华商能源
CM Energy

CM Energy Tech Co., Ltd.
华商能源科技股份有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 206)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of CM Energy Tech Co., Ltd. (the "**Company**" or "**CM Energy**") announces the unaudited results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026, together with the unaudited comparative figures for the corresponding period in 2025 as follows:

RESULTS HIGHLIGHTS

- The Group's revenue for the six months ended 30 June 2026 reached approximately US$63.3 million, representing an increase of approximately 1.1% from approximately US$62.6 million for the same period in 2025;
- Gross profit amounted to approximately US$5.5 million for the six months ended 30 June 2026, representing a decrease of approximately 64.8% from approximately US$15.5 million for the same period in 2025, mainly due to the provision for impairment loss of US$9.5 million relating to the discontinuation of the to-be-performed scope of drilling rigs and equipment supply and service projects with Petróleos Mexicanos ("**Pemex**");
- Net loss attributable to owners of the Company amounted to approximately US$9.3 million for the six months ended 30 June 2026, turnaround from profit to loss compared to a net profit of approximately US$2.7 million for the same period in 2025;
- Loss per share for the six months ended 30 June 2026 was US0.29 cent, turnaround from profit to loss compared with US0.09 cent for the same period in 2025;
- The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – UNAUDITED

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***US$'000***	*US$'000*
Revenue	*3, 4*	**63,329**	62,630
Cost of sales		**(57,861)**	(47,112)
Gross profit		**5,468**	15,518
Other income, gains and losses, net	*5*	**367**	1,051
Selling and distribution expenses		**(788)**	(1,341)
General and administrative expenses		**(13,234)**	(10,391)
Other expenses		**–**	(24)
Impairment losses under expected credit loss model, net of reversal		**757**	–
(Loss)/Profit from operations		**(7,430)**	4,813
Finance costs	*6(a)*	**(34)**	(21)
Share of results of associates		**146**	(368)
(Loss)/Profit before taxation	*6*	**(7,318)**	4,424
Income tax expenses	*7*	**(1,986)**	(1,643)
(Loss)/Profit for the period		**(9,304)**	2,781
(Loss)/Profit for the period attributable to:			
Owners of the Company		**(9,303)**	2,724
Non-controlling interests		**(1)**	57
		(9,304)	2,781
(Loss)/Earnings per share			
Basic and diluted	*9*	**US(0.29) cent**	US0.09 cent

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – UNAUDITED

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
(Loss)/Profit for the period	**(9,304)**	**2,781**
Other comprehensive income for the period:		
Items that will not be reclassified subsequently to profit or loss:		
– Fair value changes on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**–**	**4,643**
– Share of other comprehensive income of associates and a joint venture	**–**	**–**
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	**3,978**	**3,873**
Other comprehensive income for the period	**3,978**	**8,516**
Total comprehensive (expense)/income for the period	**(5,326)**	**11,297**
Total comprehensive (expense)/income for the period attributable to:		
– Owners of the Company	**(5,340)**	**11,240**
– Non-controlling interests	**14**	**57**
	(5,326)	**11,297**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**Unaudited As at 30 June 2026**	Audited As at 31 December 2025
		US$'000	*US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**14,800**	21,306
Investment properties		**2,015**	1,996
Goodwill		**365**	378
Intangible assets		**2,094**	1,401
Interest in associates		**14,302**	13,700
Prepayments		**–**	668
Deferred tax assets		**3,482**	3,514
		37,058	42,963
CURRENT ASSETS			
Inventories		**55,669**	50,482
Trade and other receivables	*11*	**86,561**	90,935
Lease receivables		**7,277**	17,279
Pledged bank deposits		**2,206**	200
Cash and cash equivalents		**125,089**	133,098
		276,802	291,994

	Notes	Unaudited As at 30 June 2026 *US$'000*	Audited As at 31 December 2025 *US$'000*
CURRENT LIABILITIES			
Trade and other payables	*12*	**41,961**	54,195
Contract liabilities		**76,377**	63,056
Lease liabilities		**13,127**	30,862
Tax payable		**2,992**	2,139
		134,457	150,252
NET CURRENT ASSETS		**142,345**	141,742
TOTAL ASSETS LESS CURRENT LIABILITIES		**179,403**	184,705
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**316**	243
Lease liabilities		**906**	1,105
		1,222	1,348
NET ASSETS		**178,181**	183,357
CAPITAL AND RESERVES		**41,418**	41,418
Share capital			
Reserves		**135,170**	140,345
Total equity attributable to owners of the Company		**176,588**	181,763
Non-controlling interests		**1,593**	1,594
TOTAL EQUITY		**178,181**	183,357

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

For the six months ended 30 June 2026

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Exchange reserve	Shares held for share award scheme reserve	Capital reserve	Revaluation reserve	Statutory Reserve funds	Safety fund surplus reserve	Fair value reserve (non-recycling)	Accumulated losses	Total		
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Balance at 1 January 2025	41,418	250,580	2,161	(23,371)	(3,631)	5,482	627	12,398	2,305	(7,318)	(102,460)	178,191	1,056	179,247
Changes in equity for the six months ended 30 June 2025:														
Profit for the period	–	–	–	–	–	–	–	–	–	–	2,724	2,724	57	2,781
Other comprehensive income	–	–	–	3,873	–	–	–	–	–	4,643	–	8,516	–	8,516
Total comprehensive income	–	–	–	3,873	–	–	–	–	–	4,643	2,724	11,240	57	11,297
Dividends recognised as distributions[1]	–	(4,052)	–	–	–	–	–	–	–	–	–	(4,052)	–	(4,052)
Transfer to Accumulated losses	–	–	–	–	–	–	–	–	–	–	(3,989)	(3,989)	–	(3,989)
Change for safety fund surplus reserve	–	–	–	–	–	–	–	–	(218)	–	–	(218)	–	(218)
Balance at 30 June 2025	41,418	246,528	2,161	(19,498)	(3,631)	5,482	627	12,398	2,087	(2,675)	(103,725)	181,172	1,113	182,285
Balance at 1 January 2026	**41,418**	**246,528**	**2,161**	**(19,943)**	**(3,631)**	**5,482**	**627**	**15,698**	**2,548**	**-**	**(109,125)**	**181,763**	**1,594**	**183,357**
Changes in equity for the six months ended 30 June 2026:														
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9,303)**	**(9,303)**	**(1)**	**(9,304)**
Other comprehensive income	**-**	**-**	**-**	**3,978**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,978**	**-**	**3,978**
Total comprehensive income/(expense)	**-**	**-**	**-**	**3,978**	**-**	**-**	**-**	**-**	**-**	**-**	**(9,303)**	**(5,325)**	**(1)**	**(5,326)**
Change for safety fund surplus reserve	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**150**	**-**	**-**	**150**	**-**	**150**
Balance at 30 June 2025	**41,418**	**246,528**	**2,161**	**(15,965)**	**(3,631)**	**5,482**	**627**	**15,698**	**2,698**	**-**	**(118,428)**	**176,588**	**1,593**	**178,181**

1 A final dividend of HK$0.01 per share for the year ended 31 December 2024 was paid.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT – UNAUDITED

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Operating activities		
Cash generated from operations	**17,038**	35,285
Income tax paid	**(2,241)**	(1,789)
Net cash generated from operating activities	**14,797**	33,496
Investing activities		
Payment for purchase of property, plant and equipment	**(1,870)**	(593)
Capital contribution to associates	**–**	(1,378)
Payment of interest-free loans to a joint venture	**(3,940)**	–
Proceeds from disposal of an associate	**29**	–
Interest received	**82**	–
Proceeds received from disposal of financial assets at FVTOCI	**–**	570
Cash payments for other investing activities	**(383)**	–
Decrease in pledged bank deposits and time deposits	**(2,006)**	559
Net cash used in investing activities	**(8,088)**	(842)
Financing activities		
Dividends paid	**–**	(4,052)
Capital element of lease rentals paid	**(16,580)**	(22,107)
Interest element of lease rentals paid	**(104)**	(745)
Payment of interest element on consideration payable	**(8)**	–
Payment of principal element on consideration payable	**(24)**	–
Net cash used in financing activities	**(16,716)**	(26,904)
Net (decrease)/increase in cash and cash equivalents	**(10,007)**	5,750
Cash and cash equivalents at 1 January	**133,098**	84,100
Effect of foreign exchange rate changes	**1,998**	714
Cash and cash equivalents at 30 June	**125,089**	90,564

NOTES TO THE INTERIM FINANCIAL INFORMATION – UNAUDITED

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 February 2005 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and was listed on the Main Board (the "**Main Board**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 5 June 2009.

The condensed consolidated financial statements for the six months ended 30 June 2026 have not been audited nor reviewed by the Company's auditors, but have been reviewed by the Company's audit committee. The Company's audit committee has no disagreement with the accounting treatments which had been adopted by the Group.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), including compliance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for investments in equity securities which are stated at fair value.

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

In the current period, the HKICPA has issued several amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") that are first effective for the current accounting period of the Group. The adoption of these amendments had no significant financial impact on the unaudited condensed consolidated financial statements.

The Group has not applied any new or revised HKFRSs that have been issued but are not yet effective for the current accounting period.

