



**KANGDA INTERNATIONAL
ENVIRONMENTAL COMPANY LIMITED**
康達國際環保有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：6136

Annual Report 年報

2024



CONTENTS

目錄

Corporate Information 公司資料	2
Chairman's Statement 主席報告	4
Management Discussion and Analysis 管理層討論及分析	7
Directors and Senior Management 董事及高級管理層	21
Corporate Governance Report 企業管治報告	27
Report of Directors 董事會報告	52
Independent Auditor's Report 獨立核數師報告	75
Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表	83
Consolidated Statement of Financial Position 綜合財務狀況表	85
Consolidated Statement of Changes in Equity 綜合權益變動表	87
Consolidated Statement of Cash Flows 綜合現金流量表	89
Notes to the Consolidated Financial Statements 綜合財務報表附註	92
Financial Summary 財務概要	235

Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Li Zhong (*Chairman*)
Ms. Liu Yujie
Mr. Duan, Jerry Linnan (*Chief Executive Officer*)
Mr. Zhou Wei (*Chief Financial Officer*)
(appointed on 10 April 2024)
Mr. Zhao Juanxian (alias, Zhao Junxian)
(ceased to be Co-Chairman and re-designated as non-executive director with effect from 1 January 2025)

Independent Non-executive Directors

Mr. Chau Kam Wing Donald
Mr. Chang Qing
Mr. Peng Yongzhen

AUDIT COMMITTEE

Mr. Chau Kam Wing Donald (*Chairman*)
Mr. Chang Qing
Mr. Peng Yongzhen

REMUNERATION COMMITTEE

Mr. Peng Yongzhen (*Chairman*)
Mr. Zhao Juanxian (alias, Zhao Junxian)
Mr. Chau Kam Wing Donald

NOMINATION COMMITTEE

Mr. Chau Kam Wing Donald (*Chairman*)
Mr. Zhao Juanxian (alias, Zhao Junxian)
Mr. Li Zhong
Mr. Peng Yongzhen
Mr. Chang Qing

COMPANY SECRETARY

Mr. Wong Wan Sing

AUTHORISED REPRESENTATIVES

Mr. Li Zhong
Mr. Zhou Wei (appointed on 1 January 2025)
Mr. Zhao Juanxian (alias, Zhao Junxian)
(resigned with effect from 1 January 2025)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("CHINA" OR THE "PRC")

No. 72 Avenue of Stars
High-Tech Park
North New Zone
Chongqing
The PRC

董事會 執行董事

李中先生(主席)
劉玉杰女士
段林楠先生(行政總裁)
周偉先生(財務總監)
(於二零二四年四月十日獲委任)
趙雋賢先生
(自二零二五年一月一日起辭任
聯席主席並調任為非執行董事)

獨立非執行董事

周錦榮先生
常清先生
彭永臻先生

審核委員會

周錦榮先生(主席)
常清先生
彭永臻先生

薪酬委員會

彭永臻先生(主席)
趙雋賢先生
周錦榮先生

提名委員會

周錦榮先生(主席)
趙雋賢先生
李中先生
彭永臻先生
常清先生

公司秘書

黃尹聲先生

授權代表

李中先生
周偉先生(於二零二五年一月一日獲委任)
趙雋賢先生(自二零二五年一月一日起辭任)

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總部及中華人民共和國(「中國」) 營業地址

中國
重慶
北部新區
高新園
星光大道72號

Corporate Information 公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6409, 64/F
Central Plaza
18 Harbour Road,
Wanchai
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

LEGAL ADVISER

As to Hong Kong law:
Norton Rose Fulbright Hong Kong

PRINCIPAL BANKER

Industrial and Commercial Bank of China
Chongqing Rural Commercial Bank
Bank of China
Shanghai Pudong Development Bank

AUDITOR

Ernst & Young

STOCK CODE

6136

COMPANY WEBSITE

<http://www.kangdaep.com>

香港主要營業地點

香港
灣仔
港灣道18號
中環廣場
64樓6409室

開曼群島股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712–1716號舖

法律顧問

有關香港法律：
諾頓羅氏香港

主要往來銀行

中國工商銀行
重慶農村商業銀行
中國銀行
上海浦東發展銀行

核數師

安永會計師事務所

股份代號

6136

公司網址

<http://www.kangdaep.com>

Chairman's Statement 主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Kangda International Environmental Company Limited (the "Company") together with its subsidiaries (collectively, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2024 to you.

RESULTS REVIEW

During the year, the economy in Mainland China experienced a growth slowdown, with fiscal pressures borne by local governments yet to be effectively alleviated, and adjustments to prices for wastewater treatment lagging behind. Throughout the year, the Group maintained a prudent approach in operation, which strictly controlled costs and expenses, while fully capitalizing on domestic interest rate downtrend cycle and tax incentives to significantly reduce interest and tax expenditures. As a result, the net profit for the year increased by 31.2% to RMB170.9 million compared with last year. In addition, during the year, the Group successfully procured the disposal of several underperforming projects, enhancing the recovery of liquidity while reducing overall debts.

To conclude, in 2024, the Group continued to focus on urban water treatment segment. Total revenue for the year was RMB2,261.3 million, representing an increase of 2.0% year-on-year, with urban water treatment operation accounting for 95.5 ~~0.638~~ 0e

Chairman's Statement 主席報告

During the year, the management continued to optimize the Group's operating cash flow and balance sheet. Net operating cash inflow of RMB403.1 million was recorded for the year, which had remained positive since 2019. The balance sheet ratios improved continuously. As at December 31 2024, the Group's gearing ratio and current ratio were 68.6% and 1.32 (as at December 31 2023: 69.6% and 1.15) respectively.

Substantial achievements were made in financing activities during the year, and as the Group capitalized on the interest rate downtrend cycle and optimized its financing portfolio, the average borrowing interest rate for the year decreased by 0.44 percentage point to 5.51% compared with last year, and finance costs amounted to approximately RMB544.2 million, representing a decrease of 6.0% compared with last year, which contributed significantly to the increase in the net profit for the year. As at December 31 2024, the proportion of long-term borrowings to total borrowings was 69.4% (as at December 31 2023: 64.7%).

During the year, the state repeatedly reaffirmed and emphasized its support for the healthy development of private enterprises, issuing policy documents such as the Rules for Fair Competition Review in Bidding and Tendering, the Guidelines on Resolving Arrears to Enterprises, and the Notice on Further Regulating the Implementation of New Public-Private Partnership (PPP) Mechanisms. In these policies, fair competition, compliance with laws and regulations and strengthening supervision over law enforcement were advocated, to address delayed payments to enterprises, and it was stated that priority would be given to private enterprises to participate in franchise projects, all aiming at improving the business environment and fostering the healthy growth of all types of enterprises. For the water environment protection and treatment sector, the state introduced the Guidelines on Strengthening Financial Support for Green and Low-Carbon Development, the Circular on Corporate Income Tax Policies for Digital and Intelligent Upgrades of Energy-Saving, Water Conservation, Environmental Protection and Workplace Safety Equipment, the Guidelines on Accelerating the Development of Water-Saving Industries, the Opinions on Advancing Comprehensive Green Transformation in Economic and Social Development and the Implementation Opinions on Enhancing Scientific and Technological Innovation in Ecological Conservation to Build a Beautiful China. These measures provided comprehensive support — from national development planning to industry-specific regulations, taxation and finance — for water pollution control, water conservation management, water recycling and the digital and intelligent transformation of the sector. The Group is confident that the wastewater treatment industry will continue to develop healthily.

年內，管理層繼續優化本集團經營性現金流及資產負債表，本年度錄得經營性現金淨流入人民幣403.1百萬元，自二零一九年起持續保持正值。資產負債表相關比率持續改善，於二零二四年十二月三十一日，本集團資產負債比率及流動比率分別為68.6%及1.32(於二零二三年十二月三十一日：69.6%及1.15)。

年內融資活動取得實質性成果，本集團把握利率下行週期優化融資組合，令本年度平均借款利率較去年下降0.44個百分點至5.51%，融資成本約人民幣544.2百萬元，較上年度減少6.0%，為本年度淨利潤上升提供有力支持。於二零二四年十二月三十一日，長期借款佔總借款比例為69.4%(於二零二三年十二月三十一日：64.7%)。

於年內，國家多次重申及強調支持民營企業健康發展，發布了《招標投標領域公平競爭審查規則》、《關於解決拖欠企業賬款問題的意見》及《關於進一步做好政府和社會資本合作新機制項目規範實施工作的通知》等政策文件，提倡公平競爭，全法律法規並加強執法監督，解決拖欠企業賬款問題，以及優先選擇民營企業參與特許經營項目，改善營商環境並促進各類企業健康發展。針對水環境保護及治理行業，國家推出了《關於進一步強化金融支持綠色低碳發展的指導意見》、《關於節能節水、環境保護、安全生產專用設備數字化智能化改造企業所得稅政策的公告》、《關於加快發展節水產業的指導意見》、《關於加快經濟社會發展全面綠色轉型的意見》及《關於加強生態環境領域科技創新，推動美麗中國建設的實施意見》等，從國家整體發展規劃到行業具體法規、稅務及金融等全方位支持水污染治理，節水管理及水循環利用等發展，並促進行業數字化、智能化改造。本集團相信污水處理行業將會持續健康發展。

Chairman's Statement 主席報告

DEVELOPMENT STRATEGY 2025 本集團發展策略及未來展望

本集團將充分利用國家扶持民營企業的政策，全力催收及化解應收帳款，同時積極爭取污水處理價格合理調整，以抵銷近年不斷上升的運營成本，同時增加集團收入和提升利潤水平。本集團會繼續深化節能降耗措施，提高經營效率並提升毛利率。融資活動方面，本集團將把握國內降息周期，繼續優化負債結構以降低融資成本。對於低效項目，本集團將加快尋求地方政府或政府關聯企業回購的機會，項目出售所得將有能有效降低本集團負債水平，並進一步減少利息支出。本集團相信通過以上措施可以長遠增加收入與利潤，增強經營性現金流，為股東創造更大價值。

最後，本人亦借此機會衷心感謝本集團的全體股東及所有合作夥伴對於本集團的發展一直給予的支持，並向本集團全體員工於年內作出的努力和貢獻致以敬意。

主席
李中

香港，二零二五年三月三十一日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the year ended 31 December 2024 (the “Reporting Period”), the Group’s principal business activities remained focusing on the Urban Water Treatment, followed by the existing projects of Water Environment Comprehensive Remediation and the Rural Water Improvement.

The scope of Urban Water Treatment includes the design, construction, upgrade and operation of wastewater treatment plants (the “WTPs”), reclaimed water treatment plants (the “RWTPs”), sludge treatment plants (the “STPs”), water distribution plants (the “WDPs”), and in the operation and maintenance of wastewater treatment facilities entrusted by governments (the “O&M”). The Group’s business has covered the overall industry chain in Urban Water Treatment industry by executing contracts of Build-Operate-Transfer (“BOT”), Transfer-Operate-Transfer (the “TOT”), Public-Private-Partnership (the “PPP”), Build-Own-Operate (the “BOO”), Engineering-Procurement-Construction (the “EPC”) and O&M. The Group had 105 service concession arrangement projects under operation while its operational treatment capacity was over 4 million tons per day as at 31 December 2024.

The scope of Water Environment Comprehensive Remediation includes river harnessing and improvement, foul water body treatment and sponge city construction. The Group engages in Water Environment Comprehensive Remediation by executing previously signed contracts of PPP and EPC.

The scope of Rural Water Improvement includes the construction and operation related to “the Water Environment Facilities of Beautiful Village” such as: wastewater treatment facilities and pipeline construction for collecting wastewater so as to achieve rural living environment improvement. The Group started to carry out this business since 2016 by executing the contracts of PPP.

In the future, the Group will continuously focus on the business of Urban Water Treatment to get steady cash flows and invest in high-quality, value-adding upstream and downstream businesses of water industry. The Group is very confident about the Group’s prospects and future profitability and we will dedicate more efforts to enhance the profitability and effectiveness of the Group.

業務回顧

截至二零二四年十二月三十一日止年度(「報告期」)，本集團主要業務仍集中在城鎮水務領域，兼顧水環境綜合治理及鄉村污水治理等領域的現有項目。

城鎮水務的範圍包括設計、建設、升級及營運污水處理廠(「污水處理廠」)、再生水處理廠(「再生水處理廠」)、污泥處理廠(「污泥處理廠」)、供水廠(「供水廠」)及營運及維護政府委託的污水處理設施(「運營及維護」)。本集團業務通過執行建設 — 運營 — 移交(「BOT」)、移交 — 運營 — 移交(「TOT」)、公私營合作(「PPP」)、建設 — 擁有 — 運營(「BOO」)、設計 — 採購 — 施工(「EPC」)以及運營及維護合約，已覆蓋城鎮水務行業的整體產業鏈。於二零二四年十二月三十一日，本集團在運營服務特許經營安排項目達到105個，在運營處理能力突破每日四百萬噸。

水環境綜合治理的範圍包括流域綜合治理及改善、黑臭水體處理及海綿城市建設等。本集團通過執行過往已簽訂的PPP和EPC合約，從事水環境綜合治理業務。

鄉村污水治理的範圍包括建設及營運「美麗鄉村水環境設施」，例如：污水處理設施設備和污水收集管網建設，以達至鄉村居住環境改善。本集團於二零一六年開始通過執行PPP合約開展此類業務。

未來，本集團將繼續以獲得穩定現金流的城鎮水務業務為發展重心，同時擇優投資水務產業鏈上下游的增值領域。本集團對前景及未來的盈利能力充滿信心，並且我們將更加努力提升本集團的盈利能力和效益。

Management Discussion and Analysis

管理層討論及分析

1.1 Urban Water Treatment

As at 31 December 2024, the Group had entered into a total of 110 service concession arrangements projects, including 104 wastewater treatment plants, 1 water distribution plant, 3 sludge treatment plants and 2 reclaimed water treatment plants. The Group will further expand its Urban Water Treatment chain in the future, in order to improve its profitability and competitiveness.

Analysis of the Group’s projects on hand as at 31 December 2024 is as follows:

		Daily wastewater treatment capacity 日污水 處理能力	Daily water distribution capacity 日供水 能力	Daily reclaimed water treatment capacity 日再生水 處理能力	Daily sludge treatment capacity 日污泥 處理能力	Total 總計
(Tonnes)	(噸)					
In operation	運營中	4,089,500	–	65,000	550	4,155,050
Not yet start operation/ Not yet transferred	尚未開始運營 尚未移交	140,500	30,000	–	–	170,500
Total	總計	4,230,000	30,000	65,000	550	4,325,550
(Number of projects)	(項目數量)					
In operation	運營中	100	–	2	3	105
Not yet start operation/ Not yet transferred	尚未開始運營 尚未移交	4	1	–	–	5
Total	總計	104	1	2	3	110

1.1 城鎮水務

於二零二四年十二月三十一日，本集團共訂立110個服務特許經營安排項目，包括104個污水處理廠、1個供水廠、3個污泥處理廠及2個再生水處理廠。未來本集團將通過進一步擴展城鎮水務處理產業鏈，實現盈利能力與競爭力的提升。

本集團於二零二四年十二月三十一日的現有項目分析如下：

Management Discussion and Analysis

管理層討論及分析

		Number of projects	Treatment capacity	Actual processing volume during the year ended 31 December 2024 截至二零二四年十二月三十一日止年度的實際處理量
		項目數量	處理量 (Tonnes/Day) (噸 日)	實際處理量 (Million Tonnes) (百萬噸)
Wastewater treatment services	污水處理服務			
Shandong	山東	47	1,270,000	365.2
Henan	河南	22	1,040,000	315.8
Heilongjiang	黑龍江	6	425,000	142.5
Shanxi	山西	2	350,000	117.0
Zhejiang	浙江	2	250,000	89.8
Guangdong	廣東	4	220,000	71.4
Anhui	安徽	2	160,000	57.9
Jiangsu	江蘇	5	100,000	35.4
Other provinces/municipalities*	其他省 直轄市*	14	415,000	79.0
		104	4,230,000	1,274.0
Water distribution services	供水服務	1	30,000	–
Reclaimed water treatment services	再生水處理服務	2	65,000	4.4
Total	合計	107	4,325,000	1,278.4
Sludge treatment services	污泥處理服務	3	550	–
Total	合計	110	4,325,550	1,278.4

* Other provinces/municipalities include Beijing, Tianjin, Hebei, Jilin, Liaoning, Shaanxi, Sichuan and Fujian.

* 其他省 直轄市包括北京、天津、河北、吉林、遼寧、陝西、四川及福建。

Management Discussion and Analysis

管理層討論及分析

1.1.1 Operation Services

As at 31 December 2024, the Group had 100 wastewater treatment projects, 2 reclaimed water treatment projects and 3 sludge treatment projects in operation in Mainland China. Total daily treatment capacity of wastewater treatment plants, reclaimed water treatment plants, and sludge treatment plants in operation for the year ended 31 December 2024 reached 4,089,500 tonnes (2023: 4,024,500 tonnes), 65,000 tonnes (2023: 65,000 tonnes), and 550 tonnes (2023: 550 tonnes), respectively. For the year ended 31 December 2024, the annualized utilization rate for wastewater and reclaimed water treatment plants in operation was approximately 85% (2023: 85%). The actual average water treatment tariff for the year ended 31 December 2024 was approximately RMB1.60 per tonne (2023: approximately RMB1.59 per tonne). The actual aggregate processing volume for the year ended 31 December 2024 was 1,278.4 million tonnes, representing a minor increase compared to the same period last year (year ended 31 December 2023: 1,265.7 million tonnes).

Total operation revenue of the Group's Urban Water Treatment services recorded for the year ended 31 December 2024 was RMB1,176.2 million, representing a decrease of approximately 7% as compared to the same period of last year (year ended 31 December 2023: RMB1,265.3 million). The corresponding decrease was primarily due to one-time deduction in revenue arising from post-pr

Management Discussion and Analysis

管理層討論及分析

For the year ended 31 December 2024, construction revenue was recognised for 21 projects, including 17 wastewater treatment plants, 1 water distribution plant, 1 reclaimed water treatment plant, and 2 sludge treatment plants, which were mainly located in Shandong, Shanxi provinces and Tianjin city in Chinese Mainland. Total construction revenue of those projects for the year ended 31 December 2024 was RMB251.2 million, representing a year-on-year increase of approximately 108% (year ended 31 December 2023: RMB121.0 million). The corresponding increase was primarily due to an increase in construction work of new upgrade projects. As at 31 December 2024, the total daily treatment capacity of the service concession arrangements plants, which were still in the construction stage, was 50,500 tonnes, including 20,500 tonnes of wastewater treatment plants and 30,000 tonnes of water distribution plant.

1.2 Water Environment Comprehensive Remediation

In the year of 2024, the Group continued to devote efforts to implementing the existing projects of Water Environment Comprehensive Remediation. As at 31 December 2024, most of the projects have been completed. The Group devoted efforts to lower the risk and enhance the reasonable profit for the existing projects. The Group will integrate resources to execute the Water Environment Comprehensive Remediation projects under the contracts of EPC and O&M.

The Group had 2 Water Environment Comprehensive Remediation projects under construction during the year ended 31 December 2024. The projects were mainly located in Jiangxi province in Chinese Mainland. For the year ended 31 December 2024, total revenue of those projects was RMB22.1 million, representing a decrease of approximately 49% as compared to the same period last year (year ended 31 December 2023: RMB43.4 million). The corresponding decrease was primarily due to the completion of most existing EPC projects.

截至二零二四年十二月三十一日止年度，已就21個項目確認建設收益，包括17個污水處理廠、1個供水廠、1個再生水處理廠及2個污泥處理廠，主要位於中國內地的山東省、山西省及天津市。截至二零二四年十二月三十一日止年度，該等項目的總建設收益為人民幣251.2百萬元，同比增加約108%（截至二零二三年十二月三十一日止年度：人民幣121.0百萬元），相應增加主要由於新提標項目的建設工程增加。於二零二四年十二月三十一日，該等服務特許經營安排水廠（仍在建設階段）的每日總處理量為50,500噸，包括污水處理廠20,500噸及供水廠30,000噸。

1.2 水環境綜合治理

二零二四年，本集團繼續致力於執行現有水環境綜合治理項目。於二零二四年十二月三十一日，大部分項目已經完工。本集團仍致力於降低現有項目的風險並提升合理利潤。本集團將整合資源，以執行EPC與運營及維護合約下的水環境綜合治理項目。

截至二零二四年十二月三十一日止年度，本集團有2個處於建設階段的水環境綜合治理項目。這些項目主要位於中國內地的江西省。截至二零二四年十二月三十一日止年度，該等項目總收益為人民幣22.1百萬元，較去年同期減少約49%（截至二零二三年十二月三十一日止年度：人民幣43.4百萬元）。相應減少主要由於大部分現有EPC項目完工。

Management Discussion and Analysis

管理層討論及分析

1.3 Rural Water Improvement

The Group had 2 Rural Water Improvement projects during the year ended 31 December 2024. The projects were located in Guangdong province in Chinese Mainland. For the year ended 31 December 2024, total revenue of those projects was RMB78.9 million, representing a year-on-year increase of approximately 58% (year ended 31 December 2023: RMB49.9 million). The corresponding increase was primarily due to net impact of the decrease in the construction revenue and the increased operation revenue due to the commenced operation of these two projects.

