model is gradually transitioning towards an asset-light service model characterized by "online platforms plus regional coverage." Therefore, approximately RMB12 million originally budgeted for establishing physical branches will be reallocated to capacity expansion projects. This adjustment not only avoids the pressure of amortizing fixed costs resulting from an excessive rollout of offline centers but also concentrates resources to break through production bottlenecks, directly bolstering the Company's revenue base. The Company can then strategically time the establishment of service centers once economies of scale have been achieved, thereby realizing a superior return on investment.

The Directors consider that development direction of the Company is still in line with the disclosures in the Prospectus in spite of the changes in use of the Unutilised Net Proceeds as stated above. As at the date of this announcement, the Directors confirm that there is no material change in the nature of business of the Group as set out in the Prospectus. The Directors consider that the above change is in the best interest of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group. The Directors will continuously assess the plans for the use of the Unutilised Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance for the Group.

EXTRAORDINARY GENERAL MEETING

According to the articles of association of the Company, shareholders' approval is required to be obtained for the change in use of the proceeds. An extraordinary general meeting (the "**EGM**") will be convened for the shareholders of the Company to consider and, if thought fit, approve (among others) the change of the use of the Unutilised Net Proceeds.

A circular containing details of (among others) the change in use of the Unutilised Net Proceeds and a notice convening the EGM is expected to be despatched to the shareholders as soon as possible.

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

Shanghai, PRC, 2 July 2026

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