3. REVENUE

The following presents disaggregation of revenue from contracts with customers and reconciliation of disaggregated revenue with the Group's reportable segments:

	Unaudited For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Alkaline water electrolysis hydrogen production, green fuel production and refueling services, core equipment for hydrogenation stations	**194**	–
Manufacturing and sales of windwings, LNG/methanol/ammonia fuel supply systems, sales of equipment related offshore drilling rigs, smart electronic control system	**23,517**	28,228
Marine services and sales of oilfield expendables and supplies and related installation services	**14,819**	10,341
Assets management and engineering service fee income	**7,192**	8,537
Sub-total	**45,722**	47,106
Revenue from other sources		
Rental income arising from leasing of land and offshore drilling rigs classified as operating leases	**491**	320
Rental income arising from sub-leasing of diving support construction vessels classified as operating leases	**17,116**	14,623
Gain on sub-leasing of offshore drilling rigs classified as finance leases	**–**	431
Interest income from sub-leasing of offshore drilling rigs classified as finance leases	**–**	150
Sub-total	**17,607**	15,524
Total	**63,329**	62,630

4. SEGMENT REPORTING

Segment reporting in prior years, the Group had three reportable segments: "Equipment manufacturing and packages", "Supply chain and integration services" and "Assets management and engineering services". In 2025, the Group's operating segments have been reorganised to better reflect the strategic and business development. The Group has adopted the new business group structure as the reporting format effective for the year ended 31 December 2025 and the comparative figures have been restated to conform to the current year's presentation.

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Hydrogen-based energy: Core products and technologies include alkaline water electrolysis hydrogen production, green fuel production and refueling services, ISCC certification services, skid-mounted hydrogen production systems, core equipment for hydrogenation stations and hydrogen energy bicycle operation services.

- Shipbuilding and offshore equipment support: Design, manufacturing, installation and commissioning of equipments related to land and offshore drilling rigs and equipments related to offshore wind power installation platform and rigs. Our product range includes jacking systems, pile legs and racks, cranes, deep-water active wave compensation gangways, and launch and recovery systems. Leasing of self-owned land drilling rigs, and manufacturing and sales of windwings, LNG/methanol/ammonia fuel supply systems, and liquid cargo system.

- Smart electronic control: Design, manufacture, and install smart electronic control related to offshore drilling and wind power installation platforms and vessels.

- Marine services: Leveraging our global service network, provision of supply chain and integration services in relation to oilfield expendables and supplies. Provision of assets management, engineering services, marine services and subleasing of land and offshore drilling rigs and diving support construction vessels.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and current assets with the exception of goodwill, interests in associates, financial assets at FVTOCI, pledged bank deposits, cash and cash equivalents, deferred tax assets, tax recoverable and other unallocated head office and corporate assets. Segment liabilities include all payables and liabilities attributable to the activities of the individual segment, with the exception of tax payable and other unallocated head office and corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/loss is "segment results" i.e. "adjusted earnings before finance costs and taxes" of individual segment. To arrive at segment results, the Group's earnings are further adjusted for finance costs and items not specifically attributed to individual segment, such as share of results of associates and a joint venture and other unallocated head office and corporate income and expenses.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment revenue), depreciation and amortisation, additions to property, plant and equipment and intangible assets used by the segments in their operations. Inter-segment revenue is priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by major products or service lines, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the periods are set out below.

	Hydrogen-based energy		**Shipbuilding and offshore equipment support**		**Smart electric control**		**Marine services**		**Total**	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Revenue from external customers	**200**	2	**30,432**	25,964	**4,190**	9,709	**28,507**	26,955	**63,329**	62,630
Inter-segment revenue	**–**	–	**10,282**	10,255	**703**	772	**1,917**	1,514	**12,902**	12,541
Reportable segment revenue	**200**	2	**40,714**	36,219	**4,893**	10,481	**30,424**	28,469	**76,231**	75,171
Reportable segment results	**(1,428)**	(669)	**926**	3,401	**(316)**	945	**(5,819)**	2,948	**(6,637)**	6,625

The segment assets and liabilities as at 30 June 2026 and 31 December 2025 are set out below:

	Hydrogen-based energy		**Shipbuilding and offshore equipment support**		**Smart electric control**		**Marine services**		**Total**	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Reportable segment assets	**4,469**	975	**80,235**	65,614	**13,704**	12,395	**62,755**	101,004	**161,163**	179,988
Reportable segment liabilities	**(1,848)**	(2,086)	**(76,491)**	(74,196)	**(9,639)**	(6,143)	**(43,391)**	(64,033)	**(131,369)**	(146,458)

(b) **Reconciliation of reportable segment revenue, results, assets and liabilities**

	Unaudited	
	For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Revenue		
Reportable segment revenue	**76,231**	75,172
Elimination of inter-segment revenue	**(12,902)**	(12,542)
Consolidated revenue *(note 3)*	**63,329**	62,630
Results		
Segment results	**(6,637)**	6,625
Finance costs	**34**	(21)
Share of results of associates	**146**	(368)
Unallocated head office and corporate income and expenses	**(861)**	(1,812)
Consolidated profit before taxation	**(7,318)**	4,424

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2026	2025
	US$'000	*US$'000*
Assets		
Reportable segment assets	**161,163**	179,988
Goodwill	**365**	378
Interest in associates	**14,302**	13,700
Cash and cash equivalents	**125,089**	133,098
Pledged bank deposits	**2,206**	200
Deferred tax assets	**3,482**	3,514
Unallocated head office and corporate assets	**7,253**	4,079
Consolidated total assets	**313,860**	334,957
Liabilities		
Reportable segment liabilities	**131,369**	146,458
Deferred tax liabilities	**316**	243
Tax payable	**2,992**	2,139
Unallocated head office and corporate liabilities	**1,002**	2,760
Consolidated total liabilities	**135,679**	151,600

(c) Geographic information

The following table sets out information about the geographical locations of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, goodwill, intangible assets, interests in associates, financial assets at FVTOCI and non-current portion of prepayments ("**specified non-current assets**"). The geographical location of customers is based on the location of the customers. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, the location of the operation to which they are allocated, in the case of goodwill and intangible assets, and the location of operations, in the case of interests in associates, financial assets at FVTOCI and non-current portion of prepayments.

	Revenue from external customers		**Specified non-current assets**	
	Unaudited For the six months ended 30 June 2026	Unaudited For the six months ended 30 June 2025	**Unaudited As at 30 June 2026**	Audited As at 31 December 2025
	US$'000	*US$'000*	***US$'000***	*US$'000*
Hong Kong Special Administrative Region	**45**	943	**762**	829
Mainland China	**33,502**	24,023	**30,319**	27,439
North America	**6,644**	2,103	**1,647**	3,405
South America	**1,071**	6,288	**355**	955
Europe	**943**	2,030	**32**	37
Singapore	**168**	1,576	**461**	6,784
Indonesia	**–**	6,729	**–**	–
Middle East	**17,464**	17,527	**–**	–
Others	**3,492**	1,411	**–**	–
	63,329	62,630	**33,576**	39,449

5. OTHER INCOME, GAINS AND LOSSES, NET

	Unaudited	
	For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Bank Interest income	**747**	427
Finance income from lease receivables	**–**	4
Rental income	**199**	100
Net foreign exchange (loss) gain	**(825)**	195
Government grant	**244**	94
Others	**2**	231
	367	1,051

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging (crediting):

(a) Finance costs

	Unaudited	
	For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Interest on lease liabilities	**104**	745
Other interest expense	**1**	–
	105	745
Less: Interest on lease liabilities relating to sub-leasing of leased offshore drilling rigs included in costs of sales	**–**	(277)
Interest on lease liabilities relating to leased vessels included in costs of sales	**(71)**	(447)
	34	21

(b) Other items

	Unaudited For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Amortisation of intangible assets	**104**	94
Depreciation charge	**546**	703

7. INCOME TAX EXPENSES

	Unaudited For the six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Current taxation		
Provision for the period		
– The People's Republic of China ("**PRC**") enterprise income tax	**201**	393
– Overseas corporate income tax	**1,831**	885
	2,032	1,278
Under provision in respect of prior years	**59**	363
	2,091	1,641
Deferred taxation		
Origination of temporary difference	**(105)**	2
	1,986	1,643

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the current and prior periods. Taxation for subsidiaries in other jurisdictions is charged at the corresponding current rates of taxation ruling in the relevant jurisdictions. During both periods, the statutory tax rate in the PRC is 25% and certain PRC subsidiaries are subject to tax at a reduced rate of 15% under the relevant PRC tax rules and regulations.

8. DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. (LOSS)/EARNINGS PER SHARE

(a) Basic (Loss)/earnings per share

The calculation of the basic loss per share for the six months ended 30 June 2026 is based on the loss attributable to owners of the Company of approximately US$9,303,000 (six months ended 30 June 2025: profit attributable to owners of the Company of approximately US$2,724,000) and the weighted average number of 3,172,935,000 (six months ended 30 June 2025: 3,172,935,000) ordinary shares in issue during the period.

(b) Diluted (Loss)/earnings per share

Diluted (loss)/earnings per share equals to basic (loss)/earnings per share for the six months ended 30 June 2026 and 2025 because there were no potential dilutive ordinary shares outstanding.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, additions to property, plant and equipment amounted to approximately US$1,138,000 (six months ended 30 June 2025: US$1,175,000).