FINANCIAL ANALYSIS

Revenue

For the year ended 31 December 2024, the Group recorded a revenue of RMB2,261.3 million, representing an increase of RMB44.9 million as compared to the previous corresponding period of RMB2,216.4 million. The increase was mainly due to the increase in construction revenue of RMB92.4 million, and the decrease in operation revenue of RMB44.3 million, the increase in construction revenue was mainly due to the increase in construction work of new upgrade projects of Urban Water Treatment. The decrease in operation revenue was mainly as a result of the decrease in the construction revenue of the Urban Water Treatment projects.

Revenue (in million RMB) for the year ended 31 December 2024: 2,261.3

Management Discussion and Analysis

管理層討論及分析

Gross Profit Margin

For the year ended 31 December 2024, the Group's gross profit margin remained stable at 48.2% comparing with 48.5% for the previous corresponding period.

Other Income and Gains

The Group recorded other income and gains of RMB66.8 million for the year ended 31 December 2024, representing an increase of approximately 12% as compared to the previous corresponding period of RMB59.8 million. The amount for the Reporting Period primarily included government grants of RMB25.2 million, which mainly comprised of VAT refund under "Notice on the Issuing of the Catalogue of Value-Added Tax Preferences for Products and Labor Services Involving the Comprehensive Utilization of Resources (Cai Shui [2015] No. 78)"* (關於印發《資源綜合利用產品和勞務增值稅優惠目錄》的通知(財稅[2015] 78 號文)) and grants for environmental protection, net debt restructuring income of RMB15.4 million, bank interest income of RMB2.2 million, interest income of RMB17.6 million from loans to a third party, a joint venture, and an associate, and investment income of RMB1.4 million.

Administrative Expenses

The Group's administrative expenses for the year ended 31 December 2024 was RMB284.0 million, representing a minor increase as compared to the previous corresponding period of RMB283.1 million.

Other Expenses

Other expenses for the year ended 31 December 2024 was RMB88.3 million, representing an increase of approximately 103% as compared to the previous corresponding period of RMB43.4 million. The increase was mainly due to the increase in foreign exchange losses, non-operating expenses, losses on disposal of service concession assets, and impairment losses.

毛利率

截至二零二四年十二月三十一日止年度，本集團毛利率較去年同期48.5%維持穩定在48.2%。

其他收入及收益

截至二零二四年十二月三十一日止年度，本集團錄得其他收入及收益人民幣66.8百萬元，較去年同期的人民幣59.8百萬元增加約12%。報告期內的金額主要包括政府補助人民幣25.2百萬元，其主要組成部分包括「關於印發《資源綜合利用產品和勞務增值稅優惠目錄》的通知(財稅[2015] 78號文)」項下增值稅退稅以及環保補貼、債務重組淨收益人民幣15.4百萬元、銀行利息收入人民幣2.2百萬元、向一家第三方、一家合營企業及一家聯營公司貸款而收取的利息收入人民幣17.6百萬元以及投資收益人民幣1.4百萬元。

行政開支

截至二零二四年十二月三十一日止年度，本集團的行政開支為人民幣284.0百萬元，較去年同期的人民幣283.1百萬元略有增加。

其他開支

截至二零二四年十二月三十一日止年度，其他開支為人民幣88.3百萬元，較去年同期的人民幣43.4百萬元增加約103%。該增加主要是由於匯兌虧損增加，營業外支出、特許經營權資產處置損失及減值虧損增加。

* For identification purposes only

Management Discussion and Analysis

管理層討論及分析

Finance Costs

The Group's finance costs for the year ended 31 December 2024 of RMB544.2 million mainly comprised interests on interest-bearing bank and other borrowings, representing a decrease of approximately 6% as compared to the previous corresponding period of RMB578.7 million. The decrease in finance costs was mainly due to the reduction on benchmark interest rates. The average balance of interest-bearing bank and other borrowings (including the portion transferred to liabilities held for sale amounting to RMB241.7 million) increased by RMB166.1 million and the average interest rate was 5.51%, representing a decrease of 0.44 percentage point as compared to the previous corresponding period.

Share of Profits and Losses of Associates

The Group's share of profits of associates for the year ended 31 December 2024 was RMB1.1 million, representing a major decrease as compared to share of profits of associates of RMB4.7 million in the previous corresponding period. The Group will further execute practical ways to reduce the losses brought by the associates.

Share of Profits and Losses of Joint ventures

Share of losses of joint ventures for the year ended 31 December 2024 was RMB3.1 million, representing a major increase as compared to share of losses of joint ventures of RMB0.3 million in the previous corresponding period. The Group will further execute practical ways to reduce the losses brought by the joint ventures.

Income Tax Expense

Income tax expense for the year ended 31 December 2024 included the current PRC income tax of RMB37.4 million and deferred tax expenses of RMB28.0 million, which were RMB44.7 million and RMB59.0 million for the previous corresponding period, respectively. The Group's effective tax rate for the year ended 31 December 2024 was approximately 28%, representing a decrease of 16 percentage points as compared with approximately 44% for the previous corresponding period, which was mainly due to the increase in effect of lower tax rates for specific provinces or enacted by local authority and the comprehensive effects from tax losses.

融資成本

截至二零二四年十二月三十一日止年度，本集團的融資成本為人民幣544.2百萬元，主要包括計息銀行借款和其他借款產生的利息，較去年同期人民幣578.7百萬元減少約6%。融資成本減少主要是由於基準利率下調。平均計息銀行借款和其他借款餘額（包括轉入持有待售負債的部分金額為人民幣241.7百萬元）增加人民幣166.1百萬元，平均借款利率為5.51%，較去年同期下降0.44個百分點。

分佔聯營公司溢利及虧損

截至二零二四年十二月三十一日止年度，本集團分佔聯營公司溢利為人民幣1.1百萬元，較去年同期分佔聯營公司溢利人民幣4.7百萬元大幅減少。本集團將進一步執行可行措施以減少聯營公司帶來的虧損。

分佔合營企業溢利及虧損

截至二零二四年十二月三十一日止年度，本集團分佔合營企業虧損為人民幣3.1百萬元，較去年同期分佔合營企業虧損人民幣0.3百萬元大幅增加。本集團將進一步執行可行措施以減少合營企業帶來的虧損。

所得稅開支

截至二零二四年十二月三十一日止年度的所得稅開支包括當期中國所得稅人民幣37.4百萬元及遞延稅項開支人民幣28.0百萬元，而去年同期分別為人民幣44.7百萬元及人民幣59.0百萬元。本集團截至二零二四年十二月三十一日止年度的實際稅率約為28%，較去年同期的約44%下降16個百分點，主要由於指定省份或當地政府機關頒佈的較低稅率的影響增加及稅務虧損的綜合影響。

Management Discussion and Analysis

管理層討論及分析

Financial Receivables

金融應收款項

		As at 於	
		31 December 2024	31 December 2023
		二零二四年 十二月三十一日	二零二三年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receivables for service concession arrangements	服務特許經營安排應收款項	11,673,981	11,592,250
Portion classified as current	分類為即期的部分	(2,041,985)	(2,079,291)
Non-current portion	非即期部分	9,631,996	9,512,959

As at 31 December 2024, the Group's financial receivables of RMB11,674.0 million (31 December 2023: RMB11,592.3 million) increased by RMB81.7 million, which was mainly due to the increase in financial receivables which were reclassified from contract assets once the construction and upgrade period is ended for the water treatment projects, which were partially offset by the portion transferred to assets held for sale.

於二零二四年十二月三十一日，本集團金融應收款項為人民幣11,674.0百萬元(二零二三年十二月三十一日：人民幣11,592.3百萬元)，增加人民幣81.7百萬元，主要是由於水處理項目建造及提標改造週期結束後而從合約資產重新分類至金融應收款項的增加，相應增加被轉入持有待售資產的部分所部分抵銷。

Contract Assets

合約資產

		As at 於	
		31 December 2024	31 December 2023
		二零二四年 十二月三十一日	二零二三年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract assets	合約資產	545,787	1,254,996
Portion classified as current	分類為即期部分	(53,057)	(77,629)
Non-current portion	非即期部分	492,730	1,177,367

As at 31 December 2024, the Group's contract assets of RMB545.8 million (31 December 2023: RMB1,255.0 million), decreased by RMB709.2 million, mainly due to the net impact of reclassification from contract assets to financial receivables and the increase of construction of the Group's projects under BOT, PPP, and EPC contracts.

於二零二四年十二月三十一日，本集團合約資產人民幣545.8百萬元(二零二三年十二月三十一日：人民幣1,255.0百萬元)減少人民幣709.2百萬元，主要由於合約資產重新分類至金融應收款項，以及來自於本集團BOT、PPP以及EPC合約項目的建設增加的淨影響。

Management Discussion and Analysis

管理層討論及分析

Trade Receivables

As at 31 December 2024, the Group's trade receivables (including the portion transferred to assets held for sale amounting to RMB24.7 million) of RMB3,194.4 million (31 December 2023: RMB2,808.5 million) mainly arose from the provision of wastewater treatment and sludge treatment services for Urban Water Treatment projects as well as construction services for the Group's Water Environment Comprehensive Remediation projects. The balance increased by RMB385.9 million, mainly due to (i) the increase in Urban Water Treatment projects receivables of approximately RMB393.2 million, (ii) the net decrease of Water Environment Comprehensive Remediation projects receivables of approximately RMB60.5 million, which included EPC project receivables of approximately RMB14.4 million arising from the progress billing and cash collection or offsetting of trade receivables from EPC and BT projects of approximately RMB74.9 million, and (iii) the increase in Rural Water Improvement projects receivables of approximately RMB72.7 million.

Prepayments, Other Receivables and Other Assets

As at 31 December 2024, the Group's prepayments, other receivables and other assets of RMB779.4 million (31 December 2023: RMB929.0 million) decreased by RMB149.6 million, mainly arising from the decrease in receivables of disposal an associate of approximately RMB144.9 million, the decrease in prepayments and deposits of approximately RMB14.0 million related to the construction of wastewater treatment plants, the decrease in loans to a third party of RMB2.3 million, the decrease in deductible input VAT of approximately RMB4.0 million, the net increase in loans to an associate and a joint venture of approximately RMB3.1 million, and the increase in other operational receivables and staff advances of approximately RMB19.3 million.

貿易應收款項

於二零二四年十二月三十一日，本集團貿易應收款項（包括轉入持有待售資產的部分金額為人民幣24.7百萬元）為人民幣3,194.4百萬元（二零二三年十二月三十一日：人民幣2,808.5百萬元），主要來自於城鎮水務項目的污水處理及污泥處理服務，以及本集團水環境綜合治理項目的建設服務。該結餘增加人民幣385.9百萬元，主要是由於(i)城鎮水務項目應收款項增加約人民幣393.2百萬元，(ii)水環境綜合治理項目應收款項淨減少約人民幣60.5百萬元，包括EPC項目按進度結算產生的應收款項約人民幣14.4百萬元以及自EPC及BT項目收取現金或應收賬款抵賬約人民幣74.9百萬元，及(iii)鄉村污水治理項目應收款項增加約人民幣72.7百萬元。

預付款項、其他應收款項及其他資產

於二零二四年十二月三十一日，本集團預付款項、其他應收款項及其他資產為人民幣779.4百萬元（二零二三年十二月三十一日：人民幣929.0百萬元）減少人民幣149.6百萬元，主要是由於出售一家聯營公司應收款減少約人民幣144.9百萬元，污水處理廠建設相關的預付款項及按金減少約人民幣14.0百萬元，向一家第三方貸款減少人民幣2.3百萬元，可抵扣進項增值稅減少約人民幣4.0百萬元，向一家聯營公司及合營企業貸款淨增加約人民幣3.1百萬元以及其他運營應收款項及員工預付款增加約人民幣19.3百萬元。

Management Discussion and Analysis

管理層討論及分析

Cash and Cash Equivalents

As at 31 December 2024, the Group's cash and cash equivalents (including the portion transferred to assets held for sale amounting to RMB54.9 million) of RMB177.1 million (31 December 2023: RMB248.4 million) decreased by RMB71.3 million as compared with that as at the end of previous period. The decrease was due to the increase in cash outflows in financing activities of the Group.

		For the year ended 31 December 截至十二月三十一日止年度	
		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Net cash flows from operating activities ⁽¹⁾	經營活動所得現金流量淨額 ⁽¹⁾	403,143	292,922
Net cash flows from investing activities	投資活動所得現金流量淨額	151,770	12,804
Net cash flows used in financing activities	融資活動所用現金流量淨額	(626,024)	(257,108)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少) 增加淨額	(71,111)	48,618
Effect of foreign exchange rate changes	外匯匯率變動的影響	(153)	2,804
Cash and cash equivalents at beginning of the period	於期初的現金及現金等價物	248,360	196,938
Cash and cash equivalents at end of the period	於期末的現金及現金等價物	177,096	248,360
Cash and cash equivalents attributable to a disposal group classified as held for sale	分類為持有待售的出售組別應佔的現金及現金等價物	(54,938)	–
Cash and cash equivalents as stated in the statement of financial position	財務狀況表內所列現金及現金等價物	122,158	248,360

Note:

(1) For the year ended 31 December 2024 and 2023, the Group invests in and

Management Discussion and Analysis

管理層討論及分析

Trade and Bills Payables

As at 31 December 2024, the Group's trade and bills payables of RMB1,849.7 million (31 December 2023: RMB2,013.5 million) decreased by RMB163.8 million, which was in line with the execution of the Group's construction work in progress and the settlements.

Other Payables and Accruals

As at 31 December 2024, the Group's other payables and accruals of RMB142.0 million (31 December 2023: RMB207.9 million), decreased by RMB65.9 million, which was mainly due to the decrease in payables for the acquisitions, decrease in amounts due to related parties, which were partially offset by the increase in salary and welfare payables and other operational payables.

Liquidity and Financial Resources

The Group's principal liquidity and capital requirements primarily relate to investments in Urban Water Treatment projects, Water Environment Comprehensive Remediation projects, and Rural Water Improvement projects, merger and acquisition of subsidiaries, costs and expenses related to the operation and maintenance of the Group's facilities, working capital and general corporate purpose.

As at 31 December 2024, the carrying amount of the Group's cash and cash equivalents (including the portion transferred to assets held for sale amounting to RMB54.9 million) was RMB177.1 million, representing a decrease of approximately RMB71.3 million as compared to RMB248.4 million as at 31 December 2023, which was mainly due to the net cash inflows of RMB403.1 million from operating activities, the net cash outflows used in financing activities of RMB626.0 million, cash outflows of RMB52.1 million for purchases of property, plant and equipment and intangible assets in investing activities, cash inflows of RMB0.6 million for dividend collected from an associate, cash inflows of RMB1.4 million for investment income, cash inflows of RMB2.3 million for decrease in loans to a third party, cash inflows of RMB19.7 million for disposal of property, plant and equipment and equity interests in a subsidiary from investing activities, cash inflows of RMB35.0 million for decrease in pledged deposits, and cash inflows of RMB144.9 million for disposal an associate from investing activities.

貿易應付款項及應付票據

於二零二四年十二月三十一日，本集團貿易應付款項及應付票據為人民幣1,849.7百萬元(二零二三年十二月三十一日：人民幣2,013.5百萬元)，減少人民幣163.8百萬元。該減少與本集團已進行的建造工程的執行及結算情況相符。

其他應付款項及應計費用

於二零二四年十二月三十一日，本集團其他應付款項及應計費用為人民幣142.0百萬元(二零二三年十二月三十一日：人民幣207.9百萬元)，減少人民幣65.9百萬元，主要由於應付收購款的減少，應付關聯方款項的減少，部分被應付工資及福利及其他經營應付款的增加所抵減。

流動資金及財務資源

本集團的主要流動性及資本需求主要與投資城鎮水務項目、水環境綜合治理項目及鄉村污水治理項目、合併及收購附屬公司、運營及維護本集團設施相關的成本及開支、營運資金及一般公司用途有關。

於二零二四年十二月三十一日，本集團現金及現金等價物(包括轉入持有待售資產的部分金額為人民幣54.9百萬元)的賬面值為人民幣177.1百萬元，較二零二三年十二月三十一日的人民幣248.4百萬元減少約人民幣71.3百萬元，主要是由於經營活動現金淨流入人民幣403.1百萬元，融資活動所用現金淨流出人民幣626.0百萬元，投資活動購置物業、廠房及設備以及無形資產的現金流出人民幣52.1百萬元，自一家聯營公司收取股息的現金流入人民幣0.6百萬元，投資收益現金流入人民幣1.4百萬元，對一家第三方貸款減少現金流入為人民幣2.3百萬元，投資活動處置物業、廠房及設備以及一家附屬公司股權的現金流入人民幣19.7百萬元，抵押存款減少導致現金流入人民幣35.0百萬元，投資活動處置一家聯營公司的現金流入人民幣144.9百萬元。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2024, the Group's total interest-bearing debts (including the portion transferred to liabilities held for sale amounting to RMB241.7 million) decreased to RMB9,854.0 million (31 December 2023: RMB9,917.0 million), which comprised of bank and other borrowings only. As at 31 December 2024, 69.4% (31 December 2023: 64.7%) of the Group's interest-bearing debts are long term; over 69% of interest-bearing bank and other borrowings bear interest at floating rates.

As at 31 December 2024, the Group had banking facilities amounting to RMB58,314.4 million, of which RMB50,475.6 million have not been utilized. The unutilized amount of RMB49,632.0 million were mainly limited to be utilized on environmental protection infrastructure and comprehensive management.

As at 31 December 2024, the gearing ratio of the Group (calculated by total liabilities divided by total assets) decreased to 68.6%, while the gearing ratio was 69.6% as at the corresponding period last year.

Charges on the Group's Assets

Outstanding balance of interest-bearing bank and other borrowings (including the portion transferred to liabilities held for sale amounting to RMB241.7 million) as at 31 December 2024 was approximately RMB9,854.0 million, which were repayable within one month to twenty years and were secured by financial receivables, service concession intangible assets, property, plant and equipment, investment properties, trade receivables, equity interests in an investment company, and contract assets of which the total amounts of the pledge of assets amounted to RMB10,725.6 million. (d)Tj 0.664 0 Td (e)Tj 0.60()Tj 0.358 0 T1assets

Capital Expenditure

During the year ended 31 December 2024, the Group's total capital

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

The Group had 2,285 employees as at 31 December 2024. The remuneration package of the Group is generally determined with reference to market conditions and individual performance. Salaries are normally reviewed annually based on performance appraisals and other relevant factors. The Group provides external and internal training programs to its employees.

In respect of pension scheme contributions, the Group adopts a defined contribution plan. The Group's contributions to the defined contribution plan are recognised as expenses when incurred. Forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) may not be used by the Group and its subsidiaries to reduce the existing level of contributions.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (31 December 2023: Nil).

FOREIGN EXCHANGE RISK

Majority of the subsidiaries of the Company operate in the PRC with most of the transactions denominated and settled in RMB. As at 31 December 2024, except for the bank deposits and certain amount of interest-bearing bank borrowings denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations. Currently, the Group has not used derivative financial instruments to hedge its foreign currency risk.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, no significant events took place subsequent to 31 December 2024.

僱員及薪酬政策

於二零二四年十二月三十一日，本集團聘有2,285名僱員。本集團的薪酬組合一般參照市場情況及個人表現釐定。薪金一般會根據表現評核及其他相關因素每年進行檢討。本集團為其僱員提供外部及內部培訓計劃。

就退休金計劃供款而言，本集團採納一項界定供款計劃。本集團向界定供款計劃作出的供款於產生時確認為開支。本集團及其附屬公司不可使用被沒收供款(由僱主代表於有關供款全數歸屬前退出計劃的僱員作出)以減低現有供款水準。

或然負債

於二零二四年十二月三十一日，本集團並無任何重大或然負債(二零二三年十二月三十一日：無)。

外匯風險

本公司的大部分附屬公司在中國經營業務，交易大多以人民幣列值及結算。於二零二四年十二月三十一日，除以外幣計值的銀行存款及若干金額的計息銀行借款外，本集團經營業務並無涉及重大外幣風險。目前，本集團並無使用衍生金融工具以對沖其外幣風險。

報告期後事項

除披露者外，於二零二四年十二月三十一日後並無發生重大事項。

Directors and Senior Management 董事及高級管理層

DIRECTORS

The Board is responsible and has general powers for the management and operation of the Group's business. As at the date of this annual report, the Board consists of eight Directors, including four executive Directors, one non-executive director and three independent non-executive Directors.