11. TRADE AND OTHER RECEIVABLES

	Unaudited As at 30 June 2026 *US$'000*	Audited As at 31 December 2025 *US$'000*
Trade receivables and bills receivables	**68,277**	72,657
Less: Allowance for impairment losses	**(8,147)**	(7,337)
	60,130	65,320
Other receivables, prepayments and deposits	**26,431**	26,283
	86,561	91,603
Less: Non-current portion of prepayments	**–**	(668)
	86,561	90,935

As at 30 June 2026, trade receivables and bills receivables included approximately US$4,296,000 (31 December 2025: US$2,297,000) due from, and other receivables and rental deposits of approximately US$90,000 (31 December 2025: US$54,000) paid to, subsidiaries of China Merchants Shipbuilding Industry Group Co, Limited, in connection with the sales of products to and lease arrangements with these related parties respectively.

All of the trade receivables and bills receivables from contracts with customers are within the scope of HKFRS 15.

The following is an aged analysis of trade receivables and bills receivables, net of allowance for credit losses, where trade receivables is presented based on the transaction date, and bills receivables is presented based on the bills issuance date at the end of the reporting period:

	Unaudited As at 30 June 2026 *US$'000*	Audited As at 31 December 2025 *US$'000*
Trade receivables and bills receivables		
Within 1 month	**19,450**	17,900
More than 1 month but within 3 months	**18,475**	4,987
More than 3 months but within 12 months	**990**	4,815
More than 12 months but within 24 months	**20,982**	30,122
More than 24 months	**233**	7,496
	60,130	65,320

The credit terms offered by the Group to its customers differ with each product/service. The credit terms offered to customers under the business segment of supply chain and integration services and assets management and engineering services are normally 30 to 90 days. The credit terms offered to customers under the business segments of equipment manufacturing and packages are negotiated on a case-by-case basis. Deposits ranging from 0% to 30% of the contract sum are usually required in relation to the reportable segments under equipment manufacturing and packages.

12. TRADE AND OTHER PAYABLES

	Unaudited As at 30 June 2026 *US$'000*	Audited As at 31 December 2025 *US$'000*
Trade payables and bills payables	**21,149**	22,851
Payable for capital injection into associates	**1,466**	1,419
Amount due to a non-controlling interest of a subsidiary *(Note)*	**83**	102
Other payables and accrued charges	**19,263**	29,823
	41,961	54,195

Note: The amount is unsecured, interest-free and repayable on demand.

As of the end of reporting period, the ageing analysis of trade payables and bills payables, based on invoice date and bills issuance date respectively, is as follows:

	Unaudited As at 30 June 2026 *US$'000*	Audited As at 31 December 2025 *US$'000*
Within 1 month	**9,361**	11,477
More than 1 month but within 3 months	**3,604**	2,630
More than 3 months but within 12 months	**2,487**	4,338
More than 12 months but within 24 months	**3,941**	2,207
More than 24 months	**1,755**	2,199
	21,149	22,851

13. CONTINGENT LIABILITIES

The Group had no material contingent liabilities outstanding as at 30 June 2026 and 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW

OVERVIEW

In the first half of 2026, the global economy continued its weak recovery amid complex geopolitical manoeuvring. Geopolitical conflicts persistently disrupted the energy supply landscape, while trade protectionism and supply chain decoupling risks intensified. The IMF estimated the global economic growth of 3.0%, with developed economies expanding by 1.7% and emerging markets and developing economies by 3.8%, while global trade volume growth decelerates from 5.0% to 3.5%. The PRC's economy demonstrated relatively strong resilience, with real GDP growing by 4.7% year-on-year in the first half of the year, value added in high-tech manufacturing increasing by 13.3%, and a continuously increased proportion of non-fossil energy consumption. The effect of policies on equipment upgrade and trade-in of consumer goods continued to gain traction, with total imports and exports increasing by 16.9% year-on-year. However, the PRC's economy also faces structural challenges such as insufficient effective demand and overcapacity in certain industries. Authoritative institutions are of the view that the world needs to strengthen multilateral coordination and enhance supply chain resilience. The PRC, on the other hand, shall continue to expand domestic demand, optimise the business environment, drive industrial upgrading through technological innovation, and accelerate the development of new quality productive forces.

Encountering the dual challenges of accelerating green transformation and intensifying market competition, the Company further optimized its strategic plan in 2026. Supported by the new energy blueprint of China Merchants Group Limited ("**CM Group**"), the Company established its overarching positioning centered on the mission of becoming a "green energy and equipment service provider", with a clear development focus on "maritime and offshore as the foundation, and green energy as the wing". The Company has focused on four business areas, namely hydrogen-based energy, maritime and offshore equipment, intelligent control, and maritime services, striving to become a green energy and equipment service provider serving the shipping industry in the PRC.

In the hydrogen-based energy industry, the Company achieved multiple breakthroughs in its green energy layout. The hydrogen production segment of the offshore green ammonia project completed the nation's first marine-condition adaptability test for a 100-kW ALK hydrogen production system. The preliminary design of the ammonia synthesis unit passed expert review, and the core process units officially moved into the detailed engineering design phase. The flexible ammonia synthesis system has an annual design production capacity of 1,000 tonnes, and is expected to achieve approximately 2,000 tonnes of carbon dioxide emission reduction per annum. In terms of green methanol production, the Shandong Green Methanol Project cumulatively produced approximately 4,000 tonnes of "CM Brand" green methanol and obtained an ISCC certificate for feedstock expansion. The Integrated Project of Green Hydrogen and Ammonia Methanol in Ningxia Taiyang Mountain completed government registration and is progressing steadily in light of market conditions. In the research and development (R&D) of hydrogen production equipment, the foundational process for the anode electrode had been finalised, and the stable coating length of the diaphragm outperformed that of major domestic manufacturers. At the same time, the Company entered into a strategic cooperation agreement with Global Energy Overseas Pte. Ltd. of Singapore ("**Global Energy**") to jointly establish a cross-border dual-fuel supply assurance system for LNG and green methanol; and jointly invested with Seacon Shipping Group Holdings Limited ("**Seacon Shipping**") in the construction of an LNG bunkering vessel project, making an early deployment in green energy bunkering facilities and synergistically building end-to-end capabilities across the green fuel value chain.

In the field of marine and offshore equipment manufacturing, in the first half of the year, the Company achieved strong order intake for cranes and LARS systems, and the active wave compensation technology, namely LARS system, also achieved commercial application for the first time in China, with the number of hand-held orders of this type ranking among the leading positions in the domestic market. The first self-developed 62,000DWT deck crane for Seacon Shipping completed prototype testing and gained customer recognition, entering the product delivery phase. A total of 12 wing-shaped sails have been delivered, with market share remaining at the forefront of the industry. The Company successfully secured the order for the first domestic 6,300-cubic-meter liquid ammonia bunkering and transport vessel cargo system, achieving the first domestic application of an ammonia bunkering system. The truss-type cage lifting system for the offshore marine ranch (海洋牧場) in Eastern Guangdong successfully completed underwater installation and commissioning, extending the lifting system technology to the new field of modern offshore marine ranches. The Company is actively cultivating EPC capabilities for core equipment and has participated in the Petronas FPSO project, achieving large-scale export of high-end equipment while also expanding its product offerings to include large-scale floating facility EPC, thereby elevating the competitive landscape of the market.

In the field of intelligent control, the Company is actively promoting the R&D and market expansion of products such as marine power systems, hydrogen production power supplies, and offshore engineering electronic control systems. In the first half of the year, electronic control systems for cable-laying vessels and Liftboat equipment were delivered. The Company is simultaneously advancing aftermarket operations and maintenance retrofitting services, expanding into the marine power packages and new energy sectors, forming a three-pronged product portfolio comprising "marine electronic controls + oil & gas retrofitting + new energy power supplies", which provides growth support for the Company's 15th Five-Year Plan strategy.

In the field of maritime services and industrial ecosystem, the Company has established two service centres in West Africa and the Netherlands, with a cumulative total of 40 self-operated and cooperative service stations worldwide. Annual service agreements have been signed with major domestic shipyards. In the first half of the year, 22 overseas service assignments were executed, covering 13 countries. In terms of asset management, a new contract for the management of the "Huizhong 301 (匯眾301)" was added. In addition, as a founding member and the secretariat of the International Green Fuel Alliance (IGFA, the "**Alliance**"), the Company took the lead in convening the first meeting of the Alliance's inaugural council in Shenzhen in May, with over 20 global council members participating. The meeting reviewed and approved the Alliance's charter, annual work plan, and organisational structure, marking the official entry into substantive operation of this international cooperation platform spanning the entire "research – production – storage – transportation – bunkering – utilisation" value chain.