The biographical details of the Directors during the year ended 31 December 2024 and up to the date of this annual report are set out below:

EXECUTIVE DIRECTORS

Mr. Zhao Juanxian (alias, Zhao Junxian) (趙雋賢), aged 72, is the founder of the Group. He was an executive Director, and the co-chairman of the Board (the "Co-Chairman") of the Company during the year ended 31 December 2024 and ceased to be the Co-Chairman and re-designated as non-executive Director with effect from 1 January 2025. He was responsible for strategic development and planning, overall operational management, market development and major decision making. He was appointed as a Director on 22 August 2011. He has acted as a director and the chief executive officer of Chongqing Kangda since the begin

Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTORS (Continued)

Mr. Zhao Juanxian has over 25 years of experience in the environmental protection and wastewater treatment industry and was awarded for several times for his valuable contribution to the development of environmental protection and his expertise in environmental protection technology by relevant environmental protection industry associations from 2004 to 2009. Mr. Zhao Juanxian was granted the title of Outstanding Environmental Technology Entrepreneurs by the Chinese Society for Environmental Sciences* (中國環境科學學會) in September 2004. He received the China Environmental Protection Industry Development Award granted by the China Association of Environmental Protection Industry* (中國環境保護產業協會) in January 2005. He was also granted the title of Outstanding Individual of Environmental Protection by the People's Government of Chongqing Municipal* (重慶市人民政府) in July 2006 and Outstanding Entrepreneur of China Environmental Protection Industry by China Association of Environmental Protection Industry* (中國環境保護產業協會) in October 2009. Mr. Zhao Juanxian served as the vice president of the 3rd and 4th Session of Chongqing Municipal Environmental Protection Industry Association* (重慶市環境保護產業協會第三屆及第四屆理事會) in 2005 and 2012, respectively, and the vice president of the 3rd and 4th Session of China Association of Environmental Protection Industry* (中國環境保護產業協會第三屆及第四屆理事會) in 2005 and 2009, respectively. In January 2015, he served as the vice chairman of the board of directors of China State-owned Industry Innovation Alliance (中國國資國企產業創新戰略聯盟) and the vice chairman of the board of directors of Hong Kong-Mainland International Investment Society (香港國際投資總會), respectively.

執行董事(續)

趙雋賢先生擁有超過25年的環保及污水處理行業經驗，於二零零四年至二零零九年間因其對環保發展作出的寶貴貢獻及其在環保技術方面的專業知識而屢次獲相關環保行業協會授予獎項。趙雋賢先生於二零零四年九月獲中國環境科學學會授予優秀環境科技實業家稱號。彼於二零零五年一月獲中國環境保護產業協會授予中國環保產業發展貢獻獎。彼亦於二零零六年七月獲重慶市人民政府授予環境保護先進個人稱號及於二零零九年十月獲中國環境保護產業協會授予中國環保產業優秀企業家稱號。趙雋賢先生分別於二零零五年及二零一二年擔任重慶市環境保護產業協會第三屆及第四屆理事會副會長並分別於二零零五年及二零零九年擔任中國環境保護產業協會第三屆及第四屆理事會副會長。於二零一五年一月，分別擔任中國國資國企產業創新戰略聯盟副理事長和香港國際投資總會董事會副主席。

Directors and Senior Management 董事及高級管理層

執行董事(續)

李中先生，太平紳士，56歲，畢業於北京化工大學高分子材料專業，並且於一九九七年獲得加拿大聖瑪麗大學工商管理碩士學位。彼在中國內地和香港服務於央企、國際知名500強企業超過二十年。彼自二零零二年起專注於以水務為主的城市公用事業和基礎設施項目的投資管理運營。彼自二零零四年起一直擔任深圳巴士集團股份有限公司董事。李中先生現時亦擔任中華海外聯誼會常務理事、中國人民政治協商會議北京市港區常務委員、香港志願者協會名譽主席等職務。現時，彼亦擔任中國水務集團有限公司(「中國水務」，一家於聯交所主板上市的公司，股份代號：855)的執行董事。彼於二零一九年加入本集團。

劉玉杰女士，60歲，畢業於位於北京的對外經濟貿易大學，獲工商管理碩士學位。劉玉杰女士在香港、新加坡及中國內地三地工作合計超過二十年，並熟悉三地的營商環境及監管體系。彼於資本市場、業務推廣及企業管理方面擁有豐富經驗；曾參與三十多間公司在香港聯交所的首次公開發售及包銷；在香港及新加坡主導並完成三間公司合併收購；協助於中國的大型產業基金投資的集資和管理；及擔任多家從事公用事業及基礎設施投資的香港及新加坡上市公司的執行董事。現時，彼亦為新宇環保集團有限公司(股份代號：436)的執行董事、中國水務的非執行董事及中裕能源控股有限公司(股份代號：3633)的獨立非執行董事。

Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTORS (Continued)

Mr. Duan, Jerry Linnan (段林楠), aged 34, studied in Beijing Normal University with a major in psychology. He joined China Water as the president assistant in 2011, mainly focusing on hotel operating and intelligent water businesses. At the same time, Mr. Duan, Jerry Linnan assisted the directors of China Water in capital market and investor relations, etc. In 2015, Mr. Duan, Jerry Linnan was appointed as the general manager of the hotel under China Water in Nanjing, and was in charge of the construction, procurement and daily operation of various hotels of China Water. Mr. Duan, Jerry Linnan has comprehensive experiences in human resources and corporate management. Currently, he is also an executive director of China Water. He joined the Group in 2019.

Mr. Zhou Wei (周偉), aged 45, was appointed as the chief financial officer of the Group on 8 April 2019 and as an executive Director on 10 April 2024. Mr. Zhou Wei graduated from Nanjing Audit University* (南京審計學院) located in Nanjing and obtained a bachelor degree in auditing. Mr. Zhou Wei is in charge of the Group's financial and capital market work.

執行董事(續)

段林楠先生，34歲，曾就讀於北京師範大學心理學專業。彼於二零一一年加入中國水務，任總裁助理，主要專注於酒店經營和智慧水務業務。同時，段林楠先生協助中國水務董事負責資本市場和投資者關係等方面工作。段林楠先生於二零一五年獲委任為中國水務旗下於南京的酒店總經理，並負責中國水務內多間酒店建設、採購及日常運營。段林楠先生在人力資源及企業管理方面擁有豐富經驗。現時，彼亦擔任中國水務執行董事。彼於二零一九年加入本集團。

周偉先生，45歲，於二零一九年四月九日獲委任為本集團財務總監並於二零二四年四月十日獲委任為執行董事。周偉先生畢業於位於南京的南京審計學院，獲審計學士學位。

周偉先生目前是中華人民共和國的註冊稅務師。自二零零二年至二零零七年，彼任職於多家國內和國際會計師事務所。於二零零七年八月，周偉先生加入中國水務，先後擔任惠州中水水務發展有限公司(中國水務附屬公司)財務總監，中國水務投資部副總經理，惠州大亞灣溢源淨水有限公司(中國水務附屬公司)總經理，及深圳金達環境控股有限公司(中國水務附屬公司)和廣東新晟環保集團有限公司(中國水務附屬公司)的財務總監。周偉先生在財務管理和投融資領域具有豐富的經驗。

Directors and Senior Management 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chau Kam Wing (周錦榮), aged 62, has over 30 years of experience in auditing, taxation and financial management and had been appointed as financial controller of a number of companies listed on the Hong Kong Stock Exchange. Mr. Chau obtained a master degree in business administration from the University of San Francisco in the United States in 2000. He is also a fellow member of The Association of Chartered Certified Accountants and a practicing member of the Hong Kong Institute of Certified Public Accountants. Mr. Chau is currently the finance director of Winox Holdings Limited (stock code: 6838) and an independent non-executive director of each of Carpenter Tan Holdings Limited (stock code: 837), Ching Lee Holdings Limited (stock code: 3728) and China Water, which are listed on the main board of the Hong Kong Stock Exchange. Mr. Chau is also an independent non-executive director of Eco-Tek Holdings Limited (stock code: 8169) and was an independent non-executive director of Zhejiang Chang'an Renheng Technology Co., Ltd. (stock code: 8139) from 8 May 2014 to 11 May 2019, which are both listed on the GEM of the Hong Kong Stock Exchange. He joined the Group in 2019. He is also the chairman of the audit committee and nomination committee and a member of the remuneration committee of the Company.

Mr. Chang Qing (常清), aged 67, was graduated from the Chinese Academy of Social Sciences* (中國社會科學院) with a doctorate degree in agricultural economics and management in 2001, graduated from Jilin University (吉林大學) with a bachelor's degree in economics in 1982 and a master's degree in national economics in 1985. Mr. Chang had successively served as a research assistant, a deputy research fellow and a research fellow of Development Research Center of the State Council (國務院發展研究中心) from 1985 to 2005 and the vice chairman of China Futures Association (中國期貨業協會) from 1999 to 2006. Mr. Chang has worked in the College of Economics and Management of China Agriculture University (中國農業大學經濟管理學院) since 2005. He has also served as the chairman of the board of Jinpeng International Futures Co., Ltd (金鵬期貨經紀有限公司) since 1993. Mr. Chang is currently an independent non-executive director of China Chengtong Development Group Limited (stock code: 217) and was an independent non-executive director of Honghua Group Limited (stock code 196) from 15 June 2017 to 28 June 2024, which are both listed on the main board of the Hong Kong Stock Exchange. He joined the Group in 2016. He is also the member of the audit committee and nomination committee of the Company.

獨立非執行董事

周錦榮先生，62歲，在審計、稅務及財務管理方面擁有逾三十年經驗，亦曾於多間聯交所上市公司任職財務總監。周先生於二零零零年獲取美國三藩市大學(University of San Francisco)的工商管理碩士學位。彼亦為英國特許公認會計師公會資深會員及香港會計師公會的執業會員。周先生現為盈利時控股有限公司(股份代號：6838)的財務董事，以及譚木匠控股有限公司(股份代號：837)、正利控股有限公司(股份代號：3728)及中國水務各自的獨立非執行董事，該等公司均在香港聯交所主板上市。周先生亦為環康集團有限公司(股份代號：8169)的獨立非執行董事及於二零一四年五月八日至二零一九年五月十一日出任浙江長安仁恒科技股份有限公司(股份代號：8139)的獨立非執行董事，該等公司均在香港聯交所GEM上市。彼於二零一九年加入本集團。彼亦為本公司審核委員會及提名委員會之主席以及薪酬委員會成員。

常清先生，67歲，於二零零一年畢業於中國社會科學院，取得農業經濟管理博士學位，一九八二年畢業於吉林大學，取得經濟學學士學位並於一九八五年於該大學取得國民經濟學碩士學位。常先生於一九八五年至二零零五年於國務院發展研究中心先後擔任研究助理、副研究員及研究員，並於一九九九年至二零零六年擔任中國期貨業協會的副會長。常先生自二零零五年起於中國農業大學經濟管理學院工作。彼亦自一九九三年起擔任金鵬期貨經紀有限公司的董事長。常先生現為中國誠通發展集團有限公司(股份代號：217)的獨立非執行董事及於二零一七年六月十五日至二零二四年六月二十八日出任宏華集團有限公司(股份代號：196)的獨立非執行董事，該等公司均在聯交所主板上市。彼於二零一六年加入本集團。彼亦為本公司審核委員會及提名委員會之成員。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to the recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of Shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

During the year ended 31 December 2024, the Company has complied with all the applicable provisions of the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Group further strengthened the control over budget, risk, performance and responsibilities, optimised management approaches and strategies, improved supporting mechanism and enhanced control effectiveness and operational efficiency of the Group.

The Group enhanced overall control over target responsibilities and budget control, which was promoted and implemented within the entities under the Group as well as management level, and implemented the main body responsibility system through organic combination of the trinity to fully stimulate team members' initiative.

The Group also took initiative to enhance efforts in fund management, financial risk control, project investment decisions, legal risk control, information disclosure and maintenance of investor relationship to strive for more effective and transparent management in accordance with the CG Code.

OUR CULTURE

The Group is one of the first private enterprises in the environmental pollution treatment industry in Chinese Mainland. With the corporate mission of "creating an environment with greener water, lush mountains and bluer skies" and the corporate vision of "leading the environmental protection industry and making Kangda International a century-old company", the Group is engaged in urban sewage treatment, water environment comprehensive remediation and rural water improvement in Chinese Mainland, providing customised and comprehensive sewage treatment solutions and services to our customers.

企業管治常規

配合及遵守企業管治原則及常規的公認標準一直為本公司最優先原則之一。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員之間利益關係的因素之一，董事會致力於持續改善該等原則及常規的效率及有效性。

截至二零二四年十二月三十一日止年度，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄C1所載企業管治守則（「企業管治守則」）所有適用條文。

本集團進一步加強預算、風險、績效和責任管控，優化管理手段與策略，完善配套機制，增強本集團管控效力，提高運營效率。

本集團強化目標責任與預算控制的全面管控，並在全集團內部各單位和管理層級進行推廣和執行，落實主體責任制，實現責權利三位一體有機結合，充分調動團隊成員的積極性。

本集團亦根據企業管治守則，積極加強在資金管理、財務風險控制、項目投資決策、法律風險控制、信息披露、投資者關係維護等方面的努力，以圖集團管理更加高效透明。

企業文化

本集團是中國內地環境污染治理行業首批民營企業之一，以「讓水更綠，讓山更青，讓天更藍」為企業使命，以「創環保一流，鑄百年康達」為企業願景，在中國大陸從事城鎮污水處理、水環境綜合治理和鄉村污水治理等業務，向客戶提供訂制及綜合的污水處理解決方案及服務。

Corporate Governance Report

企業管治報告

OUR CULTURE (Continued)

In the course of business, the Group adheres to high standards and strict requirements on engineering and operation quality and regards occupational health, safety in production and environmental protection as an important part of fulfilling social responsibilities, which are integrated into the Company's sustainable development strategy. We have been certified by the Ministry of Housing and Urban-Rural Development as an enterprise qualified as a Class A General Construction Contractor of Municipal and Public Works and Class B Contractor of Environmental Engineering Works, as well as the CAEPI level-1 industrial wastewater and domestic sewage operation and service ability evaluation certification, ISO9001 Quality Management System, ISO14001 Environmental Management System, and ISO45001 Occupational Health And Safety Management System certifications. A number of environmental protection projects led by us have also won the National Important Environmental Protection Practical Technology Demonstration Project Award. The Group is well-recognised in the environmental protection industry in the Mainland. The Group is currently the deputy chairman unit of the National Industrial and Commercial and Environmental Protection Association (全國工商環境協會) and a member of the China Environment Protection Industry Association, as well as a winner of the Contribution Award for Integrity Construction in the Ecological and Environmental Protection Industry awarded by the China Association of Environmental Protection Industry and a AAA Credit Enterprise.

The Group requires all employees to actively practice the corporate core values of "sincere commitment and repaying the society". We have established management rules and regulations that meet the requirements of public enterprises, including "Employee Handbook", "Anti-Fraud Management System", "Employee Whistleblowing Policy", etc. Meanwhile, through employee cultural training, we advocate integrity and self-discipline, enhance the compliance awareness of all employees, and make employees deeply understand the corporate culture and integrate it into their daily work. In order to advocate a green and low-carbon culture, we continue to pay attention to the development of new technologies, actively apply new technologies in the construction and operation of sewage treatment projects, improve energy efficiency, and actively organise various operating companies to carry out tree planting activities to promote low-carbon travel.

企業文化(續)

在開展業務的時候，本集團堅持以高標準嚴格要求工程及運營質量，把職業健康、安全生產放在首位，把以鉅產、群罵 ^

Corporate Governance Report

企業管治報告

OUR CULTURE (Continued)

We adhere to the philanthropic concept of "Goodness and Greatness for Contribution to Integrity Construction in the Ecological and Environmental Protection Industry" pooling the strength of each employee and focusing on two major community development directions: green co-construction and public welfare. With a heart full of gratitude, we give back to society, continuously carry out various public welfare activities, and strive to deliver greater value for society. In order to popularise environmental protection knowledge and skills, spread positivity, and disseminate new knowledge, we organised the "Public Open Day for Environmental Protection Facilities" campaign in each factory, inviting the public to visit our factories to learn, helping them to understand the capabilities and effectiveness of wastewater treatment facilities, and raising public awareness of ecological environment protection, water conservation, and water environment protection.

We will continue to focus on building an environment-friendly and resource-saving enterprise to achieve the harmonious development of people, nature and the environment.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as a code of conduct regarding the Directors' dealings in the Company's securities. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 December 2024.

THE BOARD OF DIRECTORS

The Board is responsible for leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance. The Board has delegated to the chief executive officer, of which the Directors also undertake, and through him, to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

企業文化(續)

我們秉持「執善心、築生態環保產業誠信建設貢獻大業」的慈善理念，凝聚每一位員工的愛心力量，並圍繞綠色共建和公益慈善兩大社區建設方向，懷抱感恩之心反哺社會，持續開展各類公益活動，致力於為社會創造更大價值。為普及環境保護知識與技能，傳遞正能量，傳播新知識，我們在各工廠開展「環保設施公眾開放日」活動，邀請公眾實地參觀學習，幫助公眾了解污水處理設施的治污能力和治污效果，提高公眾生態環境保護、節約水資源、保護水環境的意識。

我們將繼續著力建設環境友好型、資源節約型企業，實現人、自然、環境的和諧發展。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄C3所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)作為董事買賣本公司證券的行為守則。經向全體董事作出具體查詢，各董事已確認，彼等已於截至二零二四年十二月三十一日止年度內遵守標準守則所載的規定標準。

董事會

董事會負責領導及控制本公司，並監督本集團的業務、戰略決定及表現。董事會已向行政總裁授權而董事亦承擔，並透過行政總裁向高級管理層轉授權力及職責，負責本集團日常管理及運作。此外，董事會已成立董事委員會，並向該等董事委員會授予多項職責，有關職責載於其各自的職權範圍內。

Corporate Governance Report

企業管治報告

As at 31 December 2024 and up to the date of this annual report, the composition of the Board is set out below:

Executive Directors

Li Zhong (*Chairman*)

Liu Yujie

Duan, Jerry Linnan

Mr. Zhou Wei (appointed on 10 April 2024)

Zhao Juanxian (alias, Zhao Junxian)

(ceased to be Co-Chairman and re-designated as non-executive director with effect from 1 January 2025)

Independent non-executive Directors

Chau Kam Wing

Chang Qing

Peng Yongzhen

The Directors have no financial, business, family or other material/relevant relationships with each other.

During the year ended 31 December 2024, the Board at all time complied with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

Mr. Zhou Wei, who was appointed as a director on 10 April 2024, had obtained legal advice from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules on 10 April 2024, and he has confirmed that he understood his obligations as a Director.

A code provision of the CG Code requires Directors to disclose to the issuer the number and nature of offices held in public companies or organisations and other significant commitments as well as the nature of such companies or organisations and the time involved in such offices, each Director has agreed to disclose their commitments to the Company in a timely manner.

於二零二四年十二月三十一日及直至本年報日期，董事會的組成載列如下：

執行董事

李中(主席)

劉玉杰

段林楠

周偉先生(於二零二四年四月十日獲委任)

趙雋賢(自二零二五年一月一日起辭任聯席主席並調任為非執行董事)

獨立非執行董事

周錦榮

常清

彭永臻

董事之間概無財務、業務、家族或其他重大相關關係。

於截至二零二四年十二月三十一日止年度，董事會一直遵守上市規則有關委任至少三名獨立非執行董事，且其中至少一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識的規定。

本公司已收到各獨立非執行董事根據上市規則第3.13條提交的年度獨立性確認書，且本公司認為，根據上市規則所載獨立性指引，所有獨立非執行董事均為獨立人士。

周偉先生於二零二四年四月十日獲委任為董事，並已於二零二四年四月十日根據上市規則第3.09D條從一家有資格就香港法律提供意見的律師行取得法律意見，彼已確認彼了解作為董事的責任。

企業管治守則的守則條文規定，董事須向發行人披露其於公眾公司或組織所擔任職位的數目及性質、其他重大承擔以及公眾公司或組織的性質及有關職務所涉及的時間，各董事已同意及時向本公司披露其承擔。

Corporate Governance Report

企業管治報告

主席及行政總裁

主席及行政總裁的角色及職責以書面清晰界定，並由不同個人擔任，以保持獨立性及平衡觀點及判斷。

主席在高級管理層協助下負責確保董事能及時收到充分、完整及可靠資料並適當通報董事會會議上產生的事項。行政總裁主要負責執行董事會批准及授權的目標、政策及策略。彼負責本公司日常管理及營運。行政總裁亦負責制定發展策略計劃及制訂組織架構、監控制度及內部程序及過程供董事會批准。

於二零二四年十二月三十一日，趙雋賢先生及李中先生為本公司的聯席主席，而段林楠先生則為本公司的行政總裁。

委任及重選董事

執行董事各自與本公司訂立服務合約，任期為期三年。

Corporate Governance Report

企業管治報告

APPOINTMENT AND RE-ELECTION OF DIRECTORS (Continued)

In accordance with the articles of association of the Company (the "Articles of Association"), all Directors are subject to retirement by rotation at least once every three years and any new Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

The Board is collectively responsible for performing the corporate governance duties and formalised the inclusion of the following corporate governance duties into the terms of reference of the Board:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to define the Company's purpose, value and strategy and review alignment with corporate culture;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct, anti-corruption, whistleblowing policies and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the annual report of the Company.

The Board had reviewed and approved the corporate governance report contained in this annual report. The Board had also reviewed the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements.