FINANCIAL REVIEW

	For the six months ended 30 June			
	2026	2025	Change	
	US$'000	*US$'000*	*US$'000*	*%*
	Unaudited	Unaudited		
Revenue	**63,329**	62,630	699	1.1
Gross profit	**5,468**	15,518	(10,050)	(64.8)
Gross profit margin	**8.6%**	24.8%		
(Loss)/Profit from operations	**(7,430)**	4,813	(12,243)	(254.4)
Net (Loss)/profit attributable to owners of the Company	**(9,303)**	2,724	(12,027)	(441.5)
(Loss)/Profit for the period	**(9,304)**	2,781	(12,085)	(434.6)
Net (Loss)/profit margin	**(14.7%)**	4.3%		
(Loss)/earnings per share (basic and diluted)	**US(0.29) cent**	US0.09 cent		

The Company expects to recognise an impairment loss provision of approximately US$9.50 million (the "**Provision**") in respect of ongoing projects for the six months ended 30 June 2026. The key reason for the Provision is related to the recent discontinuation of the to-be-performed scope of drilling rigs and equipment supply and service projects (the "**Projects**") between the Group and Petróleos Mexicanos ("**Pemex**") following the completion of certain separate milestones of such Projects. Pemex is a state-owned oil and gas company of the United Mexican States ("**Mexico**") and is one of the largest oil companies globally. Owing to the business condition and local macroeconomic environment, there has been changes in the management, business strategy and treasury practices of Pemex, which has led to tightened budget constraints for its projects. Payments by Pemex to the Group has been stalled, affecting the progress of the Projects, while the Group's outlays are continuing. The Group had used its best effort to negotiate with Pemex for the normalisation of the Projects. Such effort recently turned out to be unfruitful. Having assessed the situation and operational risks, the parties determined not to continue with the performance of the remaining scope of the Projects to avoid incurring substantial continuing expenditures for both parties. In that connection, the Company is expected to make the one-off Provision, being substantially costs previously incurred for the entire Projects other than the milestones completed. The Group is still in close negotiation with Pemex, and will use its best effort and take appropriate actions to recover the outstanding contractual payments under the Projects (which were acknowledged by Pemex). Based on a preliminary analysis conducted by the Group, the cut-short Projects' overall return (including the contractual payments) largely offsets the incurred costs and expenditures, resulting only in a relatively small projected loss.

Revenue

The Group's revenue increased from US$62.6 million in the first half of 2025 to US$63.3 million in the first half of 2026. It was mainly due to the increase in delivery order volume.

Segment Information by Business Segments

	Unaudited					
	For the six months ended 30 June					
	2026		2025		Change	
	US$'000	***%***	*US$'000*	*%*	*US$'000*	*%*
Hydrogen-based energy	**200**	**0.3**	2	0.0	198	9,900.0
Shipbuilding and offshore equipment support	**30,432**	**48.1**	25,964	41.5	4,468	17.2
Smart electronic control	**4,190**	**6.6**	9,709	15.5	(5,519)	(56.8)
Marine services	**28,507**	**45.0**	26,955	43.0	1,552	5.8
Total revenue	**63,329**	**100.0**	62,630	100.0	699	1.1

Hydrogen-based energy

Revenue recognised in hydrogen-based energy increased from US$0.0 million in the first half of 2025 to US$0.2 million in the first half of 2026, primarily driven by sales and services relating to green energy.

Shipbuilding and offshore equipment support

The increase in revenue of shipbuilding and offshore equipment support of 17.2% from US$26.0 million in the first half of 2025 to US$30.4 million in the first half of 2026 was mainly due to the higher volume of offshore equipment delivered in the current period as compared with the corresponding period in the previous year.

Smart electronic control

Smart electronic control revenue decreased by 56.8% from US$9.7 million in the first half of 2025 to US$4.2 million in the first half of 2026, which was mainly related to reduction in electronic-control order deliveries in the current year.

Marine services

Marine services revenue increased by 5.8% from US$27.0 million in the first half of 2025 to US$28.5 million in the first half of 2026, which was mainly due to the expansion of the ship management business in the current period.

Gross Profit and Gross Profit Margin

Gross profit decreased by 64.8% from US$15.5 million in the first half of 2025 to US$5.5 million in the first half of 2026. Gross profit margin decreased from 24.8% in the first half of 2025 to 8.6% in the first half of 2026. The relatively low gross profit margin was primarily attributable to provisions made for projects.

Other Income, Gains and Losses, Net

Other income, gains and losses, net decreased by US$0.7 million from net gains of US$1.1 million in the first half of 2025 to net gains of US$0.4 million in the first half of 2026, which was mainly due to the increase in foreign exchange loss.

Selling and Distribution, General and Administrative Expenses

Selling and distribution, general and administrative expenses increased by approximately 19.5% from US$11.7 million in the first half of 2025 to US$14.0 million in the first half of 2026. This increase was mainly due to higher research and development investment.

Other Expenses

Other expenses decreased from US$24,000 in the first half of 2025 to US$0 in the first half of 2026. It was mainly due to reduction of miscellaneous expenditure.

Finance Costs

Finance costs, being mainly interest on lease liabilities, amounted to approximately US$34,000 in the first half of 2026, representing an increase of US$13,000 from US$21,000 in the first half of 2025. It was mainly due to a year-on-year increase in finance costs arising from lease businesses in 2026.

Share of Results of Associates

Share of loss of associates amounted to US$0.4 million in the first half of 2025, whereas a gain of US$0.1 million was recorded in the first half of 2026, which was mainly due to operating gains incurred by the associates in the first half of 2026.

Cash Flows of the Group

For the six months ended 30 June 2026, the operating cash flows of the Group was net inflow of US$14.8 million. In accordance with the requirements of HKFRS 16 – "Leases", principal and interest related to finance leases have been included in the cash flows from financing activities. If the above-mentioned capital and interest was consolidated into operating cash flows on a management statement basis, cash generated from operations would be a net outflow of US$1.9 million.

Group's Liquidity and Capital Resources

As at 30 June 2026, the carrying amount of the Group's tangible assets was approximately US$16.8 million (31 December 2025: US$23.3 million), including property, plant and equipment and investment properties.

As at 30 June 2026, the Group's intangible assets was approximately US$2.1 million (31 December 2025: US$1.4 million), interest in associates was approximately US$14.3 million (31 December 2025: US$13.7 million), and deferred tax assets was approximately US$3.5 million (31 December 2025: US$3.5 million).

As at 30 June 2026, the Group's current assets amounted to approximately US$276.8 million (31 December 2025: US$292.0 million). Current assets mainly comprised of inventories of approximately US$55.7 million (31 December 2025: US$50.5 million), trade and other receivables of approximately US$86.6 million (31 December 2025: US$90.9 million), lease receivables (current) of approximately US$7.3 million (31 December 2025: US$17.3 million), pledged bank deposits and time deposits of approximately US$2.2 million (31 December 2025: US$0.2 million) and cash and cash equivalents of approximately US$125.1 million (31 December 2025: US$133.1 million).

As at 30 June 2026, current liabilities amounted to approximately US$134.5 million (31 December 2025: US$150.3 million), mainly comprised of trade and other payables of approximately US$42 million (31 December 2025: US$54.2 million), tax payable of approximately US$3.0 million (31 December 2025: US$2.1 million), contract liabilities of US$76.4 million (31 December 2025: US$63.1 million) and lease liabilities (current) of approximately US$13.1 million (31 December 2025: US$30.9 million).

As at 30 June 2026, the Group had non-current liabilities of approximately US$1.2 million (31 December 2025: US$1.3 million), representing the non-current portion of lease liabilities. The Group monitors capital with reference to its debt position. The Group's strategy is to maintain a sound gearing ratio below 100%, being the Group's total liabilities to total assets. The gearing ratio as at 30 June 2026 was 43.2% (31 December 2025: 45.2%).

Capital Structure

As at 30 June 2026, the Company had 3,243,433,914 shares in issue and carried a share capital of approximately US$41,418,000. There was no issue of shares during the first six months of 2026.

Foreign Currency Exchange Exposures

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The Group has foreign exchange exposure resulting from most of the Group's subsidiaries in the PRC carrying out production locally using Renminbi while majority of the Group's revenue was denominated in US$. As at 30 June 2026, no related hedges were made by the Group.

In order to mitigate that foreign exchange exposure, the Company may utilize foreign currency forward contracts to better match the currency of its revenues and associated costs in the future. However, the Company does not use foreign currency forward contracts for trading or speculative purposes. The Group will actively explore ways to hedge or reduce currency exchange risk and implement measures as appropriate in future.

Charge on Group's Assets

As at 30 June 2026, except for the pledged deposits, there was no charge on the other assets of the Group.

Contingent Liabilities

As at 30 June 2026, the Group had no significant contingent liabilities.

Employees and Remuneration Policy

As at 30 June 2026, the Group had a total of 658 full-time staff (31 December 2025: 605) in the United States, the United Kingdom, Brazil, Mexico, Singapore, United Arab Emirates, Netherlands, Canada, Hong Kong, China and Mainland China. The remuneration of an employee under the Group's remuneration policy is normally determined based on the salary levels in different regions, employee rank and performance and market conditions. The Group also provides other benefits to all of its employees, including medical schemes, pension contributions scheme, and share award incentive scheme, etc.

The Directors' remuneration shall be determined by the Board with the recommendation of the remuneration committee of the Company (the "**Remuneration Committee**") with reference to the prevailing market rate, experience, qualifications, performance and contribution and commitments of the Directors to the Company, and is reviewed from time to time.

STRATEGY AND PROSPECTS

Industry Review

During the first half of 2026, divergence in global monetary policies intensified. The U.S. Federal Reserve reversed its earlier expectations of interest rate cuts and maintained the target range for the federal funds rate at 3.5% to 3.75%. Market expectations of further interest rate hikes within the year continued to strengthen, while the effectiveness of forward guidance weakened significantly. In the eurozone, amid imported inflationary pressures and rising energy costs, the European Central Bank resumed interest rate hikes in June, increasing the deposit facility rate by 25 basis points to 2.25%, marking its first policy tightening since 2023. Uncertainty surrounding global trade policies remained elevated. According to the World Trade Organization, the Global Goods Trade Barometer declined from 102.3 at the beginning of the year to 101.7, indicating a moderation in growth momentum. In contrast, services trade continued to expand, supported by digitalisation, with overall growth outpacing that of goods trade. The OECD revised its forecast for global economic growth in 2026 downward to 2.8%. The global economy continued to exhibit uneven recovery and subdued growth momentum.