委任及重選董事(續)

根據本公司的組織章程細則(「組織章程細則」),全體董事須最少每三年輪值退任一次,而任何由董事會新委任以填補董事會臨時空缺或新加入現屆董事會的董事,其任期直至其獲委任後本公司首次股東週年大會為止,並於該大會上合資格膺選連任。

委任、重選及罷免董事的程序及過程均載於組織章程細則內。提名委員會負責檢討董事會的組成、監察董事的委任及接任計劃,以及評估獨立非執行董事的獨立性。

董事會共同負責履行企業管治責任,並將以下企業管治責任納入董事會權責範圍內:

- 制定及檢討本公司的企業管治政策及常規,並向董事會作出推薦建議;
- 界定本公司的宗旨、價值及戰略,並檢討與企業文化的一致性;
- 檢討及監察董事及高級管理層的培訓及持續專業發展;
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規;
- 制定、檢討及監察適用於僱員及董事的操守準則、反舞弊、舉報政策及合規手冊(如有);及
- 檢討本公司遵守企業管治守則的情況及在本公司年報中的企業管治報告的披露。

董事會已檢討及批准本年報所載的企業管治報告。董事會亦已檢討本公司的企業管治政策及常規以及遵守法律及監管規定的情況。律

Corporate Governance Report

企業管治報告

APPOINTMENT AND RE-ELECTION OF DIRECTORS (Continued)

The Board had adopted a board diversity policy aiming to set out the approach to achieve the diversity of members of the Board to enhance the effectiveness of the Board. The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates of Board members will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

The Board has targeted to maintain the level of female representation of not less than 10% of the Board. During the year 2024, female representation was 12.5% and had achieved the target. The Board will take gender diversity into account in its process of director appointment and the Board will continue to review the target over time.

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary. Individual Directors also participated in the courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials.

委任及重選董事(續)

董事會已採納董事會成員多元化政策，旨在列載為達致董事會成員多元化以提高董事會效率而採取的方針。本公司認可並相信董事會成員多元化的好處，並盡力確保董事會就適合本公司業務所需的技能、經驗和多元化方面取得平衡。董事會所有委任均以用人唯才為原則，並充分顧及董事會成員多元化的裨益。對董事會成員候選人的甄選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能及知識。最終將按所甄選候選人的長處及可為董事會提供的貢獻而作決定。

董事會的目標是將董事會的女性代表比例維持在不少於10%。於二零二四年，女性代表比例為12.5%，已實現該目標。董事會將在其董事委任程序中納入性別多元化考量，而董事會亦將繼續檢討該目標。

每名新委任的董事均會於其獲委任初期接受正式、全面及因應個別董事而設計の入職培訓，以確保彼等適當了解本公司業務及營運以及充分認識到上市規則及相關法定規定項下董事的職責及責任。

董事將持續獲提供有關法定及監管制度以及業務環境的最新資料，以協助彼等履行職責。本公司將於有需要時持續向董事提供資訊及專業發展。個別董事亦參與有關上市公司董事角色、職能及職責的課程或透過參加培訓課程或透過網絡幫助或閱讀有關資料而進一步提高其專業發展水平。

Corporate Governance Report

企業管治報告

DIRECTORS' TRAINING

The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

During the year ended 31 December 2024, the Directors participated in the following continuous professional development:

董事的培訓

本公司致力就全體董事的持續專業發展為彼等安排合適的培訓，並提供資助。全體董事亦了解持續專業發展的重要性，並承諾參與任何合適的培訓，以發展及更新彼等的知識及技能。

截至二零二四年十二月三十一日止年度，各董事已出席以下的持續專業發展：

		Reading Materials update on rules and regulations 更新有關 規則及法規 的閱讀材料
Name of Directors	董事姓名	
Executive Directors	執行董事	
Li Zhong (<i>Chairman</i>)	李中(主席)	
Liu Yujie	劉玉杰	
Duan, Jerry Linnan (<i>Chief Executive Officer</i>)	段林楠(行政總裁)	
Zhou Wei (<i>Chief Financial Officer</i>) (appointed on 10 April 2024)	周偉(財務總監) (於二零二四年四月十日獲委任)	
Zhao Juanxian (alias, Zhao Junxian) (ceased to be Co-Chairman and re-designated as non-executive director with effect from 1 January 2025)	趙雋賢 (自二零二五年一月一日起 辭任聯席主席並調任為非 執行董事)	
Independent Non-executive Directors	獨立非執行董事	
Chau Kam Wing	周錦榮	
Chang Qing	常清	
Peng Yongzhen	彭永臻	

Corporate Governance Report

企業管治報告

BOARD MEETINGS

The Board is provided with relevant materials in relation to the matters brought before the meetings. Reasonable notices of meetings are given to the Directors and the Directors are encouraged to express freely their independent views and propose new items as any other business for discussion at the meetings. The Directors have separate access to the Company's senior management for information at all times and may seek independent professional advice at the Company's expenses, if necessary, to ensure that independent views and opinions are available to the Board. Minutes are kept by the company secretary and are open for inspections by all Directors at any reasonable time. Procedures for convening meetings of the Board and Board committees and preparing minutes of the meetings have complied with the requirements of the Articles of Association and applicable rules and regulations.

The attendance records of each Director at the Board meetings and the annual general meeting during the year ended 31 December 2024 are set out below:

董事會會議

董事會提供有關將於會議上提呈的事宜的相關資料。董事會獲發會議的合理通知，同時亦鼓勵董事自由表達彼等的獨立觀點及提呈新項目作為任何其他事項以於會議上討論。董事可隨時獨立接觸本公司的高級管理層以了解資料，如有需要，亦可尋求獨立專業意見，費用由本公司負責，以確保董事會能取得獨立觀點及意見。會議記錄由公司秘書保存，並於任何合理時間開放予所有董事查閱。召開董事會及董事委員會會議及編製會議記錄的程序符合組織章程細則及適用規則及規例的規定。

截至二零二四年十二月三十一日止年度，各董事出席董事會會議及股東週年大會的記錄載列如下：

Name of Directors	董事姓名	Attendance/ Number of Board Meetings 董事會會議 出席次數 舉行次數	Attendance/ Number of General Meeting 股東大會 出席次數 舉行次數
Executive Directors	執行董事		
Li Zhong (Co-Chairman)	李中(聯席主席)	9/9	1/1
Liu Yujie	劉玉杰	9/9	1/1
Duan, Jerry Linnan (Chief Executive Officer)	段林楠(行政總裁)	9/9	1/1
Zhou Wei (Chief Financial Officer) (appointed on 10 April 2024)	周偉(財務總監) (於二零二四年四月十日 獲委任)	6/6	1/1
Zhao Juanxian (alias, Zhao Junxian) (ceased to be Co-Chairman and re-designated as non-executive director with effect from 1 January 2025)	趙雋賢 (自二零二五年一月一日起 辭任聯席主席並調任為非 執行董事)	9/9	1/1
Independent Non-executive Directors	獨立非執行董事		
Chau Kam Wing	周錦榮	9/9	1/1
Chang Qing	常清	9/9	1/1
Peng Yongzhen	彭永臻	8/9	0/1

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE (Continued)

The Nomination Committee held three meetings during the year ended 31 December 2024 and the attendance records are set out below:

		Attendance/ Number of Meetings 會議出席次數 舉行次數
Name of Directors	董事姓名	
Mr. Chau Kam Wing	周錦榮先生	3/3
Mr. Zhao Juanxian (alias, Zhao Junxian)	趙雋賢先生	3/3
Mr. Li Zhong	李中先生	3/3
Mr. Peng Yongzhen	彭永臻先生	3/3
Mr. Chang Qing	常清先生	3/3

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objects and make recommendations to the Board on the remuneration package of individual executive Directors and senior management and review and/or approving matters relating to share schemes. As at 31 December 2024, the Remuneration Committee consisted of one executive director and two independent non-executive directors, namely Mr. Peng Yongzhen (chairman), Mr. Zhao Juanxian (alias, Zhao Junxian) and Mr. Chau Kam Wing.

During the year ended 31 December 2024, the Remuneration Committee reviewed the Directors' fees (including executive Directors and independent non-executive Directors) in consideration of the increasing level of duties and responsibilities and market conditions; and approval of the remuneration incentive structure of the Group as a whole taking consideration of factors such as salaries paid by comparable companies, time commitment and their responsibilities. The Remuneration Committee had also reviewed the terms of share options granted to Directors and employees of the Group during the year.

提名委員會(續)

截至二零二四年十二月三十一日止年度，提名委員會舉行三次會議，各董事的出席記錄載列如下：

薪酬委員會

本公司已成立薪酬委員會(「薪酬委員會」)，以參考董事會的企業目標及宗旨檢討及批准管理層的薪酬方案、就個別執行董事及高級管理層的薪酬組合向董事會提供建議，並檢討及或批准與股份計劃有關的事宜。於二零二四年十二月三十一日，薪酬委員會由一名執行董事及兩名獨立非執行董事組成，即彭永臻先生(主席)、趙雋賢先生及周錦榮先生。

截至二零二四年十二月三十一日止年度，薪酬委員會已於考慮不斷增加的職責及責任水平以及市場狀況後檢討董事(包括執行董事及獨立非執行董事)的袍金，並經考慮可資比較公司所支付的薪金、董事付出的時間及其職責等因素後批准本集團整體的薪酬獎勵架構。薪酬委員會亦已檢討於年內授予董事及本集團僱員的購股權的條款。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE (Continued)

The Remuneration Committee held four meetings during the year ended 31 December 2024 and the attendance records are set out below:

薪酬委員會(續)

截至二零二四年十二月三十一日止年度，薪酬委員會舉行四次會議，各董事的出席記錄載列如列：

		Attendance/ Number of Meetings 會議出席次數 舉行次數
Name of Directors	董事姓名	
Mr. Peng Yongzhen	彭永臻先生	4/4
Mr. Zhao Juanxian (alias, Zhao Junxian)	趙雋賢先生	4/4
Mr. Chau Kam Wing	周錦榮先生	4/4

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. All senior management of the Group are executive Directors and details of the remuneration of each of the Directors for the year ended 31 December 2024 are set out in Note 8 to the Consolidated Financial Statements. During the year, no equity-based remuneration with performance-related elements was paid to Independent Non-executive Directors.

The biographies of the senior management are disclosed in the section headed "Directors and Senior Management" in this annual report.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems, oversee the audit process, monitor, review and assist in the research of the Company's environmental, social and governance matters, and perform other duties and responsibilities as assigned by the Board. As at 31 December 2024, the Audit Committee consisted of three independent non-executive Directors, being Mr. Chau Kam Wing (chairman), Mr. Peng Yongzhen and Mr. Chang Qing.

The Audit Committee has reviewed the annual results and annual report of the Group for the year ended 31 December 2024. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE (Continued)

During the year ended 31 December 2024, the Audit Committee discussed with the management of the Company about the internal controls, financial reporting and environmental, social and governance matters, and reviewed the accounting principles and practices adopted by the Group and the effectiveness of the Group's internal control system. The Audit Committee also met with the external auditor to review the annual report of the Company for the year ended 31 December 2023 and the interim report of the Company for the year ended 30 June 2024.

審核委員會(續)

截至二零二四年十二月三十一日止年度，審核委員會與本公司管理層討論內部監控、財務申報以及環境、社會及管治事宜，並檢討本集團採納的會計原則及慣例以及本集團的內部監控制度的有效性。審核委員會亦已會見外聘核數師，以審閱本公司截至二零二三年十二月三十一日止年度的年報及本公司截至二零二四年六月三十日止六個月的中期報告及商討本公司截至二零二四年十二月三十一日止年度的年度審計計劃。

審核委員會已檢討、評估及向董事會報告環境、社會及管治相關風險及機會，制定相應目標並推動目標進度，包括但不限於氣候變化、水資源、污染物排放等環境風險，以及就業、供應鏈及舞弊等社會風險。

截至二零二四年十二月三十一日止年度，審核委員會舉行二次會議，各董事的出席記錄載列如下：

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2024. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties that may cast significant

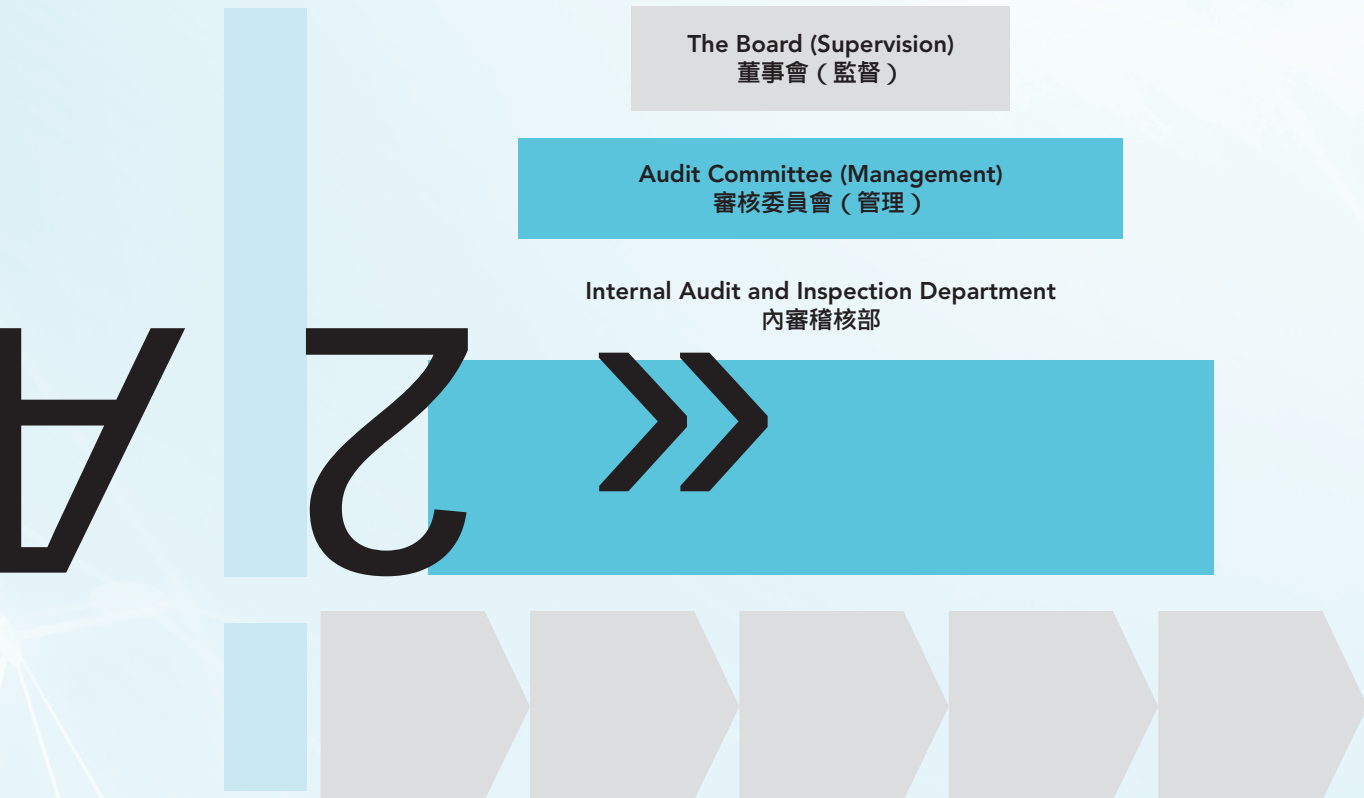
Corporate Governance Report

Corporate Governance Report

企業管治報告

RISK MANAGEMENT ORGANISATION SYSTEM

The Group has established a comprehensive organization structure to manage the risks encountered by the Group. The risk management structure comprises two key factors: risk management structure and risk management program.



Corporate Governance Report

企業管治報告

RISK MANAGEMENT ORGANISATION SYSTEM

(Continued)

1. Risk management structure

風險管理組織體系(續)

一、風險管理架構

REGULATORY ORGANISATION 監督機構

The Board is responsible for the effectiveness of the overall risk management
董事會，就全面風險管理工作的有效性負責

- ▶ determine the overall objective, risk appetites and risk tolerance for corporate risk management, and approve risk management strategies, major risk mitigation solutions and risk management measures;
確定企業風險管理總體目標、風險偏好、風險容忍度，批准風險管理策略和重大風險紓緩方案以及風險管理措施；
- ▶ understand and manage each major risks faced by the enterprise and its existing management situations, and make effective risks control decisions; approve the decision-making standards or mechanisms regarding major decisions, major risks, major events and major business processes;
瞭解和掌握企業面臨的各項重大風險及其目前的風險管理現狀，做出有效控制風險的決策；批准重大決策、重大風險、重大事件和重要業務流程的決策標準或機制；
- ▶ approve risk management report related to major decisions; and
批准重大決策事項的風險管理報告；及
- ▶ approve the annual comprehensive risk management report.
批准年度全面風險管理報告。

RISK MANAGEMENT ORGANISATION 風險管理 機構

The Audit Committee, the highest risk management organisation in the Company, is accountable to the Board
審核委員會，本公司最高層級的風險管理機構，對董事會負責

- ▶ review the establishment and planning of the comprehensive risk management system;
審議全面風險管理體系的建設規劃；
- ▶ review the proposal on the structure of the risk management organisations and their responsibilities;
審議風險管理組織機構設置及其職責方案；
- ▶ review the annual comprehensive risk management report and submit to the Board;
審議並向董事會提交年度全面風險管理報告；
- ▶ review risk management strategies, major risk management solutions and risk management measures; and
審議風險管理策略、重大風險管理解決方案以及風險管理措施；及
- ▶ review the annual risk management work plan.
審議年度風險管理工作計劃。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT ORGANISATION SYSTEM

(Continued)

1. Risk management structure (Continued)

風險管理組織體系(續)

一、風險管理架構(續)

LEADING RISK MANAGEMENT AND SUPPORTING ORGANISATION 風險管理 主導及支持機構

Internal Audit and Inspection Department is the leading risk management and supporting organisation

內審稽核部，風險管理主導及支持機構

- ▶ responsible for the establishment and amendment of the Company's risk management policies and mechanisms;
負責建立和修訂本公司風險管理政策及機制；
- ▶ establish anti-corruption mechanisms, and check for possible corruption conduct during the internal audit process, and make suggestions for dealing with corruption conduct;
建立反舞弊機制，並在內部審計過程中檢查可能存在的舞弊行為，對舞弊行為提出處理建議；
- ▶ formulate annual risk management work plan and submit to the Board and the Audit Committee for their review;
擬定年度風險管理工作計劃，提交董事會、審核委員會審議；
- ▶ regularly collect first-hand information regarding risk management, carry out risk assessment and discuss major risks faced by the Company;
定期收集風險管理初始資訊，進行風險評估、討論提出本公司面臨的重大風險；
- ▶ assess the soundness, reasonability and the effectiveness in implementation of the risk management system, and review the annual comprehensive risk management report, risk management proposals and day-to-day risk management solutions;
評估風險管理系統的健全性、合理性和執行的有效性，審議年度全面風險管理報告、風險管理方案和日常風險管理解決方案；
- ▶ accept reports from employees and cooperating organizations, organize investigations and provide handling advices, and investigate and deal with people and matters that violate Company and legal regulations;
受理員工及合作單位的舉報，組織調查並提出處理意見，查處違反公司和法律規定的人和事；
- ▶ assist the Group in carrying out risk management work, and formulate internal auditing plan in accordance with the result of risk assessment; and
協助本集團開展風險管理工作，根據風險評估結果制定內審工作計劃；及
- ▶ test the effectiveness of risk management through implementing accounting methods like walk through test and analytical review on its audit.
進行穿行測試、分析性覆核等方法實施審計檢驗風險管理的有效性。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT ORGANISATION SYSTEM

(Continued)

1. Risk management structure (Continued)

**RISK
IMPLEMENTATION
ORGANISATION**
風險執行
機構

Each functional department of the Company shall be under the coordination and supervision by the Internal Audit and Inspection Department
本公司各個職能部門，應接受內審稽核部的協調及監督

- ▶ implement the basic procedures in risk management;
執行風險管理基本流程；
- ▶ research and propose decision-making standards or mechanisms regarding major decisions, major risks, major events and major business processes of the functional department;
研究提出本職能部門重大決策、重大風險、重大事件和重要業務流程的決策標準或機制；
- ▶ research and propose risk assessment report of the functional department; properly carry out risk management work of the functional department; and
研究提出本職能部門的風險評估報告；做好本職能部門的風險管理工作；及
- ▶ establish comprehensive risk management procedures for the functional department.
建立健全本職能部門的風險管理流程。

2. Risk management program

The Group has established a comprehensive risk management program which is led and implemented by the internal audit and inspection department. The risk management program is as follows:

- (1) to collect first-hand information for risk management;
- (2) to analyse and assess risks;
- (3) to propose risk management strategies and formulate risk management solutions; and
- (4) to supervise the implementation of risk management works performed by each business units and verify the overall appraisal.