Since the beginning of 2026, the total volume of new ship orders worldwide has recorded a significant period-on-period increase. According to Clarksons Research, a total of 1,481 vessels with an aggregate of 42.95 million compensated gross tonnes (CGT) were ordered during the first half of 2026, representing a total contract value of US$132.6 billion, close to the highest level ever recorded for a six-month period. The Clarksons Newbuilding Price Index stood at 185.15, remaining at a historically high level and broadly unchanged period-on-period. By country, Chinese shipyards accounted for 72% of global new orders in terms of CGT, maintaining their position as the world's largest shipbuilding nation. This was equivalent to approximately US$730 million of newbuilding contracts concluded each day, of which approximately US$530 million was awarded to Chinese shipyards. South Korea ranked second with a market share of approximately 19%. In recent years, Korean shipbuilders have continued to adopt a selective order-taking strategy focused on profitability, prioritising high value-added green vessels, including LNG (liquefied natural gas) carriers and VLCCs (very large crude carriers).

With respect to the shipping industry's green transition, new orders for methanol-fuelled vessels nearly came to a standstill during the first half of the year, primarily due to uncertainties surrounding the regulatory environment. Orders for ammonia- and hydrogen-fuelled vessels remained limited to a small number of early-stage demonstration projects, while LNG continued to dominate newbuilding orders for alternative-fuel vessels. According to data from DNV (Det Norske Veritas), 137 alternative-fuel vessels were ordered during the first half of 2026, down from 155 in the corresponding period last year. Of these, 73 were LNG-powered vessels, comprising principally 42 container vessels and 21 car carriers. By contrast, only two methanol-powered vessels were ordered, reflecting a notable cooling in demand for methanol-fuelled newbuildings. At the same time, according to Clarksons, 85 vessels were ordered with methanol-ready designs during the first half of the year, representing an aggregate of approximately 2.32 million CGT. A growing number of shipowners opted to preserve the flexibility to retrofit their vessels in the future, while deferring the capital expenditure and market risks associated with installing full dual-fuel propulsion systems at the newbuilding stage. This shift from ordering methanol dual-fuel vessels outright to adopting methanol-ready designs indicates that the market remains optimistic about the long-term prospects of methanol as a marine fuel, while becoming increasingly prudent in making capital investment decisions.

In 2026, the global hydrogen energy industry accelerated its transition from the demonstration and validation phase to the stage of large-scale commercial deployment, driven by the convergence of policies, costs and demand, which collectively propelled continued market expansion. On the policy front, three central government ministries and commissions of China including the Ministry of Industry and Information Technology, the National Development and Reform Commission launched pilot programmes for comprehensive hydrogen energy applications, setting a clear target for terminal hydrogen costs by 2030, while the National Energy Administration issued guidelines on safety management for the hydrogen energy industry, accelerating the improvement of the industry's regulatory framework and standardisation system. The European Union advanced the extension of the Carbon Border Adjustment Mechanism to cover green hydrogen imports, establishing explicit carbon emission thresholds. The United States continued to ramp up subsidies for hydrogen technology research, development and production. Globally, 34 countries have introduced dedicated support policies for the hydrogen energy sector. On the technology front, alkaline electrolyser technology continued to undergo iterative improvements, with costs approaching the range of grey hydrogen. Proton exchange membrane (PEM) electrolysers made breakthroughs towards higher current density and extended operational lifespan, with significant progress achieved in the reduction of iridium loading in core materials. On the market front, the scale of electrolyser tenders awarded in China reached approximately 1,121 MW in the first half of the year, representing a year-on-year increase of 35.7%, with the alkaline route continuing to maintain an overwhelmingly dominant position. Application scenarios continued to gain traction, with hydrogen-based steelmaking and green hydrogen-to-methanol/ammonia projects commencing construction on a concentrated basis. Hydrogen-powered heavy-duty trucks achieved large-scale commercial operations in long-haul transportation scenarios, while demand for green methanol in the maritime sector grew rapidly, creating a clear supply-demand gap. The industry continues to face challenges, including supply chain constraints in respect of key materials and the lack of harmonised cross-regional trade standards.

The hydrogen-based fuel sectors derived from the downstream of the hydrogen energy industry, including green methanol and green ammonia, are expanding simultaneously, becoming an important pathway to support the low-carbon transition in the shipping and industrial sectors. In terms of green methanol, domestic grey methanol prices fluctuated and declined during the first half of 2026, with the national average market price at the end of June standing at approximately RMB2,641/tonne, which resulted in a widening price differential between green methanol and conventional grey methanol. The average bunkering price of green methanol at Qingdao Port was RMB6,428/tonne, representing a premium of approximately 1.4 times. The supporting bunkering infrastructure for green methanol was also accelerated. Shanghai Port completed the first domestic pilot vessel-to-vessel bunkering operation of 3,000 tonnes of domestically produced green methanol in anchorage waters, achieving full coverage of bunkering services across major operating waters within the port. The Shanghai International Shipping Green Fuel Trading Platform commenced its preparatory phase, with cumulative methanol bunkering volumes reaching 110,000 tonnes, of which 18,700 tonnes were green methanol. On the industry front, the deployment of green methanol production capacity and the offtake and application of such capacity progressed in tandem. During the first half of the year, a number of green methanol projects in China completed their filings, entered the environmental impact assessment stage or commenced construction, covering technology routes such as biomass coupling and integrated wind-solar-hydrogen-methanol production. On the offtake front, a record single-spot procurement of 6,000 tonnes of domestically produced green methanol was achieved, while three provinces, namely Shanghai, Jilin and Liaoning, jointly launched the development of a "Green Fuel Transport Corridor", establishing a full-chain linkage spanning production, transshipment and bunkering.

The green ammonia sector similarly entered an accelerated phase of deployment. A number of integrated wind-solar-to-green-ammonia projects in Inner Mongolia, Hebei and other provinces successively completed their filings and contractual signings, and proceeded to the stages of linkage commissioning and trial feed-in, with individual project production capacities ranging from 50,000 to 260,000 tonnes, accompanied by a corresponding increase in the scale of supporting green power installed capacity. On the technology front, a key breakthrough was achieved, as domestically developed hydrogen-coal co-firing technology successfully attained a large blending ratio of 50% green hydrogen for the first time, opening up new scenarios for the industrial offtake of green hydrogen and green ammonia. Overall, the hydrogen energy industrial chain is accelerating its downstream expansion into application scenarios such as green methanol and green ammonia, with industrial synergies gradually emerging. Nevertheless, relatively high costs and the incomplete cross-regional standardisation system continue to be common challenges faced by the industry.

Strategy, Prospects and Orders

In the first half of 2026, the Company adhered to the overarching strategy of "marine as the foundation, green energy as the wings", focusing on the four major business segments of "hydrogen, offshore equipment, intelligence and marine services". The Company implemented an integrated development pathway of "Products + Energy + Services," continuously advancing its transformation from a traditional offshore engineering equipment manufacturer to a green energy equipment and services provider, and consistently pursuing operational efforts oriented towards industrial scaling, product premiumization, and market globalization.

I. Execution Strategy

1. Key execution strategies in the first half of the year

(1) Hydrogen-based energy segment: industrialization of technologies, promoting equipment export and commercialization of green fuels

The Company continues to strengthen its in-house R&D and production capabilities for core materials, including alkaline water electrolysis hydrogen production equipment, composite membranes, and electrodes, while improving the business chain of green energy production – certification – bunkering services. The Company is advancing the development of ISCC certification capabilities to consolidate its full-process green fuel certification advantages; actively exploring domestic and international opportunities in hydrogen production equipment and green fuel projects; promoting the construction of key demonstration projects; and facilitating the transition of technological achievements from demonstration and verification to small-scale commercialization.

(2) Shipbuilding and offshore equipment support segment: strengthening the low-carbon equipment core, consolidating competitiveness in high-end offshore engineering equipment

Seizing the policy opportunities arising from global shipping decarbonization, the Company leverages key products such as rigid wing sails, methanol fuel supply systems, liquid cargo systems, and heave-compensated cranes to strengthen market promotion and project delivery management. The Company deepens its cooperation with domestic shipyards and leading shipowners while expanding into overseas shipowner markets; continuously optimizes product iterations and advances new product classification society certifications to enhance product reliability and delivery capabilities; and maintains its competitive advantages in traditional offshore supporting products while capturing project opportunities during the recovery window of the offshore market.

(3) Smart electronic control segment: technology migration to expand new energy scenarios

Building upon its expertise in offshore equipment electrical controls, the Company, on the one hand, ensures the delivery of traditional offshore electrical control businesses; on the other hand, extends power electronics and variable frequency control technologies to new energy scenarios such as hydrogen production power supplies and marine hybrid power systems. The Company accelerates new product prototype verification and market introduction to cultivate a second growth curve.

(4) Marine services segment: optimise the global service network to enhance quality and efficiency

With the Hong Kong Global Service Center as the hub, the Company will coordinate with overseas local entities to improve the systems for project operation and maintenance, technical services and spare parts support. It will optimise project execution and cost control, prudently assess new projects, and improve the operating quality of the segment. It will also deepen the industrial synergy with the internal business systems of CM Group and explore business opportunities within the internal scenarios.