風險管理組織體系(續)

一、風險管理架構(續)

二、風險管理程式

本集團已建立一套完善的風險管理程式，該程式由內審稽核部牽頭及內審部門協助執行。風險管理程式如下：

- (1) 風險管理初始資訊收集；
- (2) 風險分析和評估；
- (3) 提出風險應對策略，並形成風險管理解決方案；及
- (4) 對各業務單位風險管理工作實施情況進行監督並核對綜合評價。

Corporate Governance Report

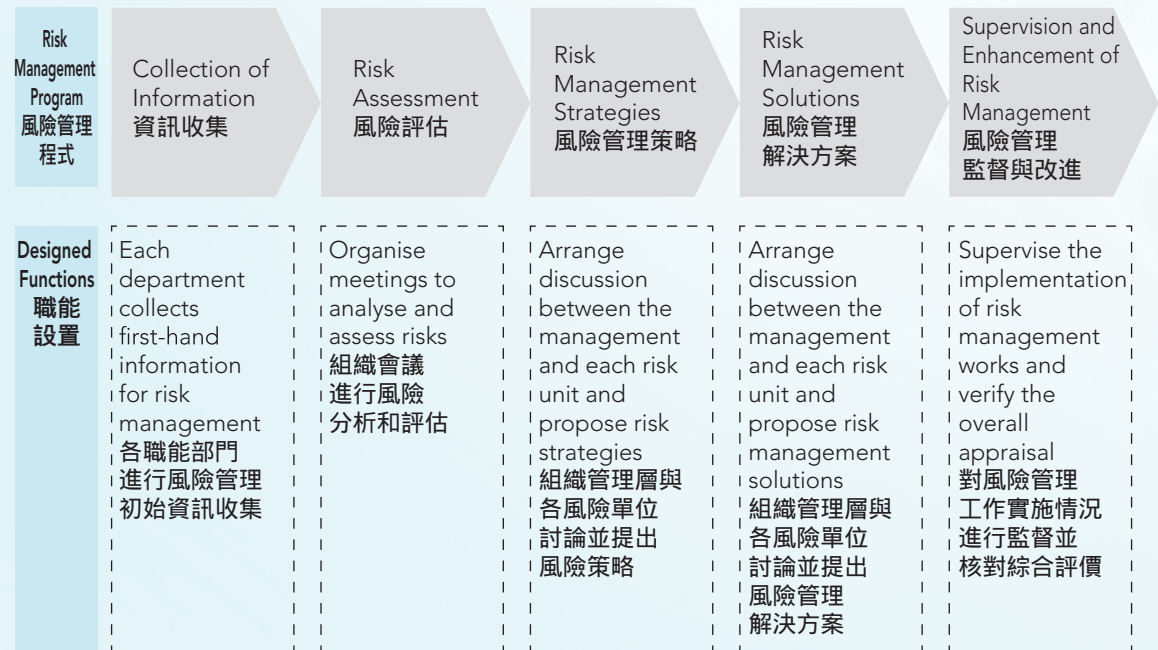
企業管治報告

RISK MANAGEMENT ORGANISATION SYSTEM

(Continued)

2. Risk management program (Continued)

Key risk management program of the Group



風險管理組織體系(續)

二、風險管理程式(續)

本集團主要風險管理程式

Corporate Governance Report

企業管治報告

SUPERVISION AND ENHANCEMENT OF RISK MANAGEMENT

The Group has set up basic procedures that cover the whole process of risk management, connecting the channels of communication of risk management information along the reporting lines and among various departments and business units to ensure timely, accurate and complete sharing of information and this has laid the foundation for the supervision and enhancement of risk management.

The senior management of the Group, focusing on material risks, material matters and material decisions, important management matters and the business flow, supervises the work relating to the first-hand information collection for risk management, risk assessment, risk management strategies, critical control activities and the implementation of risk management solutions. The internal audit and inspection department carries out an annual review and examination on the implementation of the works on risk management by different departments and business units and its effectiveness for the year, assesses risk management strategies and evaluates year, departmental assets

風險管理的監督與改進

本集團已建立貫穿於整個風險管理基本流程，連接各上下級、各部門和業務單位的風險管理資訊溝通管道，確保資訊溝通的及時、準確、完整，為風險管理監督與改進奠定基礎。

本集團的高級管理層以重大風險、重大事件和重大決策、重要管理及業務流程為重點，對風險管理初始資訊收集、風險評估、風險管理策略、關鍵控制活動及風險管理解決方案的實施情況進行監督。內審稽核部每年組織對各部門和業務單位風險管理工作實施情況和有效性進行一次年度檢查和檢驗，對風險管理策略進行評估，對跨部門和業務單位的風險管理解決方案進行評價，提出調整或改進建議，出具評價和建議報告，及時報送相關高級管理層。

Corporate Governance Report

企業管治報告

MATERIAL RISKS THE GROUP MAY FACE

In 2024, during the course of business planning, we identified material risks that the Group may face which include risks relating to delayed receipt of payments, risks relating to accounts receivable management, risks relating to government default, risks relating to litigation and disputes, and risks relating to macroeconomy.

The potential risks relating to delayed receipt of payments arise from governments' fiscal austerity measures taken due to the impact of general market environment, leading to the inability to make payments as scheduled and therefore detriment to the interest of the Company, as well as the extension of collection period. Measures taken by the Group to mitigate such risks include maintaining sound communication with governments, assessing the situation and then proceeding with debt collection.

The potential risks relating to accounts receivable management arise from the failure to send and confirm sewage or sludge treatment data on time, leading to disputes and loss of economic benefits. Measures taken by the Group to mitigate such risks include requiring treatment plants to send and confirm sewage or sludge treatment data in a timely manner in strict accordance with the agreements.

The potential risks relating to government default arise from strained local finances and unilateral modifications to the requirements of cooperative projects, leading to delay or suspension of projects and economic losses. Measures taken by the Group to mitigate such risks include establishing a breach notification mechanism and actively engaging with local governments to develop solutions.

The potential risks relating to litigation and disputes arise from disputes in labor, construction, technology or procurement or sale-related matters, resulting in unfulfilled contractual obligations and litigation risks. Measures taken by the Group to mitigate such risks include building a legal risk prevention and control mechanism and incorporating di

本集團可能面臨的重大風險

於二零二四年，我們在業務規劃過程中識別本集團可能面臨的重大風險包括延期收款風險、應收帳款管理風險、政府違約風險、訴訟糾紛風險及宏觀經濟風險。

延期收款的潛在風險的產生原因為由於市場大環境影響，政府財政緊縮導致無法如期支付款項導致公司利益受損，收款期延長。本集團應對有關風險的措施包括與政府保持良好溝通，瞭解情況進行催收。

應收帳款管理的潛在風險的產生原因為污水或污泥處理資料未有按時發送及確認，導致產生爭議及經濟利益受損。本集團應對有關風險的措施包括要求處理廠嚴格按照協議及時發送及確認污水或污泥處理資料。

政府違約的潛在風險的產生原因為地方財政緊張或單方面修改合項目要求而造成的項目停滯或停止及經濟損失。本集團應對有關風險的措施包括建立違約情況反饋機制及積極與地方政府溝通，形成解決方案。

訴訟糾紛的潛在風險的產生原因為在勞務、施工、技術或買賣環節存在爭議，導致合同責任未有執行及引起訴訟風險。本集團應對有關風險的措施包括構建法律風險防控機制，將糾紛管理納入績效考核。

宏觀經濟的潛在風險的產生原因為經濟周期波動改變行業發展方向及影響項目資金投入，導致成本上升及降低盈利能力。本集團應對有關風險的措施包括強化成本管控和資金儲備，並緊跟政策導向優化業務佈局及制定針對性市場策略，提升抗風險能力。

Corporate Governance Report

企業管治報告

ANTI-CORRUPTION AND WHISTLEBLOWING SYSTEM

The Group has incorporated anti-corruption and anti-bribery policies in its standard of business conduct, and anti-corruption training are provided to its employees and Directors to promote integrity and enhance awareness about malpractice. Employees and other stakeholders can report suspected misconduct and violations of law and standards to the Group's Internal Audit and Inspection Department by phone or email, or to the Audit Committee by e-mail on anonymous basis. During the year, there is no incident involving serious fraud or misconduct have been received from employees nor external parties. The Audit Committee will continuously review and monitor the implementation and effectiveness of the whistleblowing system.

WORKFORCE DIVERSITY

We have always believed that diversity is vital to the Group's sustainable development. We insist on equality in the workplace and strive to build a working atmosphere that fosters mutual respect, inclusion, and mutual helpfulness to promote our employees' happiness and satisfaction. To protect employees' basic human rights and enhance development diversity, we prohibit any type of discrimination or screening in recruitment and promotion based on gender, ethnic origin, religion, social status, or other considerations. Currently, the male to female ratio in the workforce of the Group including senior management is approximately 1.8:1 and the Board considers that the Group has maintained a healthy and reasonable gender diversity in its workforce.

MANAGEMENT OF INSIDE INFORMATION

The Group has formulated a set of program of continuing obligations on information management and disclosure to formally regulate the monitoring of inside information that arises during the course of its current business development and has established the practice of delivering such information to the Shareholders, the media and analysts. When handling the relevant matters, the Group will comply with "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission and the related provisions issued by regulatory organisations and the Group has clearly stated that the unauthorised use of confidential or inside information is prohibited. The Group has set up a system of answering enquiries from external parties about the Group's affairs, and will appoint and authorise the senior executives of the Group to act as the Company's spokesperson in response to enquiries on a particular area.

反舞弊及舉報制度

本集團已將反舞弊及反賄賂政策納入其商業行為標準，並向其僱員及董事提供反舞弊培訓，以促進廉潔及提高對不當行為的認識。僱員及其他利益相關方可通過電話或電郵向本集團內審稽核部報告涉嫌不當行為以及違反法律及準則的行為，或通過電郵向審核委員會匿名報告。於年內，並無收到僱員或外部人士涉及嚴重欺詐或不當行為的事件。審核委員會將持續檢討及監督舉報制度的實施及有效性。

員工多元化

我們始終認為人才多元化對本集團的可持續發展起著至關重要的作用，堅持人人平等，努力營造一個互相尊重、互相包容、互幫互助的工作環境，提升員工的幸福感和滿足感。我們在招錄、提拔等過程中杜絕任何與性別、民族、宗教信仰、社會地位等因素相關的歧視或篩選行為，確保我們的員工得到基本的人權尊重，促進多元化發展。目前，本集團僱員（包括高級管理人員）的男女比例約為1.8:1，董事會認為本集團在其工作團隊中已維持健康及合理的性別比例。

內幕消息管理

本集團制訂了一套持續消息管理和披露責任程式，正式規範現行在業務發展時出現內幕消息的監察，及將有關資料向股東、媒體及分析員傳達的實務。於處理有關事務時恪守證券及期貨事務監察委員會頒佈的《內幕消息披露指引》，及監管機構頒佈的相關條文，明確訂明嚴禁未經授權使用機密或內幕資料，以及就外界對本集團事務作出的查詢訂立回應體系，並指定及授權本集團內高級行政人員擔任本公司發言人，響應特定範疇的查詢。

Corporate Governance Report

企業管治報告

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the "Independent Auditor's Report" on pages 75 to 82.

During the year ended 31 December 2024, the remuneration paid/payable to the Company's independent auditor, Ernst & Young, is set out below:

		RMB'000 人民幣千元
Annual audit services	年度審計服務	2,552
Non-audit services	非審計服務	288
Total fees	總費用	2,840

Non-audit services included tax advisory services and environmental, social and governance advisory services. The Audit Committee is satisfied that the non-audit services did not affect the independence of the external auditor.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions. The general meetings of the Company provide a forum for face-to-face communication between the Board and the Shareholders dialogue. The Chairman as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, are available to answer questions at general meetings.

To promote effective communication, the Company maintains on its website up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information, which are posted and are available for public access. The Company also arranges periodic investors' conference and sets up dedicated investor relations' e-mail address to receive enquiries from the shareholders and potential investors. The Board had reviewed the shareholder's communication policy during the year ended 31 December 2024 and considered that the policy has been properly implemented and is effective.

外聘核數師及核數師酬金

本公司外聘核數師就其對綜合財務報表承擔的申報責任而發出的聲明載於第75頁至82頁的「獨立核數師報告」。

截至二零二四年十二月三十一日止年度，已付應付本公司獨立核數師安永會計師事務所的薪金載列如下：

非審計服務包括稅務顧問服務以及環境、社會及管治顧問服務。審核委員會信納，非審計服務不影響外部核數師的獨立性。

與股東及投資者的溝通 投資者關係

本公司認為，與股東保持有效溝通對促進投資者關係及加深投資者對本集團業務表現及策略的了解至為重要。本公司亦深明保持透明度及適時披露公司資料，讓股東及投資者得以作出最佳投資決定之重要性。本公司股東大會為董事會及股東提供了一個面對面的溝通平台。主席以及提名委員會主席、薪酬委員會主席及審核委員會主席(或(倘彼等缺席)各委員會的其他成員)，以及(如適用)獨立董事委員會主席會於股東大會上回答提問。

為促進有效溝通，本公司設立了網站，本公司的業務運作及發展、財務資料、企業管治常規及其他資料的最新資料及更新均上載至該網站，以供公眾人士閱覽。本公司亦定期安排投資者會議，並設立投資者關係專用電郵地址，以接收股東及潛在投資者的查詢。截至二零二四年十二月三十一日止年度，董事會已檢討股東溝通政策，並認為該政策已妥善實施且有效。

Corporate Governance Report

企業管治報告

CONSTITUTIONAL DOCUMENTS

The Company has not amended its constitutional documents during the year ended 31 December 2024.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at Shareholders' meetings, including the election of individual Directors.

All resolutions put forward at Shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

Shareholders who intend to put forward their enquiries to the Board could send their enquiries to the Company's principal place of business in Hong Kong or the headquarters in the PRC or by email to kangda@kangdaep.com. Shareholders can contact Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

CONVENING

Report of Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries are set out in note 1 to the consolidated financial statements.

BUSINESS REVIEW

Business review of the Group is set out in "Business Review" section of "Management Discussion and Analysis".

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities, which are extracted from the annual audited reports, are set out on page 235 and page 236 of this annual report. This summary does not form part of the audited consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 and its financial position at that date are set out on the financial statements on pages 83 to 86 of this annual report.

The Board did not recommend payment of the final dividend for the year ended 31 December 2024 (year ended 31 December 2023: nil).

DIVIDEND POLICY

The declaration, form, frequency and amount of any dividend payout of the Company must be in accordance with relevant laws, rules and regulations and subject to the Articles of Association. Subject to compliance with applicable laws, rules, regulations and the Articles of Association, in deciding whether to propose any dividend payout, the Board will take into account, among other things, the financial results, the earnings and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effects on the credit lines, and the current and future development plans of the Company.

董事會欣然呈列其報告，連同本集團截至二零二四年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一家投資控股公司。主要附屬公司的主要業務詳情載於綜合財務報表附註1。

業務回顧

本集團的業務回顧載於「管理層討論及分析」的「業務回顧」一節。

財務概要

摘錄自經審核年報的本集團業績、資產及負債概要載於本年報第235頁及第236頁。概要並不構成經審核綜合財務報表的一部分。

業績及股息

本集團截至二零二四年十二月三十一日止年度的業績及其於該日的財務狀況載於本年報第83頁至第86頁的財務報表。

董事會不建議派發截至二零二四年十二月三十一日止年度的末期股息(截至二零二三年十二月三十一日止年度：零)。

股息政策

本公司必須根據相關法律、規則及法規以及受限於組織章程細則項下制定任何股息宣派、形式、次數及金額。根據相關法律、規則及法規以及組織章程細則，當董事會於決定是否建議派付任何股息時，將考慮(其中包括)本公司的財務業績、盈利及可分派儲備、營運及流動資金需求、負債比率及信貸額度可能產生的影響以及現時及未來發展計劃。

Report of Directors 董事會報告

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of Shares can be registered. The record date for entitlement to attend and vote at the forthcoming annual general meeting of the Company (the "Annual General Meeting") is Friday, 6 June 2025. In order to be qualified for attending and voting at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, See

Report of Directors

董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group adheres to the concept of green environmental protection in conducting its business and is dedicated to reduce environmental impacts and contribute to environmental conservation. The Group has endeavored to comply with applicable environmental protection laws and regulations and has developed policies in relation to water resources, energy saving, office resources, chemical resources, construction materials, sewage discharge, exhaust gas, solid waste and noise. For example:

- the Group has adopted water conservation management system and provided manual on water conservation for employees;
- energy-saving designs and equipment are used in the Group's wastewater treatment plants;
- paper conservation and doubles-sided printing are promoted, digital office system is employed to reduce office resources consumption;
- Energy-saving and recycled materials are used in constructions;
- Dust and noise reducing measures are used in construction sites.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular, those which have significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2024 are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 29 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Act of the Cayman Islands where the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

環境政策及表現

本集團秉承綠色環保理念開展其業務，致力減少對環境的影響，並為環境保護作出貢獻。本集團努力遵守適用的環境保護法律法規，並制定有關水資源、節能、辦公資源、化學資源、建築材料、污水排放、廢氣、固體廢物及噪音的政策。例如：

- 本集團已採用節水管理制度，並為僱員提供節水手冊；
- 本集團污水處理廠採用節能設計及設備；
- 提倡節約用紙及雙面打印，採用數字化辦公系統，減少辦公資源消耗；
- 建築中使用了節能再生材料；
- 建築工地採取降塵降噪措施。

法律及法規合規

合規程序已實施，以確保遵守適用的法律、法規及規章，特別是對本集團產生重大影響的在適用的法律、法規及規章。相關僱員及相關經營單位須不時留意適用法律、法規及規章的任何變動。

物業、廠房及設備

本集團物業、廠房及設備於截至二零二四年十二月三十一日止年度的變動的詳情載於綜合財務報表的附註12。

股本

本公司股本於截至二零二四年十二月三十一日止年度的變動詳情載於綜合財務報表附註29。

優先購買權

組織章程細則或開曼群島(本公司註冊成立地點)公司法並無優先購買權的條文，使本公司須受責按比例向現有股東提呈新股以供認購。

Report of Directors

董事會報告

BANK LOANS

Particulars of interest-bearing bank and other borrowings of the Group as at 31 December 2024 are set out in note 28 to the consolidated financial statements.

CAPITAL MANAGEMENT

Details of the Group's policies on capital management are set out in note 39 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS HELD

For the year ended 31 December 2024, the Group did not hold any material investments in the equity interest of other companies.

MATERIAL INVESTMENT AND FUTURE PLANS OF CAPITAL ASSETS

As of 31 December 2024, Group had no material investment and other plans for capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group did not have any material acquisitions or disposals of subsidiaries and associates for the year ended 31 December 2024.

RELATIONSHIPS WITH KEY STAKEHOLDERS EMPLOYEES

Employees are regarded as the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognise performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

CUSTOMERS AND SUPPLIERS

The Group's customers are generally municipal, district or county level governments or their designees in China. We typically enter into agreements with the Group's customers to provide wastewater treatment and other services on a project-by-project basis.

The Group's business is built on a customer-oriented culture, and are focused on establishing relationships with district or county level governments or their designees in China. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards of quality in the service to its customers.

銀行貸款

本集團於二零二四年十二月三十一日的計息銀行及其他借款的詳情載於綜合財務報表附註28。

資本管理

本集團的資本管理政策詳情載於綜合財務報表附註39。

所持重大投資

截至二零二四年十二月三十一日止年度，本集團並無任何其他公司的股權中持有的任何重大投資。

重大投資及資本資產的未來計劃

於二零二四年十二月三十一日，本集團並無任何重大投資及資本資產的其他計劃。

附屬公司及聯營公司的重大收購及出售

截至二零二四年十二月三十一日止年度，本集團並無任何附屬公司及聯營公司的重大收購及出售。

與主要利益相關方的關係 僱員

僱員被視為本集團最重要及具價值的資產。本集團人力資源管理的目的乃藉提供優厚的薪酬福利及推行給予適當激勵的全面表現評核計劃，以獎勵及表揚表現優秀的員工，並透過適當培訓及提供機會協助彼等在集團內發展事業及晉升。

客戶及供應商

本集團客戶一般是中國的市、區或縣級人民政府或者其指定人。我們通常與本集團客戶簽訂協議按逐個項目提供廢水處理及其他服務。

本集團的業務建立在以客戶為導向的文化上，並專注於與中國的區或縣級人民政府或其指定人建立關係。本集團亦明白，與其供應商及客戶維持的良好關係，以實現其即時及長遠目標乃非常重要。為維持其於業內的市場競爭力，本集團致力向其客戶提供一貫高水準質量的服務。

Report of Directors

董事會報告

SHAREHOLDERS

One of the corporate goals of the Group is to enhance corporate value to Shareholders. The Group is poised to foster business developments for achieving the sustainability of earnings growth and rewarding Shareholders.