2. *Major operating plans for the second half of the year*

In the second half of the year, the Company will continue to implement the "15th Five-Year Plan" strategic plan, adhere to the principle of focusing on organic growth supplemented by prudent external expansion, and promote the balanced development of all segments.

(1) Hydrogen-based energy: The Company will promote the market expansion of electrolysis equipment and core materials both domestically and overseas, accelerate the commercial operation of green fuel projects, promote the implementation of demonstration projects, and continue to enhance the ISCC certification service capabilities. The Company will also strengthen project risk control and take a rational view of the development cycle of new businesses.

(2) Shipbuilding and offshore equipment support: The Company will ensure the on-time delivery of existing projects such as rigid sails, methanol fuel supply systems and marine cranes, step up market development among both domestic and overseas shipowners, advance the certification and prototype development of new products, as well as seize order opportunities arising from the low-carbon retrofitting of shipping.

(3) Smart electronic control: The Company will accelerate the market validation of new energy electronic control and hydrogen production power supply products, promote the small-batch implementation of new products, and optimise the profitability of existing businesses.

(4) Marine services: The Company will ensure the performance of existing projects, optimise project selection criteria, and improve operating cash flow. The Company will also continue to leverage the value of its global service network to facilitate the securing of overseas orders for its equipment business.

(5) Internal management: Continue to reduce costs and improve efficiency; strengthen project payment collection and cash flow management; continuously invest resources in research and development and technological innovation, with a focus on key projects in green energy and marine & offshore equipment; optimise the supply chain system, enhance the security of critical material supply, and mitigate delivery risks; deepen internal controls and risk management to cope with uncertainties arising from macroeconomic, geopolitical and industry cyclical fluctuations.

The Company attaches great importance to talent development and will formally launch its campus recruitment programme in the second half of the year to build a talent pool for future growth. In addition, the Company has strengthened corporate governance and actively practised ESG sustainable development. At Gelonghui's "Guruclub Awards" for Outstanding Companies, the Company received the "Green Energy Leading Enterprise Award". Furthermore, at the "2026 China Enterprises Global Influence Dialogue", guided by Shanghai United Media Group, hosted by Cailian Press (財聯社) and supported by CEGA, the Company was featured as an annual global influence case among Chinese enterprises and was honoured with the "Pioneering Enterprise" award.

II. Industry Landscape and Future Development Prospects

1. Industry opportunities

The global shipping industry is accelerating its decarbonisation efforts. Although the IMO emission reduction regulations have not yet been fully implemented, the shipping sector is already driving increased demand for vessel energy-saving devices, methanol/ammonia fuel supply systems and green marine fuels. The hydrogen energy sector continues to develop, with green hydrogen equipment and green methanol projects entering the industrial introduction phase. The global offshore engineering equipment market is gradually recovering, and demand for offshore new-energy support equipment is growing, creating structural opportunities for the Company's four business segments.

At the same time, the industry faces multiple uncertainties: global macroeconomic and geopolitical conditions remain volatile; the pace of shipping capital expenditure is subject to variability depending on shipowners' profitability and financing conditions; hydrogen energy and ship low-carbon equipment are still in their early industrialisation stages, with rapid technological iteration and intensifying market competition; price fluctuations in raw materials and key components disrupt project costs; and some overseas projects are exposed to approval, and delivery, exchange rate and geopolitical risks.

2. *Opportunities and challenges faced by the Company*

Leveraging the industrial platform empowerment of CM Group, the Company has developed synergistic capabilities across "hydrogen-based energy – shipbuilding and offshore equipment support – smart electronic control – marine services". The Company possesses green methanol synthesis process package technology, independent R&D and manufacturing capabilities for electrolyzers and their core components, as well as flagship low-carbon marine equipment products. With integrated capabilities across manufacturing, delivery, operations and maintenance, and services, the Company is well-positioned to capture the structural opportunities arising from shipping decarbonization and the growth of the green energy industry.

However, the Company also faces practical challenges: its green fuel and hydrogen production equipment businesses are still in the industrialization incubation phase, and achieving scalable profitability will take time; its traditional offshore engineering business remains under pressure due to industry cyclicality; new product market promotion and customer adoption are subject to uncertainties; and its overseas operations are exposed to multiple risks, including geopolitical, exchange rate, and compliance risks. The Company will continue to refine its products, control project risks, and steadily drive business expansion.

III. Order Book

In the first half of the year, the Company secured new orders of approximately RMB740 million, representing a year-on-year increase of 22%. Orders in hand amounted to approximately RMB1.53 billion, up 78% year-on-year, representing significant growth. In the second half of the year, the Company will continue to focus on enhancing its order-taking capabilities.

Important risk note:

The above orders in hand represent the amount of formal contracts already signed. However, project execution is subject to multiple factors, including customer production scheduling, site conditions, demand changes, acceptance progress, supply chain, and overseas geopolitical factors. There is uncertainty regarding the timing and the actual amount of orders converted into operating income. This does not constitute a forecast or commitment of the Company's future performance.

During the reporting period, the Company signed framework cooperation agreements and memoranda of understanding with certain counterparties. These agreements primarily set out the direction of cooperation and do not yet constitute binding formal orders. There is significant uncertainty regarding whether the projects will materialize, as well as the scale and timing of any such implementation. Investors are advised to take note of the relevant risks.

FUTURE PLANS FOR MATERIAL INVESTMENTS, CAPITAL ASSETS AND CAPITAL INTEGRATION

In the first half of 2026, the Company focused its investment efforts on opportunities along the upstream and downstream segments of the green energy industrial chain, as well as on high-tech and high-end energy equipment sectors, including vessel carbon reduction products. The Company will also explore potential project opportunities and relevant investment integration opportunities across the supply chain, building on its existing energy equipment services.

In the hydrogen production equipment segment, Hua Xia Hydrogen Technology Co.,Ltd. ("**Huaxia Hydrogen**"), a joint venture established by the Company with Tan Kah Kee Laboratory of Xiamen University, remains a key area of cultivation. During the first half of the year, the board of directors and the management team revisited the business structure and strategic direction of Huaxia Hydrogen, refocusing its efforts on the R&D and industrialisation of core materials for hydrogen production electrolysers. The Company continued to conduct in-depth exploration of market orders, while also making strategic preparations to introduce social capital and strategic investors. In terms of the layout of green energy, the Company remained committed to the hydrogen–methanol–ammonia development direction. Through the Shandong Lüjia project, it accumulated production of approximately 4,000 tonnes of "CM Brand" green methanol and obtained the ISCC certificate for raw material expansion, laying a solid foundation for future capacity expansion and green fuel trading. In parallel, the Company is exploring equity cooperation opportunities in the northwest or southwest regions for green energy production projects or targets with moderate scale and controllable risks, while proactively engaging with downstream demand for green fuels to build a green energy production and sales system.

On the marine equipment front, the Company continued to sustain strong momentum in the crane and LARS system markets. In addition to ongoing investment in product upgrades and iterations for already launched products such as rigid sails and clean fuel supply systems, the Company also plans to expand its other low-carbon marine product portfolios through investment or cooperation.

During the first half of the year, the Company's key asset investment projects under strategic consideration, including the construction and investment in FPSO, the construction and investment in LNG bunkering vessels, and the purchase of submersible saturation support vessels, were undertaken in alignment with the Company's core strategy to optimise its asset portfolio, secure future earnings and cash flows, enhance its marine engineering support capabilities, and consolidate a robust foundation for its transformation into the energy business.

When evaluating potential investment or acquisition targets, the Company will consider a variety of factors, including alignment with the Company's medium-to long-term strategic plan, synergy effect, market positioning and strength, as well as capabilities, valuation, track record, financial performance and growth potential of management team. By expanding the Company's business direction and creating new profit models, the Company can inject new business elements and capital attention, improve its financial performance, thereby laying a solid foundation for future performance growth.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 30 March 2026, TSC Offshore Pte. Ltd. ("**TSC Offshore**") (a wholly-owned subsidiary of the Company) entered into a joint venture agreement with Oceanstar Marine & Offshore Investment Pte. Ltd. ("**OSE**"), Rozali Bin Hamzah, Andy Goh Beng Kwang and Chuah Choong Keat for the establishment of Oceanstar FPSO Asset 01 Sdn. Bhd (the "**Joint Venture**") for the purpose of participating in the provision of lease, operation and maintenance (O&M) of floating production storage and offloading (FPSO) (including provision of an appropriate vessel) for the Sepat integrated redevelopment project awarded by Petronas Carigali Sdn Bhd in Malaysia, through the entering into of a shipyard EPC contract with China Merchants Heavy Industry (Jiangsu) Co., Ltd.* (招商局重工(江蘇)有限公司). The Joint Venture is held as to 29%, 20%, 22%, 22% and 7% of its shares by TSC Offshore, OSE, Rozali Bin Hamzah, Andy Goh Beng Kwang and Chuah Choong Keat, respectively. On 12 May 2026, TSC Offshore and OSE entered into a funding investment agreement, pursuant to which, amongst others, TSC Offshore has agreed to make proportionate equity contribution to the Joint Venture in the amount of US$15,908,175.

On 26 May 2026, CM Green Energy Technology Hong Kong Limited ("**CM Green Energy (HK)**") (a wholly-owned subsidiary of the Company) entered into a shareholders agreement with Golden Valley Marine Investment Limited ("**Golden Valley**") for the establishment of a 50%-50% owned joint venture – CMS Oasis Transportation Company Limited ("**CMS Oasis**") for the purpose of, amongst others, the financing for, and/or placing order(s) with shipbuilders for, vessel(s). On 10 June 2026, following unanimous approval of CM Green Energy (HK) and Golden Valley, CMS Oasis has issued a funding notice to CM Green Energy (HK) and Golden Valley, pursuant to which each of CM Green Energy (HK) and Golden Valley shall make contribution in the amount of US$3,940,000 to CMS Oasis by way of shareholder's loan.