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this annual report were:

Executive Directors:

Li Zhong (*Chairman*)

Liu Yujie

Duan, Jerry Linnan (*Chief Executive Officer*)

Mr. Zhou Wei (*Chief Financial Officer*) (*appointed on 10 April 2024*)

Zhao Juanxian (*alias, Zhao Junxian*) (*ceased to be Co-Chairman and re-designated as non-executive director with effect from 1 January 2025*)

Independent non-executive Directors:

Chau Kam Wing

Chang Qing

Peng Yongzhen

In accordance with the Articles of Association, Mr. Duan, Jerry Linnan, Mr. Zhao Juanxian (*alias, Zhao Junxian*) and Mr. Peng Yongzhen will retire at the Annual General Meeting, and being eligible, will offer themselves for re-election.

Details of the Directors to be re-elected at the Annual General Meeting are set out in the circular to the Shareholders.

Biographical details of the Directors and senior management of the Group are set out on pages 21 to 26 of this annual report.

股東

本集團其中一個企業目標是為股東提升企業價值。本集團在促進業務發展以實現可持續盈利增長並回報股東。

董事

於截至二零二四年十二月三十一日止年度及直至本年報日期的董事如下：

執行董事：

李中(主席)

劉玉杰

段林楠(行政總裁)

周偉先生(財務總監)

(於二零二四年四月十日獲委任)

趙雋賢(自二零二五年一月一日起辭任

聯席主席並調任為非執行董事)

獨立非執行董事：

周錦榮

常清

彭永臻

根據組織章程細則，段林楠先生、趙雋賢先生及彭永臻先生將於股東週年大會上退任且有資格並有意參選連任。

將在股東週年大會上連任的董事的詳情載於致股東的通函中。

本集團的董事及高級管理層的履歷詳情載於本年報的第21至26頁。

Report of Directors 董事會報告

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into service contract with the Company for an initial fixed term of three years and will continue thereafter until terminated by not less than three months' notice in writing served by either party to the other.

Each of the non-executive director and independent non-executive directors has entered into service contract/letter of appointment with the Company for an initial fixed term of one year and will continue thereafter until terminated by not less than one month's notice in writing served by either party to the other.

None of the Directors has a service contract which contains any provision for payment of compensation or damages in connection with termination of the contract.

Report of Directors

董事會報告

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "Share Option Scheme") on 14 June 2014 (the "Adoption Date"). The following is a summary of principal terms of the Share Option Scheme:

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimise their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined below), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Who may join in the Share Option Scheme

The Board may, at its absolute discretion, grant options ("Option(s)") to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to:

- (a) any executive Director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group ("Executive"), any full-time or part-time employee, or person for the time being seconded to work full-time or part-time for any member of the Group ("Employee");
- (b) a Director or proposed Director (including an independent non-executive Director) of any member of the Group;
- (c) a direct or indirect shareholder of any member of the Group;
- (d) a supplier of goods or services to any member of the Group;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and
- (g) an associate of any of the persons referred to in paragraphs (a) to (f) above (the person referred above are the "Eligible Persons").

購股權計劃

本公司於二零一四年六月十四日(「採納日期」)採納了購股權計劃(「購股權計劃」)。以下為購股權計劃主要條款的概述：

購股權計劃的目的

購股權計劃旨在給予合資格人士(定義見下文段)於本公司持有個人權益的機會及激勵彼等日後於本集團發揮最佳表現及提升效率及或就彼等過去的貢獻給予獎勵,吸引及留聘或以其他方式與該等合資格人士(該等合資格人士對本集團的表現、增長或成功乃屬重要及或其貢獻有利於或將有利於本集團的表現、增長或成功)維持持續的合作關係,以及就行政人員(定義見下文)而言,讓本集團可吸引及留聘經驗豐富且有能力的人士及或就其過往貢獻給予獎勵。

可參與購股權計劃的人士

董事會可全權決定向下列人士授出購股權(「購股權」),以根據購股權計劃所載的條款認購有關數目的股份：

- (a) 本集團任何成員公司的任何執行董事、經理或擔任行政、管理、監督或類似職位的其他僱員(「行政人員」)、任何全職或兼職僱員或被暫時調派全職或兼職為本集團任何成員公司工作的人士(「僱員」);
- (b) 本集團任何成員公司的董事或擬任董事(包括獨立非執行董事);
- (c) 本集團任何成員公司的直接或間接股東;
- (d) 本集團任何成員公司的貨品或服務供應商;
- (e) 本集團任何成員公司的客戶、顧問、業務或合營夥伴、特許經營商、承包商、代理或代表;
- (f) 為本集團任何成員公司提供設計、研究、開發或其他支持或任何諮詢、顧問、專業或其他服務的人士或實體;及
- (g) 上文(a)至(f)段所述的任何人士的聯繫人(上文所述人士為「合資格人士」)。

Report of Directors

董事會報告

SHARE OPTION SCHEME (Continued)

Maximum number of Shares

A resolution was passed by the shareholders of the Company at the annual general meeting of the Company on 10 June 2020, approving, inter alia, to refresh the limit of the Share Option Scheme to 213,973,500 shares of the Company, representing 10% of the issued shares of the Company as at 10 June 2020. For further details please refer to the Company's announcement dated 10 June 2020. As at 1 January 2024, 213,973,500 Options were available for grant under the Share Option Scheme, 213,973,500 Options were granted during the year ended 31 December 2024 and there was no Option available for grant under the Share Option Scheme as at 31 December 2024. The 213,973,500 shares of the Company that may be issued in respect of Options granted under the Share Option Scheme during the year ended 31 December 2024 represents 10% of the weighted average number of shares in issue during the year ended 31 December 2024.

Maximum entitlement of each participant

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period exceeds 1% of the Company's issued share capital from time to time.

Where any further grant of Options to such Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his or her associates abstaining from voting.

Offer and grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Hong Kong Stock Exchange or an integral multiple thereof).

購股權計劃(續)

股份數目上限

本公司股東在本公司於二零二零年六月十日舉行的股東週年大會上通過一項決議案，批准(其中包括)更新購股權計劃的限額至213,973,500股本公司股份，相當於本公司於二零二零年六月十日已發行股份的10%。有關進一步詳情，請參閱本公司日期為二零二零年六月十日的公告。於二零二四年一月一日，213,973,500份購股權可根據購股權計劃授出，截至二零二四年十二月三十一日止年度，213,973,500份購股權已獲授出，且於二零二四年十二月三十一日，概無購股權可根據購股權計劃授出。截至二零二四年十二月三十一日止年度根據購股權計劃授出的購股權可發行的213,973,500股本公司股份，相當於截至二零二四年十二月三十一日止年度已發行股份加權平均數的10%。

各參與人士的權利上限

倘向任何一名人士授出購股權會導致已發行及因於任何12個月期間已向及將向該名人士授出的購股權獲行使而將會發行的股份總數超過本公司不時的已發行股本的1%，則不會向該名人士授出任何購股權。

倘進一步向該名合資格人士授出購股權會導致已發行及因於直至進一步授出之日(包括該日)止的12個月期間已向及將向該名合資格人士授出的所有購股權(包括已行使、註銷及未行使的購股權)獲行使而將會發行的股份合共超過已發行股份的1%，則該進一步授出事項須經股東在股東大會上另外批准，而有關合資格人士及其聯繫人須放棄投票。

提呈發售及授出購股權

於購股權計劃的條款的規限下，董事會有權於自採納日期起的10年內的任何時候向董事會全權決定選擇的任何合資格人士提呈授出購股權，以按認購價認購董事會(在購股權計劃的條款的規限下)可釐定的有關數目的股份(惟有關數目應為股份在香港聯交所的每手買賣單位或其整倍數)。

Report of Directors

董事會報告

SHARE OPTION SCHEME (Continued)

Minimum holding period, vesting and performance target

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the Option in respect of any of Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of f

Report of Directors

董事會報告

SHARE OPTION SCHEME (Continued)

The remaining life of the Share Option Scheme (Continued)

Set out below are the details of the movements of Options granted under the Share Option Scheme during the year ended 31 December 2024:

Name/description of grantee	Date of grant	Closing price of Shares immediately before date of grant	Exercise price per Share	Outstanding as at 1 January 2024	Number of Options			Outstanding as at 31 December 2024	Vesting period	Exercise period
					Granted during the period	Exercised during the period	Cancelled/ lapsed during the period			
承授人姓名 類別	授出日期	於緊接授出日期前股份的收市價 (HK\$) (港元)	每股股份的行使價 (HK\$) (港元)	於二零二四年一月一日尚未行使	於期內授出	於期內行使	於期內註銷失效	於二零二四年十二月三十一日尚未行使	歸屬期	行使期
Directors										
董事										
Li Zhong 李中	31/5/2024	0.227	0.3	–	16,000,000	–	–	16,000,000	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾
Liu Yujie 劉玉杰	31/5/2024	0.227	0.3	–	16,000,000	–	–	16,000,000	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾
Duan, Jerry Linnan (Chief Executive Officer) 段林楠(行政總裁)	31/5/2024	0.227	0.3	–	16,000,000	–	–	16,000,000	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾
Zhou Wei (Chief Financial Officer) 周偉(財務總監)	31/5/2024	0.227	0.3	–	16,000,000	–	–	16,000,000	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾
Chau Kam Wing 周錦榮	31/5/2024	0.227	0.3	–	2,000,000	–	–	2,000,000	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾
Chang Qing 常清	31/5/2024	0.227	0.3	–	2,000,000	–	–	2,000,000	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾
Peng Yongzhen 彭永臻	31/5/2024	0.227	0.3	–	2,000,000	–	–	2,000,000	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾
Other employee participants 其他僱員參與者	31/5/2024	0.227	0.3	–	143,973,500	–	–	143,973,500	31/5/2024–30/5/2025	31/5/2025–15/9/2025 ⁽¹⁾

Report of Directors

董事會報告

SHARE OPTION SCHEME (Continued)

The remaining life of the Share Option Scheme (Continued)

The estimated fair value of share options granted during the year ended 31 December 2024 was HK\$0.045 per share option, which is measured based on a binomial lattice model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

Option life	1.29 years
Risk-free rate (based on China Government bond yield)	4.205%
Expected volatility	62.62%
Expected dividend yield	0%

The expected volatility is based on the historic volatility and the expected dividend yield is based on historical dividend yield of the Company.

Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render service

Report of Directors 董事會報告

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 8 and 9 to the consolidated financial statements.

薪酬政策

我們已設立薪酬委員會，以根據本集團的經營業績、董事及高級管理層的個人表現及可資比較市場慣例審核董事及高級管理層的全體薪酬政策及架構。

董事及五名最高薪酬人士的薪酬

董事及五名最高薪酬人士的薪酬詳情載於綜合財務報表附註8及9。

Report of Directors 董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

董事及最高行政人員於股份、相關股份及債權證的權益及淡倉

於二零二四年十二月三十一日，本公司董事及最高行政人員於本公司或其任何附屬公司之股份、相關股份及債權證的權益及淡倉如下：

Name of Director	Capacity/Nature of Interest	Number of Shares	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
董事姓名	身份 權益性質	股份數目	
Mr. Zhao Juanxian (alias, Zhao Junxian) ⁽¹⁾ 趙雋賢先生 ⁽¹⁾	Person acting in concert (long position) 一致行動人士(好倉)	546,728,004	25.55%
	Person acting in concert (short position) 一致行動人士(淡倉)	546,728,004	25.55%
Mr. Li Zhong ⁽²⁾ 李中先生 ⁽²⁾	Beneficial owner (long position) 實益擁有人(好倉)	26,000,000	1.22%
Ms. Liu Yujie ⁽³⁾ 劉玉杰女士 ⁽³⁾	Beneficial owner (long position) 實益擁有人(好倉)	26,000,000	1.22%
Mr. Duan, Jerry Linnan ⁽⁴⁾ 段林楠先生 ⁽⁴⁾	Beneficial owner (long position) 實益擁有人(好倉)	26,000,000	1.22%
Mr. Zhou Wei ⁽⁵⁾ 周偉先生 ⁽⁵⁾	Beneficial owner (long position) 實益擁有人(好倉)	16,000,000	0.75%
Mr. Chau Kam Wing ⁽⁶⁾ 周錦榮先生 ⁽⁶⁾	Beneficial owner (long position) 實益擁有人(好倉)	4,000,000	0.19%
Mr. Chang Qing ⁽⁷⁾ 常清先生 ⁽⁷⁾	Beneficial owner (long position) 實益擁有人(好倉)	4,000,000	0.19%
Mr. Peng Yongzhen ⁽⁸⁾ 彭永臻先生 ⁽⁸⁾	Beneficial owner (long position) 實益擁有人(好倉)	4,000,000	0.19%

Report of Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

- (1) By virtue of Mr. Zhao Juanxian acting in concert with Mr. Zhao Sizhen, being the son of Mr. Zhao Juanxian, under the SFO, Mr. Zhao Juanxian is deemed to be interested in Mr. Zhao Sizhen's interests in the Company. On 2 October 2024, Kangda Holdings Company Limited, which is wholly-owned and controlled by Mr. Zhao Sizhen, issued exchangeable bonds to Mr. Duan Chuan Liang ("Exchangeable Bonds"), which conferring the right at Mr. Duan's discretion to exchange for 546,728,004 shares of the Company upto the last business day of the 36th month from the issue date of the Exchangeable Bonds.
- (2) Mr. Li Zhong was granted Options to subscribe for 16,000,000 Shares pursuant to the Share Option Scheme.
- (3) Ms. Liu Yujie was granted Options to subscribe for 16,000,000 Shares pursuant to the Share Option Scheme.
- (4) Mr. Duan, Jerry Linnan was granted Options to subscribe for 16,000,000 Shares pursuant to the Share Option Scheme.
- (5) Mr. Zhou Wei was granted Options to subscribe for 16,000,000 Shares pursuant to the Share Option Scheme.
- (6) Mr. Chau Kam Wing was granted Options to subscribe for 2,000,000 Shares pursuant to the Share Option Scheme.
- (7) Mr. Chang Qing was granted Options to subscribe for 2,000,000 Shares pursuant to the Share Option Scheme.
- (8) Mr. Peng Yongzhen was granted Options to subscribe for 2,000,000 Shares pursuant to the Share Option Scheme.

Save as disclosed, as at 31 December 2024, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the year ended 31 December 2024 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

董事及最高行政人員於股份、相關股份及債權證的權益及淡倉(續)

附註:

- (1) 由於趙雋賢先生為Zhao Sizhen先生(趙雋賢先生之子)的一致行動人士,故根據證券及期貨條例,趙雋賢先生被視為於Zhao Sizhen先生持有的本公司權益中擁有權益。於二零二四年十月二日,由Zhao Sizhen先生全資擁有及控制的康達控股有限公司向段傳良先生發行可交換債券(「可交換債券」),該等債券賦予段先生權利,可酌情於可交換債券發行日期起計36個月內的最後一個營業日之前,交換為546,728,004股本公司股份。
- (2) 李中先生根據購股權計劃獲授購股權,可認購16,000,000股股份。
- (3) 劉玉杰女士根據購股權計劃獲授購股權,可認購16,000,000股股份。
- (4) 段林楠先生根據購股權計劃獲授購股權,可認購16,000,000股股份。
- (5) 周偉先生根據購股權計劃獲授購股權,可認購16,000,000股股份。
- (6) 周錦榮先生根據購股權計劃獲授購股權,可認購2,000,000股股份。
- (7) 常清先生根據購股權計劃獲授購股權,可認購2,000,000股股份。
- (8) 彭永臻先生根據購股權計劃獲授購股權,可認購2,000,000股股份。

除上文披露者外,於二零二四年十二月三十一日,概無董事及本公司最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中,擁有根據證券及期貨條例第352條須載入須由本公司存置的登記冊的權益或淡倉或根據標準守則須另行知會本公司及香港聯交所的權益或淡倉。

董事收購股份或債權證的權利

除本年報另行披露者外,截至二零二四年十二月三十一日止年度的任何時間,概無向任何董事或彼等各自的配偶或未成年子女授出透過收購本公司股份或債權證而獲益的權利(或彼等已行使任何該等權利),或本公司或其任何附屬公司並非讓董事或彼等各自的配偶或未成年子女可收購任何其他法團的該等權利的任何安排的訂約方。

Report of Directors 董事會報告

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

As at 31 December 2024, to the best knowledge of the Directors,
the following persons (not being a Director or chief executive officer)

Notes: u

- 69

Report of Directors 董事會報告

關連交易

於二零二零年九月二十五日，康達投資（香港）有限公司（「康達投資（香港）」）與本公司的間接全資附屬公司（與江西銀龍訂立框架建設服務協議（「建設服務協議」），據此，訂約方同意江西銀龍可根據中國適用法律及法規通過招標程序獲選為本集團有關污水處理設施的建設、升級、重建及擴建的項目提供土木工程、建設、安裝工程及設備供應。建設服務協議的期限自建設服務協議日期起至二零二二年十二月三十一日止。江西銀龍為本公司主要股東中國水務的非全資附屬公司。因此，江西銀龍是中國水務的聯繫人及本公司的關連人士。根據上市規則第14A章，有關建設服務協議的交易構成本公司的持續關連交易，而本公司獨立股東已於二零二零年十一月十六日舉行的本公司股東特 柱页 本集团關 項 錫

Report of Directors 董事會報告

CONNECTED TRANSACTION (Continued)

As set out in note 36 of the consolidated financial statements, certain bank borrowings of the Group were secured by Mr. Zhao Juanxian, which constitute continuing connected transactions under Chapter 14A of the Listing Rules. However, pursuant to Rule 14A.90 of the Listing Rules, as the guarantees provided by Mr. Zhao Juanxian were conducted on normal commercial terms and not secured by the assets of the Group, the guarantees provided by Mr. Zhao Juanxian set out in note 36 of the consolidated financial statements are fully exempted from the requirements of Chapter 14A of the Listing Rules.

關連交易(續)

誠如綜合財務報表附註36所載，本集團的若干銀行借款由趙雋賢先生擔保，構成根據上市規則第14A章的持續關連交易。然而，根據上市規則第14A.90條，由於趙雋賢先生提供的擔保按一般商業條款進行及並無以本集團資產作抵押，故此綜合財務報表附註36所載由趙雋賢先生提供的擔保已獲完全豁免遵守上市規則第14A章項下的申報、公告、年度審核及獨立股東批准規定。本公司已遵守上市規則第14A章所載的披露規定。

根據上市規則第14A.09條，由於惠州康達英之皇水務有限公司、蕉嶺康達環境治理有限公司、吉林康達環保有限公司、威海康達生態環境綜合治理有限公司及瀋陽近海康達環保水務有限公司屬於本集團的非重大附屬公司，故綜合財務報表附註36所載本集團與其各自的非控股股東進行的關聯方交易並不構成上市規則項下的關連交易或持續關連交易。

除上文所披露者外，綜合財務報表附註36所載的其他交易不構成上市規則第14A章所載本公司的關連交易或持續關連交易，亦獲豁免遵守申報、公告、年度審核及獨立股東批准規定。

Report of Directors

董事會報告

POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note 40 to the consolidated financial statements in this report.

AUDIT COMMITTEE

The Audit Committee had reviewed together with the management and independent auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2024.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code contained in the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with such code of conduct during year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. During the year ended 31 December 2024, the Company has complied with all the applicable provisions of the CG Code as set out in Appendix C1 to the Listing Rules.

結算日後事項

重大結算日後事項於本年報綜合財務報表附註40披露。

審核委員會

審核委員會已連同管理層及獨立核數師審核本集團所採納的會計原則及政策以及截至二零二四年十二月三十一日止年度的經審核綜合財務報表。

有關董事進行證券交易的行為守則

本公司已就董事進行證券交易採納一套行為準則，其條款並不遜於上市規則所載標準守則所載的規定標準。經向全體董事作出具體查詢後，董事確定彼等於截至二零二四年十二月三十一日止年度內一直遵守有關行為準則。

企業管治

本公司致力於維持高標準的企業管治以保障本公司的股東利益及提升企業價值及問責性。截至二零二四年十二月三十一日止年度，本公司已遵守上市規則附錄C1所載企業管治守則所有適用條文。

Report of Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Hong Kong Stock Exchange and permitted under the Listing Rules, are held by the public at all times during the year ended 31 December 2024 and up to the date of this annual report.

AUDITOR

Ernst & Young has acted as auditor of the Company for the year ended 31 December 2024.

Ernst & Young shall retire at the Annual General Meeting and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditor of the Company will be proposed at the Annual General Meeting.

On behalf of the Board

Li Zhong
Co-Chairman

Hong Kong, 31 March 2025

足夠公眾持股量

根據本公司可獲取的公開資料及就董事所知，截至二零二四年十二月三十一日止年度直至本年報日期，本公司已發行股本總額中至少25%(香港聯交所批准及根據上市規則所允許的規定最低公眾持股百分比)一直由公眾持有。

核數師

安永會計師事務所於截至二零二四年十二月三十一日止年度擔任本公司核數師。

安永會計師事務所將於股東週年大會上退任，且符合資格及願意接受續聘。有關續聘安永會計師事務所為本公司核數師的決議案，將於股東週年大會上提呈。

代表董事會

聯席主席
李中

香港，二零二五年三月三十一日

Independent Auditor's Report

獨立核數師報告

To the shareholders of
Kangda International Environmental Company Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Kangda International Environmental Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 83 to 234, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements*.

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在吾等審計整體綜合財務報表及出具意見時進行處理，而吾等不會對這些事項提供單獨的意見。吾等乃基於此原則闡釋吾等如何在審計中處理下文所述每件事項。

吾等已履行本報告中核數師就審計綜合財務報表須承擔的責任一節所述的責任，包括就該等事項履行的責任。因此，吾等的審計工作包括履行針對評估綜合財務報表是否存在重大錯誤陳述的風險而設的程序。吾等的審計結果(當中程序包括針對以下事項進行的程序)足以為吾等就隨附綜合財務報表發表的審計意見提供依據。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 吾等的審計如何處理關鍵審計事項
----------------------------	---

Provision for impairment of trade receivables and financial receivables
貿易應收款項及金融應收款項減值撥備

Trade receivables and financial receivables were significant to the consolidated financial statements and the majority of the receivables were generated from service concession arrangements, engineering procurement construction ("EPC") contracts, and build-transfer contracts. Expected credit losses ("ECLs") allowances for trade receivables are made based on the assessment of the recoverability of receivables due from customers. The Group is required to regularly assess the recoverability of its trade receivables and financial receivables. This involves significant judgement and estimation as the ECLs allowances must reflect information about past events, current conditions and forecasts of future conditions.

貿易應收款項及金融應收款項對綜合財務報表關係重大，而大多數應收款項均源自服務特許經營安排、工程採購建設（「EPC」）合約及建設 — 移交合約。貿易應收款項的預期信貸虧損（「預期信貸虧損」）撥備乃根據對應收客戶款項可收回程度所作的評估計提。貴集團須定期評估其貿易應收款項及金融應收款項的可收回程度，而這涉及重大判斷及估計，原因為預期信貸虧損撥備須反映有關過往事件、目前狀況和未來經濟狀況預測的資料。

Relevant disclosures are included in note 2.4 material accounting policies — "impairment of financial assets", note 2.5 significant accounting judgements and estimates — estimation uncertainty — "Provision for expected credit losses on trade receivables, financial receivables and contract assets", note 2.6

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 吾等的審計如何處理關鍵審計事項
----------------------------	---

Recognition and measurement of the contract revenue for service concession arrangements
服務特許經營安排項下的合約收益確認及計量

The Group engages in certain service concession arrangements under the terms of Build-Operate-Transfer ("BOT") in which the Group carries out the construction work of municipal infrastructure for certain governmental authorities or their designees (the "Grantors") and receives in return the rights to operate municipal infrastructure concerned in accordance with the pre-established conditions set by the Grantors. The measurement of revenue for service concession arrangements which is accounted for under IFRIC 12 *Service Concession Arrangements* involves significant management judgements and estimates including determination of applicable accounting model, estimation of the future guaranteed receipts, prevailing market rate of construction gross margins, and discount rates as used in the valuation process.

根據建設 — 運營 — 移交(「BOT」)的條款，貴集團訂立若干服務特許經營安排，據此，貴集團根據若干政府機關或其指定機構(「授予人」)預先訂立的條件對市政基礎設施進行建設工程，並取得市政基礎設施的經營權作為回報。根據國際財務報告詮釋委員會第12號服務特許經營安排計量服務特許經營安排的收益涉及重大管理判斷及估計，包括釐定適用會計模式、估計未來有保證的收費、現行市場的工程毛利率及估值過程中所用貼現率。

Relevant disclosures are included in note 2.4 material accounting policies — "service concession arrangements", note 2.5 significant accounting judgements and estimates — judgements — "accounting for service concession arrangements" and "percentage of completion of construction services", note 4 "revenue" and note 19 "financial receivables" to the consolidated financial statements.

相關披露載於綜合財務報表附註2.4重大會計政策 — 「服務特許經營安排」、附註2.5重大會計判斷及估計 — 判斷 — 「服務特許經營安排的會計處理」及「建設服務竣工百分比」、附註4「收益」以及附註19「金融應收款項」。

We reviewed the contract terms of the service concession arrangements and assessed the accounting model adopted and the future guaranteed receipts. We evaluated the competency and objectivity of the external appraiser engaged by management to assist the determination of the gross margin for construction service and discount rates. We also evaluated the basis and assumptions in the valuation and performed a comparison of the inputs used in the valuation against external market data. In addition, we involved our internal valuation specialists to assist us in evaluating the gross margin for construction service and the discount rates. We reviewed the methods and assumptions adopted by management in determining the total budgeted costs. We checked the relevant supporting documents for actual costs on a sampling basis. We also performed cut-off testing procedures to check whether material costs had been recognised in the appropriate accounting periods.

吾等已審閱服務特許經營安排的合約條款並評估所採納

Independent Auditor's Report

獨申色零村亨5卯第刀鸞 獮三驯へ脩衤 緝 鶉隴挺絨魑 肋鱸

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. 0

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師就審計綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎恰當與否作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則吾等須修改意見。吾等的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公正反映相關交易和事項。
- 計劃和執行集團審計，以獲取關於貴集團內各實體或業務單位財務信息的充足、適當的審計憑證，以對綜合財務報表形成審計意見提供基礎。吾等負責指導、監督和覆核為集團審計而執行的審計工作。吾等就審計意見承擔全部責任。

吾等與審核委員會溝通(其中包括)計劃的審計範圍、時間安排、重大審計發現等，包括吾等在審計中識別出內部監控的任何重大問題。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tsang Pang Sum Joe.

Certified Public Accountants
Hong Kong

31 March 2025

核數師就審計綜合財務報表須承擔的責任(續)

吾等還向審核委員會提交聲明，說明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響吾等獨立性的所有關係和其他事項，以及在適用的情況下，消除威脅所採取的行動或所應用的保障措施。

從與審核委員會溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在吾等報告中通報某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中通報該事項。

出具本獨立核數師報告的審計項目合夥人是曾鵬森。

執業會計師
香港

二零二五年三月三十一日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		Notes 附註	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
REVENUE	收益	4	2,261,282	2,216,381
Cost of sales	銷售成本		(1,172,268)	(1,140,387)
Gross profit	毛利		1,089,014	1,075,994
Other income and gains	其他收入及收益	5	66,814	59,789
Selling and distribution expenses	銷售及分銷開支		(956)	(994)
Administrative expenses	行政開支		(284,040)	(283,090)
Other expenses	其他開支		(88,290)	(43,397)
Finance costs	融資成本	7	(544,211)	(578,719)
Share of profits and losses of:	分佔以下公司損益：			
Associates	聯營公司		1,058	4,699
Joint ventures	合營企業		(3,146)	(328)
PROFIT BEFORE TAX	除稅前溢利	6	236,243	233,954
Income tax expense	所得稅開支	10	(65,362)	(103,726)
PROFIT FOR THE YEAR	年內溢利		170,881	130,228
Attributable to:	下列各項應佔：			
Owners of the parent	母公司擁有人	11	167,998	124,753
Non-controlling interests	非控股權益		2,883	5,475
			170,881	130,228
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔每股盈利			
Basic for profit for the year (expressed in RMB per share)	年度基本溢利 (以每股人民幣為單位)	11	7.85 cents 分	5.83 cents 分
Diluted for profit for the year (expressed in RMB per share)	年度攤薄溢利 (以每股人民幣為單位)	11	7.85 cents 分	5.83 cents 分

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		2024	2023
		二零二四年	二零二三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	將不會於其後期間重新分類至損益之其他全面收益：		
Equity investments designated at fair value through other comprehensive income:	指定為按公平值計入其他全面		

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2024 二零二四年十二月三十一日

			2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	12	物業、廠房及設備	48,682	53,378
Investment properties		投資物業	10,465	11,083
Right-of-use assets	13	使用權資產	1,737	2,286
Investments in associates	14	於聯營公司的投資	234,998	234,577
Investments in joint ventures	15	於合營企業的投資	74,945	78,091
Service concession intangible assets	17	無形資產 — 特許經營權	1,525,762	1,376,539
Other intangible assets		其他無形資產	1,433	1,776
Goodwill	18	商譽	17,170	58,325
Financial receivables	19	金融應收款項	9,631,996	9,512,959
Deferred tax assets	20	遞延稅項資產	81,002	84,362
Prepayments, other receivables and other assets	22	預付款項、其他應收款項及其他資產	18,731	25,191
Contract assets	23	合約資產	492,730	1,177,367
Total non-current assets		非流動資產總值	12,139,651	12,615,934
CURRENT ASSETS		流動資產		
Inventories		存貨	17,534	18,092
Contract assets	23	合約資產	53,057	77,629
Equity investments designated at fair value through other comprehensive income	16	指定為按公平值計入其他全面收益的股權投資	399,000	347,000
Financial receivables	19	金融應收款項	2,041,985	2,079,291
Trade receivables	21	貿易應收款項	3,169,688	2,808,513
Prepayments, other receivables and other assets	22	預付款項、其他應收款項及其他資產	760,656	903,826
Pledged deposits	24	抵押存款	93,698	128,713
Cash and cash equivalents	24	現金及現金等價物	122,158	248,360
Other current financial assets		其他流動金融資產	—	4
			6,657,776	6,611,428
Assets of a disposal group classified as held for sale	25	分類為持有待售的出售組合的資產	356,499	—
Total current assets		流動資產總值	7,014,275	6,611,428

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2024 二零二四年十二月三十一日

		Notes 附註	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	26	1,849,716	2,013,332
Other payables and accruals	其他應付款項及應計費用	27	142,038	177,286
Interest-bearing bank and other borrowings	計息銀行及其他借款	28	2,961,204	3,501,475
Tax payable	應付稅項		89,223	79,356
			5,042,181	5,771,449
Liabilities directly associated with the assets classified as held for sale	與分類為持有待售的資產直接相關的負債	25	260,448	–
Total current liabilities	流動負債總額		5,302,629	5,771,449
NET CURRENT ASSETS	流動資產淨額		1,711,646	839,979
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		13,851,297	13,455,913
NON-CURRENT LIABILITIES	非流動負債			
Trade payables	貿易應付款項	26	4	201
Interest-bearing bank and other borrowings	計息銀行及其他借款	28	6,651,072	6,415,560
Other payables and accruals	其他應付款項及應計費用	27	–	30,629
Deferred tax liabilities	遞延稅項負債	20	1,180,376	1,159,491
Total non-current liabilities	非流動負債總額		7,831,452	7,605,881

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Issued capital	Share premium	Merger reserve	Special reserve	Share option reserve	Fair value reserve of financial assets at fair value through other comprehensive income 按公平值計入其他全面收益的金融資產	Retained profits	Total	Non-controlling interests	Total equity
		已發行股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	合併儲備 RMB'000 人民幣千元	特別儲備 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	公平值儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
As at 1 January 2023	於二零二三年一月一日	17,125	1,717,384	393,131	-	65,553	(119,850)	3,530,092	5,603,435	137,173	5,740,608
Profit for the year	年內溢利	-	-	-	-	-	-	124,753	124,753	5,475	130,228
Other comprehensive income for the year:	年內其他全面收益：										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定為按公平值計入其他全面收益的股權投資公平值變動，扣除稅項	-	-	-	-	-	(13,600)	-	(13,600)	-	(13,600)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(13,600)	124,753	111,153	5,475	116,628
Acquisition of non-controlling interests	收購非控股權益	-	-	(2,799)	-	-	-	-	(2,799)	(4,405)	(7,204)
Transfer to special reserve (a)	轉撥至特別儲備(a)	-	-	-	2,603	-	-	(2,603)	-	-	-
Utilisation of special reserve (a)	動用特別儲備(a)	-	-	-	(2,603)	-	-	2,603	-	-	-
As at 31 December 2023	於二零二三年十二月三十一日	17,125	1,717,384*	390,332*	-*	65,553*	(133,450)*	3,654,845*	5,711,789	138,243	5,850,032
As at 1 January 2024	於二零二四年一月一日	17,125	1,717,384	390,332	-	65,553	(133,450)	3,654,845	5,711,789	138,243	5,850,032
Profit for the year	年內溢利	-	-	-	-	-	-	167,998	167,998	2,883	170,881
Other comprehensive income for the year:	年內其他全面收益：										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定為按公平值計入其他全面收益的股權投資公平值變動，扣除稅項	-	-	-	-	-	44,200	-	44,200	-	44,200
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	44,200	167,998	212,198	2,883	215,081
Acquisition of non-controlling interests	收購非控股權益	-	-	5,834	-	-	-	-	5,834	(55,085)	(49,251)
Transfer to special reserve (a)	轉撥至特別儲備(a)	-	-	-	3,905	-	-	(3,905)	-	-	-
Utilisation of special reserve (a)	動用特別儲備(a)	-	-	-	(3,905)	-	-	3,905	-	-	-
Dividends paid to non-controlling equity holders	向非控股權益持有人支付之股息	-	-	-	-	-	-	-	-	(1,158)	(1,158)
Equity-settled share option arrangements (b)	以權益結算的購股權安排(b)	-	-	-	-	5,141	-	-	5,141	-	5,141
As at 31 December 2024	於二零二四年十二月三十一日	17,125	1,717,384*	396,166*	-*	70,694*	(89,250)*	3,822,843*	5,934,962	84,883	6,019,845

* These reserve accounts comprise the consolidated reserves of RMB5,917,837,000 (31 December 2023: RMB5,694,664,000) in the consolidated statement of financial position.

該等儲備賬包括綜合財務狀況表內人民幣5,917,837,000元(二零二三年十二月三十一日：人民幣5,694,664,000元)的綜合儲備。

Consolidated Statement of Changes in Equity 綜合權益變動表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

Notes:

(a) The

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

	Notes	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Decrease/(increase) in inventories		558	(610)
Increase in financial receivables		(405,294)	(386,594)
Decrease in contract assets		475,823	459,326
Increase in trade receivables		(509,102)	(402,720)
Increase in prepayments, other receivables and other assets		(8,542)	(24,846)
Decrease in trade and bills payables		(67,636)	(220,391)
Increase/(decrease) in other payables and accruals		20,852	(15,991)
Decrease in deferred income		(30,629)	(1,930)
Change in net defined pension liability		24,817	24,817
Interest received		2,166	2,830
Income taxes paid		(27,547)	(24,795)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2024 截至二零二四年十二月三十一日止年度

	Notes 附註	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Increase of interest-bearing bank and other borrowings	計息銀行及其他借款增加	5,707,143	5,308,853
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款	(5,838,047)	(5,071,877)
Interest paid	已付利息	(477,744)	(478,947)
Acquisition of non-controlling interests	收購非控股權益	(16,103)	(13,600)
Principal portion of lease payments	租賃付款的本金部份	(1,273)	(1,537)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(626,024)	(257,108)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 (減少) 增加淨額	(71,111)	48,618
Cash and cash equivalents at beginning of year	年初現金及現金等價物	248,360	196,938
Effect of foreign exchange rate changes, net	匯率變動的影響淨額	(153)	2,804
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	177,096	248,360
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balance	現金及銀行結餘	215,856	376,073
Time deposits	定期存款	–	1,000
Less: Pledged deposits	減：抵押存款	(93,698)	(128,713)
Cash and cash equivalents as stated in the statement of financial position	財務狀況表內所列現金及現金等價物	122,158	248,360
Cash and cash equivalents attributable to a disposal group classified as held for sale	分類為持有待售的出售組別應佔的現金及現金等價物	54,938	–
Cash and cash equivalents as stated in the statement of cash flows	現金流量表內所列現金及現金等價物	177,096	248,360

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. CORPORATE AND GROUP E

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Kangyu Investment Co., Ltd. (康渝投資有限公司) ^{# ^}	PRC/Mainland China	US\$200,000,000	–	100	Investment activities
康渝投資有限公司 [^]	中國 中國內地	200,000,000 美元	–	100	投資活動
Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd. ("Chongqing Kangda") (重慶康達環保產業(集團)有限公司) ^{# *}	PRC/Mainland China	RMB1,876,019,000	–	100	Investment in WTPs and construction of municipal infrastructure
重慶康達環保產業 (集團)有限公司("重慶康達") [*]	中國 中國內地	人民幣 1,876,019,000 元	–	100	投資污水處理廠及 建設市政基礎設施
Kangda Environmental Pro05 0 Td <1Tj (P)Tj (r)Tj (o)T5 0 Td <14FE>n820 0 9 521.3198 391.4479 Tm ()Tj ET EMC /F8(r)TjT1_1 1 Tf 6.66 0 0 9 33R ()Tj ET EMC /Span					

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下：(續)

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Guangrao Kangda Environmental Protection Water Co., Ltd. (廣饒康達環保水務有限公司)*	PRC/Mainland China	RMB8,320,000	–	100	Construction of WTPs and provision of WTP operation services
廣饒康達環保水務有限公司*	中國 中國內地	人民幣 8,320,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Harbin Kangda Environmental Protection Investment Co., Ltd. (哈爾濱康達環保投資有限公司)*	PRC/Mainland China	RMB30,000,000	–	100	Construction of WTPs and provision of WTP operation services
哈爾濱康達環保投資有限公司*	中國 中國內地	人民幣 30,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Linying Kangda Environmental Protection Water Co., Ltd. (臨穎康達環保水務有限公司)*	PRC/Mainland China	RMB6,000,000	–	100	Provision of WTP operation services
臨穎康達環保水務有限公司*	中國 中國內地	人民幣 6,000,000元	–	100	提供污水處理廠運營服務

Weifang Kangda E <0295>Tj 174.662 >>BDC (a)Tj (n)Tj (g)Tj (d)TTj (K)Tj (a)Tj (n)Tj (g)Tj (1)Tj (0)Tj (0)T.66 0 0 9 10TPj (0)Tm

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the principal subsidiaries of the Company are as follows: (Continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下:(續)

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Kangda Environmental Protection (Gaomi) Fengcheng Sewage Treatment Co., Ltd. (康達環保(高密)鳳城生活污水處理有限 公司) ^{#*}	PRC/Mainland China	RMB8,500,000	–	100	Provision of WTP operation services
康達環保(高密)鳳城生活 污水處理有限公司*	中國 中國內地	人民幣 8,500,000元	–	100	提供污水處理廠運營服務
Rushan Kangda Water Co., Ltd. (乳山康達水務有限公司) ^{#*}	PRC/Mainland China	RMB24,000,000	–	100	Construction of WTPs and provision of WTP operation services
乳山康達水務有限公司*	中國 中國內地	人民幣 24,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Shangqiu Kangda Sewage Treatment Co., Ltd. (商丘康達污水處理有限公司) ^{#*}	PRC/Mainland China	RMB20,250,000	–	100	Construction of WTPs and provision of WTP operation services
商丘康達污水處理有限公司*	中國 中國內地	人民幣 20,250,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Haiyang Xingcun Kangda Water Co., Ltd. (海陽行村康達水務有限公司) ^{#*}	PRC/Mainland China	RMB19,490,000	–	100	Construction of WTPs and provision of WTP operation services
海陽行村康達水務有限公司*	中國 中國內地	人民幣 19,490,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Shanxian Kangda Environmental Protection Water Co., Ltd. (單縣康達環保水務有限公司) ^{#*}	PRC/Mainland China	RMB26,500,000	–	100	Construction of WTPs and provision of WTP operation services
單縣康達環保水務有限公司*	中國 中國內地	人民幣 26,500,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務

Notes to the Consolidated Financial Statements

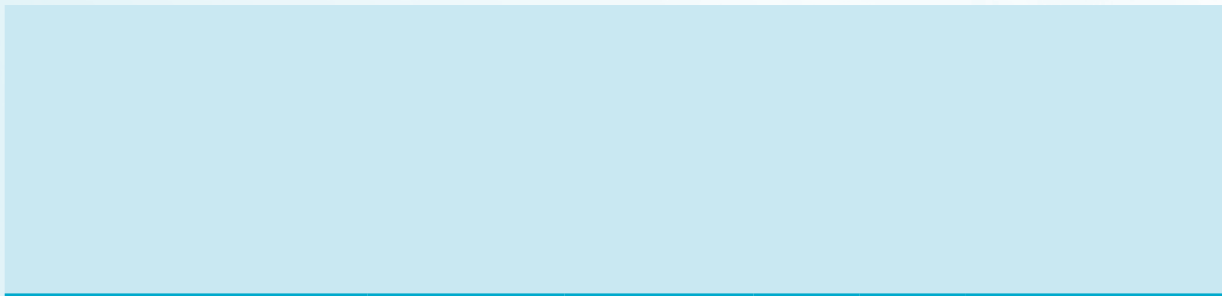
綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下:(續)



Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

Company name	Place of incorporation/ registration and operation	Issued ordinary/ registered share capital	P (a)Tj (p)Tj69 73.701 -18.102 re 312.638 529.669 7701 -18.102 re 312	

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the principal subsidiaries of the Company are as follows: (Continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下:(續)