Save as disclosed above, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures, nor did it hold any significant investments during the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

SHARE AWARD PLANS

2025 Share Award Plan

The Company adopted a share award plan (the "**2015 Share Award Plan**") on 16 January 2015. The Company amended the 2015 Share Award Plan ("**2025 Share Award Plan**") by way of adopting the amended and restated rules of the 2015 Share Award Plan, in order to, among others, extend the term of the 2015 Share Award Plan for a period of 10 years commencing on 14 January 2025 (the "**2025 Plan Amendment Date**") and ending on 13 January 2035.

Purpose

The purpose of the 2025 Share Award Plan is to remunerate, recognise and award the contributions of the 2025 Plan Eligible Persons (as defined below) to the growth and development of the Group through the award of shares of the Company (the "**Shares**").

Participants

The administration committee (which is delegated with the power and authority by the Board to administer the 2025 Share Award Plan) may, in its absolute discretion, make an award to any employee (whether full time or part time but excluding any excluded employee) of the Group who, in the sole opinion of the Board, will contribute or have contributed to any member of the Group (the "**2025 Plan Eligible Persons**"). Excluded employee is any employee who is resident in a place where the award of the Shares and/or the vesting and transfer of awarded shares pursuant to the terms of the 2025 Share Award Plan is not permitted under the laws and regulations of such place or where in the view of the Directors or the trustee (as the case may be) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such employee.

Scheme Mandate

The total number of Shares that may be purchased and held by the trustee of the 2025 Share Award Plan in order to satisfy the outstanding awards from time to time made under the 2025 Share Award Plan should not exceed 5% of the total issued Shares at the 2025 Plan Adoption Date (i.e. 162,171,695 Shares) (the "**2025 Plan Limit**"). The 2025 Plan Limit represents approximately 5% of the total issued Shares as at the date of this announcement.

Maximum entitlement of each participant

No maximum entitlement of each 2025 Plan Eligible Person is specified under the 2025 Share Award Plan.

Where any grant of awards to a selected person would result in the number of Shares subject to the awards granted under the 2025 Share Award Plan to such person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares as at the 2025 Plan Amendment Date, such grant shall be approved by the Remuneration Committee.

Exercise period

As the 2025 Share Award Plan is a share award plan of the Company instead of a share option scheme, the awards granted under the 2025 Share Award Plan are not subject to any exercise period nor are the 2025 Plan Eligible Persons entitled to any exercise rights.

Vesting period

The awards to be made under the 2025 Share Award Plan shall be subject to such vesting conditions and periods as may be determined by the Company.

Subscription/purchase price

No subscription/purchase price is payable by the 2025 Plan Eligible Persons upon acceptance of awards granted under the 2025 Share Award Plan.

Term

Subject to any early termination as may be determined by the Board and any resolutions by the Directors to renew the terms of the 2025 Share Award Plan, the 2025 Share Award Plan will remain in force for a period commencing on the 2025 Plan Amendment Date and ending on 13 January 2035.

Movement and position

There was no unvested award granted to the 2025 Plan Eligible Persons under the 2025 Share Award Plan as of 1 January 2026. No award was granted under the 2025 Share Award Plan during the six months ended 30 June 2026.

Accordingly, there was (i) no unvested award granted to the 2025 Plan Eligible Persons under the 2025 Share Award Plan as of 30 June 2026; and (ii) no award vested, cancelled or lapsed under the 2025 Share Award Plan during the six months ended 30 June 2026.

Under the 2025 Share Award Plan, the trustee held 8,446,456 Shares as at the date of this announcement, representing approximately 0.26% of the issued share capital of the Company.

2019 Share Award Plan

The Company adopted a share award plan (the "**2019 Share Award Plan**") on 31 October 2019 (the "**2019 Plan Adoption Date**").

Purpose

The purpose of the 2019 Share Award Plan is to recognise and reward the contribution of the 2019 Plan Eligible Persons (as defined below) towards the growth and development of the Group through the award of Shares.

Participants

The administration committee (which is delegated with the power and authority by the Board to administer the 2019 Share Award Plan) may, in its absolute discretion, make an award to any employee (whether full time or part time) of the Group, including directors, senior management and any other connected persons of the Company and any consultant of the Group (the "**2019 Plan Eligible Persons**").

Scheme Mandate

The total number of Shares that may be purchased and held by the trustee of the 2019 Share Award Plan in order to satisfy the outstanding awards from time to time made under the 2019 Share Award Plan should not exceed 3% of the total issued Shares on the 2019 Plan Adoption Date (i.e. 88,389,372 Shares) (the "**2019 Plan Limit**"). The 2019 Plan Limit represents approximately 2.73% of the total issued Shares as at the date of this announcement.

Maximum entitlement of each participant

No maximum entitlement of each 2019 Plan Eligible Person is specified under the 2019 Share Award Plan.

Exercise period

As the 2019 Share Award Plan is a share award plan of the Company instead of a share option scheme, the awards granted under the 2019 Share Award Plan are not subject to any exercise period nor are the 2019 Plan Eligible Persons entitled to any exercise rights.

Vesting period

The awards to be made under the 2019 Share Award Plan shall be subject to such vesting conditions and periods as may be determined by the Company.

Subscription/purchase price

No subscription/purchase price is payable by the 2019 Plan Eligible Persons upon acceptance of awards granted under the 2019 Share Award Plan.

Term

Subject to any early termination pursuant to the terms of the 2019 Share Award Plan, the 2019 Share Award Plan will remain in force for a period of 10 years commencing on the 2019 Plan Adoption Date and ending on 30 October 2029.

Movement and position

There was no unvested award granted to the 2019 Plan Eligible Persons under the 2019 Share Award Plan as of 1 January 2026. No award was granted under the 2019 Share Award Plan for the six months ended 30 June 2026. Accordingly, there was (i) no unvested award granted to the 2019 Plan Eligible Persons under the 2019 Share Award Plan as of 30 June 2026; and (ii) no award vested, cancelled or lapsed under the 2019 Share Award Plan during the six months ended 30 June 2026.

Under the 2019 Share Award Plan, the trustee held 62,052,544 Shares as at the date of this announcement, representing approximately 1.91% of the issued share capital of the Company.

SHARE AWARD INCENTIVE SCHEME

A share award incentive scheme (the "**Share Award Incentive Scheme**") of the Company was adopted by way of ordinary resolution at the annual general meeting of the Company held on 27 May 2016 (the "**Incentive Scheme Adoption Date**").

Purpose

The purposes of the Share Award Incentive Scheme are (i) to align the interests of the Incentive Scheme Eligible Persons (as defined below) with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain Incentive Scheme Eligible Persons (as defined below) to make contributions to the long-term growth and profits of the Group.

Participants

The persons eligible to participate in the Share Award Incentive Scheme are any individual, being any employee (whether full-time or part-time employee) of any members of the Group or any affiliate (who is not a connected person of the Company), officer, consultant or advisor of any member of the Group or any affiliate (who is not a connected person of the Company) who the Board considers, in its sole discretion, to have contributed or will contribute to the Group (the "**Incentive Scheme Eligible Persons**").

Scheme mandate

The total number of new Shares underlying all grants made pursuant to the Share Award Incentive Scheme shall not exceed 3% of the total number of issued Shares as at the Incentive Scheme Adoption Date (i.e.21,213,606 Shares) (the "**Incentive Scheme Limit**"). The Incentive Scheme Limit was approved by the shareholders of the Company at the annual general meeting of the Company held on 27 May 2016. The Incentive Scheme Limit represents approximately 0.65% of the total issued Shares as at the date of this announcement.

Maximum entitlement of each participant

No maximum entitlement of each Incentive Scheme Eligible Person is specified under the Share Award Incentive Scheme.

Exercise period

As the Share Award Incentive Scheme is a share award plan of the Company instead of a share option scheme, the awards granted under the Share Award Incentive Scheme are not subject to any exercise period nor are the Incentive Scheme Eligible Persons entitled to any exercise rights.

Vesting period

The Board shall determine from time to time such vesting criteria and conditions or periods for the award to be vested under the Share Award Incentive Scheme.

Subscription/purchase price

No subscription/purchase price is payable by the Incentive Scheme Eligible Persons upon acceptance of awards granted under the Share Award Incentive Scheme.

Term

Subject to any early termination pursuant to the terms of the Share Award Incentive Scheme, the Share Award Incentive Scheme shall be valid and effective for 10 years from the Incentive Scheme Adoption Date and ending on 26 May 2026. Accordingly, the Share Award Incentive Scheme adopted by the Company in 2016 expired on 26 May 2026.

Movement and position

No award was granted under the Share Award Incentive Scheme since its adoption and hence no Shares may be issued under the Share Award Incentive Scheme during the six months ended 30 June 2026. Accordingly, (i) there was no unvested award granted to the Incentive Scheme Eligible Persons under the Share Award Incentive Scheme as at 1 January 2026; (ii) no award was granted under the Share Award Incentive Scheme for the six months ended 30 June 2026; and (iii) there was (a) no unvested award granted to the Incentive Scheme Eligible Persons under the Share Award Incentive Scheme as at 30 June 2026; and (b) no award vested, cancelled or lapsed under the Share Award Incentive Scheme during the six months ended 30 June 2026.

21,213,606 awards were available for grant under the Incentive Scheme Limit as at 1 January 2026. The Share Award Incentive Scheme expired on 26 May 2026. Accordingly, no awards were available for grant under the Incentive Scheme Limit as at 30 June 2026.

As no option or share award was granted under all share schemes of the Company during the six months 30 June 2026, no Shares may be issued in respect thereof.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), as recorded in the register required to be kept by the Company pursuant to the required standard of dealings by the Directors as referred to in Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules, were as follows:

Long Positions in Ordinary Shares and Underlying Shares of the Company:

Name of Directors	Number of issued ordinary Shares of HK$0.10 each in the Company Personal interests	Family interests	Corporate interests	Other interests	Total	Approximate percentage of the Company's issued share capital *(Note 1)*
Mr. Zhan Huafeng	1,000,000	–	–	–	1,000,000	0.03%
Mr. Zhang Menggui , Morgan	65,979,100	–	–	–	65,979,100	2.03%

Notes:

1. The percentage is calculated on the basis of 3,243,433,914 Shares in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded in the register pursuant to the required standard of dealings by the Directors as referred to in Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and has been recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long Positions in Ordinary Shares and Underlying Shares of the Company:

Name of Shareholders	Capacity and nature of interest	Number of Shares	Approximate percentage of the shareholding *(Note 4)*
CM Group *(Note 1)*	Interest of controlled corporation	3,152,089,000	97.18%
China Merchants Steam Navigation Company Limited ("**CM Steam Navigation**") *(Note 1)*	Interest of controlled corporation	1,530,372,000	47.18%
China Merchants Shipbuilding Industry Group Co., Limited ("**CM Shipbuilding Industry**") *(Note 1)*	Interest of controlled corporation	1,530,372,000	47.18%
China Merchants Heavy Industry Holdings Limited ("**CM Heavy Industry**") *(Note 1)*	Interest of controlled corporation	1,530,372,000	47.18%
Prime Force *(Note 1)*	Beneficial owner	1,530,372,000	47.18%
Han Xiaosheng *(Note 3)*	Interest of controlled corporation	517,684,000	15.96%

Name of Shareholders	Capacity and nature of interest	Number of Shares	Approximate percentage of the shareholding *(Note 4)*
Lam Kin Hing Kenneth *(Note 3)*	Interest of controlled corporation	517,684,000	15.96%
Quam Plus International Financial Limited ("**Quam Plus**") *(Note 3)*	Interest of controlled corporation	517,684,000	15.96%
Quam Tonghai Holdings Limited ("**Quam Tonghai**") *(Note 3)*	Interest of controlled corporation	517,684,000	15.96%
China International Marine Containers (Group) Co., Ltd. *(Note 2)*	Interest of controlled corporation	185,600,000	5.72%
China International Marine Containers (Hong Kong) Ltd. *(Note 2)*	Beneficial owner	185,600,000	5.72%

Notes:

1. Prime Force is a company incorporated in the British Virgin Islands and is wholly-owned by CM Heavy Industry. CM Heavy Industry is therefore deemed to be interested in the 1,530,372,000 Shares in which Prime Force is interested in under Part XV of the SFO.

   CM Shipbuilding Industry holds 100% of the equity interest in CM Heavy Industry, and is a wholly-owned subsidiary of CM Steam Navigation which is a wholly-owned subsidiary of CM Group. CM Shipbuilding Industry, CM Steam Navigation and CM Group are respectively deemed to be interested in the 1,530,372,000 Shares in which CM Heavy Industry is interested in under Part XV of the SFO.

   The Company has conditionally agreed to issue and allot, and China Merchants Innovation and Technology (Hong Kong) Co., Limited ("**CM Innovation (HK)**") has conditionally agreed to subscribe for, 1,621,717,000 Shares pursuant to a conditional subscription agreement dated 30 December 2024. CM Innovation (HK) is wholly-owned by Sinotrans Shipping (Holdings) Limited, which was in turn wholly-owned by China Economic and Trade Shipping Co., Ltd.* (中國經貿船務有限公司) ("**China Econ**"). China Econ is wholly-owned by China Merchants Investment Development Company Limited* (招商局投資發展有限公司), which is in turn wholly-owned by China Merchants Innovation Technology (Group) Co., Ltd.* (招商局創新科技(集團)有限公司) ("**CM Innovation Group**"). CM Innovation Group is a 100% owned subsidiary of CM Group. Therefore, CM Group is deemed to be interested in the 1,621,717,000 Shares in which CM Innovation (HK) is interested under Part XV of the SFO.

2. China International Marine Containers (Group) Company Limited ("**CIMC Group**") holds the entire issued share capital of China International Marine Containers (Hong Kong) Limited ("**CIMC HK**"). Therefore, CIMC Group is deemed to be interested in the 185,600,000 Shares held by CIMC HK under Part XV of the SFO.

3. Quam Securities Limited ("**Quam Securities**") is beneficially interested in 92,933,000 Shares. Quam Securities is wholly-owned by Quam Capital (Holdings) Limited ("**Quam Capital**"), which is therefore deemed to be interested in the 92,933,000 Shares in which Quam Securities is interested under Part XV of the SFO.

   Quam Finance Limited ("**Quam Finance**") is beneficially interested in 424,751,000 Shares.

   Both Quam Finance and Quam Capital are wholly-owned by Quam Plus, which is in turn owned by Quam Tonghai as to 67%. Therefore, Quam Plus and Quam Tonghai are deemed to be interested in the aggregate of 517,684,000 Shares held by Quam Finance and Quam Capital under Part XV of the SFO.

   Lam Kin Hing, Kenneth and Han Xiaosheng are interested in 51% and 49% of the shares in Quam Tonghai, respectively; each of them is therefore deemed to be interested in the 517,684,000 Shares held by Quam Tonghai under Part XV of the SFO.

4. The percentage is calculated on the basis of 3,243,433,914 Shares in issue as at 30 June 2026.

Save as disclosed above and so far as the Directors are aware, as at 30 June 2026, no person (other than the Directors or chief executives of the Company) had an interest or a short position in Shares or underlying Shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as defined under the Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group, or has any other conflict of interests with the Group during the six months period ended 30 June 2026.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 20 October 2005 with terms of reference in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls of the Group.

The Audit Committee comprises three members, namely Mr. Xue Jianzhong (being the chairman of the Audit Committee), Mr. Zou Zhendong and Ms. Zhang Zhen. All of them are independent non-executive Directors. The Audit Committee has reviewed the unaudited financial results of the Group for the six months ended 30 June 2026 and is of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee has no disagreement with the accounting treatment adopted by the Group.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, fellow subsidiaries or its parent companies was a party or were parties and in which a Director or his/her connected entities had a material interest, whether directly or indirectly, subsisted during or at the end of the six months ended 30 June 2026.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standards of dealings as set out in the Model Code as set forth in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standards of dealings as set out in the Model Code during the six months ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance practices to ensure transparency so that the interests of the shareholders and the cooperative development among customers, employees and the Group can be safeguarded.

During the six months ended 30 June 2026, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**"), except for a deviation from code provision F.1.3 as set out in the CG Code.

In respect of code provision F.1.3 under the CG Code, Mr. Mei Zhonghua, the Chairman of the Board, did not attend the annual general meeting of the Company held on 29 June 2026 ("**2026 AGM**") due to other business commitments. In order to ensure effective communication with the shareholders, the chairman and/or members of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company, and other Board members and the external auditor attended the 2026 AGM to answer the shareholders' questions.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

On 30 December 2024, the Company and China Merchants Innovation and Technology (Hong Kong) Co., Limited (the "**Subscriber**", a wholly owned subsidiary of China Merchants Group Limited* (招商局集團有限公司), a substantial shareholder of the Company) entered into a subscription agreement, pursuant to which the Company has conditionally agreed to issue and allot, and the Subscriber has conditionally agreed to subscribe for, 1,621,717,000 Shares at the price of HK$0.20 per Share for a total consideration of HK$324,343,400 in cash (the "**Share Subscription**"). The ordinary resolutions approving the Share Subscription and the specific mandate were passed at the extraordinary general meeting of the Company held on 28 February 2025, and the whitewash waiver was also granted by the Executive on 25 February 2025. Completion of the Share Subscription has not taken place as at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

As of the date of this announcement, there has been no material subsequent events after 30 June 2026.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express sincere gratitude to all the shareholders for their continuous support and to all staff for their dedication and contribution to the Group during the six months ended 30 June 2026.

By Order of the Board
CM Energy Tech Co., Ltd.
Mei Zhonghua
Chairman

Hong Kong, 28 August 2026

As of the date of this announcement, the Board comprises one (1) executive Director, namely Mr. Zhan Huafeng; nine (9) non-executive Directors, namely Mr. Mei Zhonghua, Mr. Lin Changsen, Mr. Tong Qiang, Mr. Liu Jiancheng, Mr. Ding Jianliang, Mr. Liu Qingzheng, Mr. He Li, Mr. Jiang Debing and Mr. Zhang Menggui, Morgan; and four (4) independent non-executive Directors, namely Mr. Zou Zhendong, Ms. Zhang Zhen, Mr. Xue Jianzhong and Mr. Zhou Ruiping.

* *For identification purpose only*