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Weihai Kangda Ecological Environment Treatment Co., Ltd. (“Weihai Kangda”) (威海康達生態環境綜合治理有限公司)*	PRC/Mainland China	RMB100,000,000	–	88	Construction, operation and maintenance of WTPs, STPs, pipe networks and other municipal infrastructure
威海康達生態環境綜合治理 有限公司(「威海康達」)*	中國 中國內地	人民幣100,000,000元	–	88	建設、運營及維護 污水處理廠、污泥處理廠、 管網及其他市政基礎設施
Dongping Kangda Water Co., Ltd. (東平康達水務有限公司)*	PRC/Mainland China	US\$5,200,000	–	100	Construction of WTPs and provision of WTP operation services
東平康達水務有限公司*	中國 中國內地	5,200,000美元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Chongqing Kangda Lvyi Energy Investment Co., Ltd. (重慶康達綠意能源投資有限公司)*	PRC/Mainland China	RMB50,000,000	–	100	Investment in energy industry and provision of WTP operation services
重慶康達綠意能源投資有限公司*	中國 中國內地	人民幣50,000,000元	–	100	投資能源行業及 提供污水處理廠運營服務
Shangqiu Kangda Water Treatment Co., Ltd. (商丘康達水處理有限公司)*	PRC/Mainland China	RMB10,000,000	–	100	Construction of WTPs and provision of WTP operation services
商丘康達水處理有限公司*	中國 中國內地	人民幣10,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下:(續)

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chongqing Kangda Zhishang Environmental Protection Industry Co., Ltd. (重慶康達至尚環保產業有限公司) ^{# *}	PRC/Mainland China	RMB70,000,000	–	100	Construction of WTPs and provision of WTP operation services
重慶康達至尚環保產業有限公司*	中國 中國內地	人民幣70,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Huizhou Kangda Yingzhihuang Water Co., Ltd. (惠州康達英之皇水務有限公司) ^{# *}	PRC/Mainland China	RMB10,000,000	–	51	

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the principal subsidiaries of the Company are as follows: (Continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下：(續)

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dong'e County Kangda Sewage Treatment Co., Ltd. (東阿縣康達水務有限公司)* *	PRC/Mainland China	RMB110,000,000	–	100	Construction of WTPs and provision of WTP operation services
東阿縣康達水務有限公司*	中國 中國內地	人民幣110,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Liaocheng Jiaming Kangda Sewage Treatment Co., Ltd. (聊城嘉明康達污水處理有限公司)* *	PRC/Mainland China	RMB70,000,000	–	100	Construction of WTPs and provision of WTP operation services
聊城嘉明康達污水處理有限公司*	中國 中國內地	人民幣70,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Linqing City Kangda Sewage Treatment Co., Ltd. (臨清市康達污水處理有限公司)* *	PRC/Mainland China	RMB75,000,000	–	100	Construction of WTPs and provision of WTP operation services
臨清市康達污水處理有限公司*	中國 中國內地	人民幣75,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Qitaihe Kangda Water Co., Ltd. (七台河康達水務有限責任公司)* *	PRC/Mainland China	RMB90,000,000	–	100	Construction and provision of WTP and RWTP operation services and reclaimed water treatment services
七台河康達水務有限責任公司*	中國 中國內地	人民幣90,000,000元	–	100	建設污水處理廠及 再生水處理廠並提供運營服 務及提供再生水處理服務
Xinzheng Xinkang Water Co., Ltd. (新鄭新康水務有限公司)* *	PRC/Mainland China	RMB60,000,000	–	100	Construction of WTPs and provision of WTP operation services
新鄭新康水務有限公司*	中國 中國內地	人民幣60,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the principal subsidiaries of the Company are as follows: (Continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下：(續)

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Kangda Environmental Protection (Linyi) Water Co., Ltd. (康達環保(臨沂)水務有限公司)* *	PRC/Mainland China	RMB15,000,000	–	100	Construction of WTPs and provision of WTP operation services
康達環保(臨沂)水務有限公司*	中國 中國內地	人民幣15,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Fengxian Kangda Environmental Protection the second Sewage treatment Co., Ltd. (豐縣康達環保第二污水處理有限公司)* *	PRC/Mainland China	RMB20,000,000	–	100	Construction of WTPs and provision of WTP operation services
豐縣康達環保第二污水處理 有限公司*	中國 中國內地	人民幣20,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Jining Kangda Environmental Protection Water Co., Ltd. (濟寧康達環保水務有限公司)* *	PRC/Mainland China	RMB25,000,000	–	100	Construction of WTPs and provision of WTP operation services
濟寧康達環保水務有限公司*	中國 中國內地	人民幣25,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Haiyang Kangda Environmental Protection Water Co., Ltd. (海陽康達環保水務有限公司)* *	PRC/Mainland China	RMB6,000,000	–	100	Construction of WTPs and provision of WTP operation services
海陽康達環保水務有限公司*	中國 中國內地	人民幣6,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Wendeng Kangda Environmental Protection Water Co., Ltd. (文登康達環保水務有限公司)* *	PRC/Mainland China	RMB10,000,000	–	100	Construction of WTPs and provision of WTP operation services
文登康達環保水務有限公司*	中國 中國內地	人民幣10,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Weifang Binhai Kangda Environmental Protection Water Co., Ltd. (濰坊濱海康達環保水務有限公司)*	PRC/Mainland China	RMB10,500,000	–	100	Construction of WTPs and provision of WTP operation services
濰坊濱海康達環保水務有限公司*	中國 中國內地	人民幣10,500,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Kangda Environmental Protection (Hebi) Water Treatment Co., Ltd. ("Hebi Kangda") (康達環保(鶴壁)水處理有限公司)*	PRC/Mainland China	RMB5,500,000	–	100	Construction of WTPs and provision of WTP operation services
康達環保(鶴壁)水處理有限公司 (「鶴壁康達」)*	中國 中國內地	人民幣5,500,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Pingdingshan Kangda Environmental Protection Water Co., Ltd. (平頂山康達環保水務有限公司)*	PRC/Mainland China	RMB10,000,000	–	100	Construction of WTPs and provision of WTP operation services
平頂山康達環保水務有限公司*	中國 中國內地	人民幣10,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Huadian Kangda Environmental Protection Water Co., Ltd. (樺甸康達環保水務有限公司)*	PRC/Mainland China	RMB10,000,000	–	100	Construction of WTPs and provision of WTP operation services
樺甸康達環保水務有限公司*	中國 中國內地	人民幣10,000,000元	7	100	建設污水處理廠及 提供污水處理廠運營服務
Suihua Kangda Environmental Protection Water Co., Ltd. (綏化康達環保水務有限公司)	中國 中國內地	人民幣10,000,000元	7	100	建設污水處理廠及 提供污水處理廠運營服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tianjin Kangda Lyvi Sludge Treatment Co., Ltd. (天津康達綠意污泥處理有限公司)*	PRC/Mainland China	RMB2,000,000	–	100	Construction of STPs and provision of STP operation services
天津康達綠意污泥處理有限公司*	中國 中國內地	人民幣2,000,000元	–	100	建設污泥處理廠及 提供污泥處理廠運營服務
Jiaoling Kangda Environmental Governance Co., Ltd. ("Jiaoling Kangda") (蕉嶺康達環境治理有限公司)*	PRC/Mainland China	RMB56,172,000	–	97	Construction, operation and maintenance of WTPs and other environmental protection projects
蕉嶺康達環境治理有限公司 (「蕉嶺康達」)*	中國 中國內地	人民幣56,172,000元	–	97	建設、運營及維護 污水處理廠及其他環保項目

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued ordinary/ registered share capital 已發行普通 註冊股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Qingzhou Meiling Sewage Purification Co., Ltd. (青州市美陵污水淨化有限公司)*	PRC/Mainland China	RMB5,000,000	–	100	Construction of WTPs and provision of WTP operation services
青州市美陵污水淨化有限公司*	中國 中國內地	人民幣5,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Sichuan Weiyuan Hefeng Bioengineering Co., Ltd. (四川威遠禾豐生物工程有限公司)*	PRC/Mainland China	RMB45,000,000	–	100	Construction of WTPs and provision of WTP operation services
四川威遠禾豐生物工程有限公司*	中國 中國內地	人民幣45,000,000元	–	100	建設污水處理廠及 提供污水處理廠運營服務
Taiyuan Kangjin Water Co., Ltd. (太原康晉水務有限公司)*	PRC/Mainland China	RMB194,450,000	–	99.44	Construction of WTPs and provision of WTP operation services
太原康晉水務有限公司*	中國 中國內地	人民幣194,450,000元	–	99.44	建設污水處理廠及 提供污水處理廠運營服務
Weiyuan Kangda Environmental Protection Co., Ltd. (威遠康達環保有限公司)*	PRC/Mainland China	RMB38,496,000	–	95	Construction of WTPs and provision of WTP operation services
威遠康達環保有限公司*	中國 中國內地	人民幣38,496,000元	–	95	建設污水處理廠及 提供污水處理廠運營服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the principal subsidiaries of the Company are as follows: (Continued)

- # The English names of these companies referred to in this report represent management's best effort in translating the Chinese names of the companies registered in Mainland China, as no English names have been registered.
- ^ Kangyu Investment Co., Ltd. and Meiling Environmental Technology (Zibo) Co., Ltd. are registered as wholly-foreign-owned enterprises under PRC law.
- * These companies are registered as limited liability companies under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. 公司及集團資料(續)

有關附屬公司的資料(續)

有關本公司主要附屬公司的詳情載列如下:(續)

- # 由於在中國內地註冊的公司並無註冊英文名稱,本報告提述的該等公司英文名稱乃管理層盡力翻譯其中文名稱所得。
- ^ 康渝投資有限公司及美陵環境科技(淄博)有限公司根據中國法律註冊為外商獨資企業。
- * 該等公司乃根據中國法律註冊為有限責任公司。

董事認為上表所列本公司附屬公司主要影響本年度業績或組成本集團資產淨值的主要部分。董事認為列出其他附屬公司的詳情會導致資料過於冗長。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, except for equity investments designed at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, and any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)

綜合基準(續)

附屬公司財務報表就本公司相同報告期間編製，並採用一致的會計政策編製。附屬公司的業績由本集團獲得控制權之日作綜合入賬，直至有關控制權終止當日為止。

損益及其他全面收益的各個組成部分歸屬於本集團母公司的擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間的交易集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合入賬時全數抵銷。

倘事實及情況顯示上述三項控制因素中的一項或多項出現變化，本集團會重新評估其是否控制投資對象。並無失去控制權的附屬公司擁有權益變動乃以股本交易入賬。

倘本集團失去對一間附屬公司的控制權，則終止確認相關資產(包括商譽)、負債及任何非控股權益，及確認所保留任何投資的公平值及損益中任何因此產生的盈餘或虧絀。先前已於其他全面收益內確認的本集團應佔部分重新分類至損益或保留溢利，其是重何

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*
(the "2020 Amendments")

Amendments to IAS 1 *Non-current Liabilities with Covenants*
(the "2022 Amendments")

Amendments to IAS 7 *Supplier Finance Arrangements*
and IFRS 7

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2.2 會計政策及披露的變動

本集

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its n b l e

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures³</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
Amendments to IAS 21	<i>Lack of Exchangeability¹</i>
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團尚未於財務報表應用以下已頒佈但尚未生效以以

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

下文載述預計適用於本集團的國際財務報告準則之進一步資料：

國際財務報告準則第18號取代了國際會計準則第1號*財務報表之列報*。雖然國際財務報告準則第18號保留了國際會計準則第1號中的多個章節且僅作有限修訂，但其引入了關於損益及其他全面收益表列報的新要求，包括指定的總計和小計項目。實體須將損益及其他全面收益表中的所有收益及費用分類為以下五類之一：經營、投資、籌資、所得稅及已終止經營業務，並列報兩個新定義的小計項目。此外，該準則要求於單一附註中披露管理層定義的業績指標，並加強了主要財務報表及附註中資料的分組(匯總及分解)及列報位置的要求。部分原先包含於國際會計準則第1號的要求已移至國際會計準則第8號*會計政策、會計估計變更和差錯*，該準則現更名為國際會計準則第8號*財務報表的編製基礎*。由於國際財務報告準則第18號的發佈，國際會計準則第7號*現金流量表*、國際會計準則第33號*每股盈利及國際會計準則第34號中期財務報告*亦作出了有限但廣泛適用的修訂。此外，其他國際財務報告準則亦作出了輕微的相應修訂。國際財務報告準則第18號及對其他國際財務報告準則的相應修訂於二零二七年一月一日或之後開始的年度期間生效，並允許提前採用。實體須追溯應用該準則。本集團目前正在分析該等新規定，並評估國際財務報告準則第18號對本集團財務報表列報及披露之影響。

國際財務報告準則第19號允許符合資格之實體選擇採用簡化披露要求，同時仍須遵循其他國際財務報告準則中之確認、計量及列報規定。符合資格之實體須於報告期結束時滿足以下條件：為國際財務報告準則第10號*綜合財務報表*所定義之附屬公司；無公眾責任；及其母公司(最終或中間控股公司)須編製符合國際財務報告準則之綜合財務報表並可供公眾使用。此準則允許提前採用。由於本公司為上市公司，不符合選擇採用國際財務報告準則第19號之資格。本公司的部分附屬公司正考慮於其指定財務報表中應用國際財務報告準則第19號。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 add

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7.

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 重大會計政策(續)

於聯營公司及合營企業的投資(續)

本集團應佔聯營公司及合營企業的收購後業績及其他全面收益計入綜合損益及其他全面收益表。此外，倘直接於聯營公司或合營企業的權益確認一項變動，則本集團會於綜合權益變動表確認其應佔的任何變動(如適用)。本集團與聯營公司或合營企業交易產生的未變現收益及虧損均按本集團於聯營公司或合營企業的投資比例對銷，惟倘未變現虧損證明所轉讓資產出現減值則除外。收購聯營公司或合營企業所產生的商譽計入為本集團於聯營公司或合營企業投資的一部分。

倘於聯營公司的投資成為於合營企業的投資，或於合營企業的投資成為於聯營公司的投資，則不會重新計量保留權益。相反，投資繼續按權益法入賬。在所有其他情況下，於喪失對聯營公司的重大影響力或合營企業的共同控制權時，本集團按公平值計量及確認任何保留投資。於喪失重大影響力或共同控制權時聯營公司或合營企業的賬面值與保留投資的公平值及出售所得款項之間的任何差額於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 重大會計政策(續)

業務合併及商譽

業務合併使用收購法入賬。轉讓代價按收購日期的公平值計量，該公平值為本集團於收購日期所轉資產的公平值、本集團向被收購方的原擁有人承擔的負債及本集團就換取被收購方控制權而發行的股本權益的總和。就各項業務合併而言，本集團選擇是否以公平值或於被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時列為開支。

當所收購的一組活動及資產包括一項資源投入及一項實質過程，而兩者對創造產出的能力有重大貢獻，本集團認為其已收購一項業務。

本集團於收購業務時根據合約條款、收購日期的經濟環境及有關狀況評估所承擔的金融資產及負債，以作出適當分類及指定，包括區分被收購方主合約的嵌入式衍生工具。

倘業務合併為分階段實現，先前持有的股權應按收購日期的公平值重新計量，所產生的任何盈虧會於損益或其他全面收益(視情況而定)內確認。

收購方轉讓的任何或有代價將以收購日期的公平值確認。分類為資產或負債的或有代價按公平值計量，而公平值變動於損益確認。倘或有代價被分類為權益項目，則不再對其重新計量，直至其最終於權益內結清為止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重大會計政策(純流

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets,



Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

2.4 重大會計政策(續)

關聯方

倘符合下列情況，有關方則被視為與本集團有關聯：

- (a) 該方為某人士或某人士的直系親屬，且該人士
 - (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該方為以下任何條件適用的實體：
 - (i) 該實體與本集團為同一集團成員公司；
 - (ii) 該實體為另一實體(或另一實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 該實體為第三方實體的合營企業，而另一實體為第三方實體的聯營公司；
 - (v) 該實體為以本集團或本集團相關實體僱員為受益人的離職後福利計劃；

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

t e he

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been recognised as assets is accounted for as follows:

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

2.4 重

Property, plant and equipment and depreciation

(Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings and other infrastructure	3.13%–4.50%
Machinery	6.67%–18.00%
Office equipment and others	9.50%–18.00%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of each item of such properties to its residual value over its estimated useful life. The principal annual rate used for this purpose is as follows:

Buildings	4.50%
-----------	-------

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

2.4 重大會計政策(續)

投資物業

投資物業指持作賺取租金收入及或資本增值而持有的土地及樓宇權益(包括使用權資產)。有關物業首先按成本(包括交易成本)計量。初步確認後,投資物業按成本扣除累計折舊及任何減值虧損列賬。

折舊以直線法計算,按各項有關物業的估計使用年期攤銷成本至其剩餘價值。就此所採用的主要年率如下:

樓宇	4.50%
----	-------

無形資產(商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併中收購的無形資產的成本為收購日期的公平值。無形資產的可使用年期經評估分為有固定期限或無固定期限。使用年期有限的無形資產隨後於可用經濟年期內攤銷,並於有跡象顯示無形資產可能減值時評估是否減值。使用年期有限的無形資產的攤銷期及攤銷方法至少於各財政年度結算日進行審閱。

軟件

已購買軟件按成本減任何減值虧損列賬並按其估計可使用年期十年以直線法攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill) (Continued)

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

Operating concessions

For details of the accounting policy of operating concessions, please refer to "Service concession arrangements" below.

Operating contract rights

Operating contract rights represent the fair value of operating rights of WTPs or RWTPs acquired through business combination. These intangible assets are amortised on the straight-line basis over the remaining period of the operating contract rights.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 重大會計政策(續)

無形資產(商譽除外)(續)

研發開支

所有研發開支於產生時自損益中扣除。

發展新產品項目引致的支出，只在本集團可證明完成該項無形資產以供使用或出售在技術上可行，本身亦有意完成該項資產及有能力使用或出售該項資產，以及該項資產日後如何帶來經濟利益，備有所需資源完成項目及有能力可靠計量發展過程所需支出的情況下，方予以資本化及遞延。不符合此等準則的產品發展支出，將於產生時列作支銷。

遞延發展成本乃按成本減任何減值虧損列賬，並於相關產品自投入商業生產當日起計不超過五至七年的商業壽命內按直線法攤銷。

運營特許權

有關運營特許權的會計政策詳情，請參閱下文「服務特許經營安排」。

運營合約權利

運營合約權利指透過業務合併所取得污水處理廠或再生水處理廠運營權的公平值。該等無形資產於運營合約權利的剩餘年內按直線法攤銷。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約賦予權利於一段時間內控制已識別資產的用途以換取代價，則該合約為租賃或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land	19 years
Office	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量,並就任何重新計量租賃負債作出調整。使用權資產的成本包括已確認的租賃負債金額,已發生的初始直接成本,以及於開始日期或之前作出的租賃付款減已收取的任何租賃優惠。使用權資產在資產的租期及估計使用年期(以較短者為準)內按直線法計提折舊如下:

土地	19年
辦公室	2至5年

倘於租期結束時租賃資產的擁有權轉讓至本集團或成本反映購買權的行使,折舊則根據資產的估計可使用年期計算。

(b) 租賃負債

租賃負債於租賃開始日期按租賃期內作出的租賃付款之現值計予以確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率的可變租賃付款,以及預期在剩餘價值擔保下支付的金額。租賃付款亦包括合理確定將由本集團行使的購買選擇權之行使價,及為終止租賃而支付的罰款(倘租賃期反映本集團正行使終止權)。並非取決於某一指數或比率的可變租賃付款於導致付款的事件或條件發生的期間確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office properties that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債(續)

於計算租賃付款的現值時，本集團在租賃開始日期使用增量借款利率，因為租賃中所隱含的利率不易確定。在開始日期之後，租賃負債的金額將會增加以反映利息的增加及就已作出的租賃付款作出扣減。此外，倘租期有所更改、變更、租賃付款變更(如指數或比率變更導致未來租賃付款變更)或評估購買相關資產的選擇權有所變更，則重新計量租賃負債的賬面值。

本集團的租賃負債計入計息銀行及其他借款。

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用辦公物業的短期租賃(即自租賃開始日期起計租期為十二個月或以下，並且不包含購買選擇權的租賃)。其亦應用於被視為低價值的辦公物業的低價值資產租賃。

短期租賃的租賃款項及低價值資產租賃在租期內按直線法確認為支出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in other income and gains in the consolidated statement of profit or loss and other comprehensive income due to its nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised

as an expense over the lease term on the same basis as the lease income. For leases classified as operating leases, the Group does not recognise lease liabilities. For leases classified as finance leases, the Group recognises lease liabilities at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate. The Group also recognises lease receivables at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate. The Group also recognises lease receivables at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate.

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Service concession arrangements (Continued)

Consideration given by the Grantors

A financial asset (financial receivable) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from or at the direction of the Grantors for the construction services rendered and/or the consideration paid and payable by the Group for the rights to operate WTPs, and the Grantors have little, if any, discretion to avoid payment, usually because the agreements are enforceable by law. The Group has an unconditional right to receive cash or another financial asset if nothing other than the passage of time is required before payment of the consideration is due and the Grantors contractually guarantee to pay the Group specified or determinable amounts even if the payment is contingent on the Group ensuring that the infrastructure meets specified quality of efficiency requirements. The financial asset (financial receivable) is accounted for in accordance with the policy set out for *Financial assets at amortised cost (debt instruments) under "Investments and other financial assets"* below.

An intangible asset (operating concession) is recognised to the extent that the Group receives the rights to charge users of public service or the grantors remunerate the Group on the basis of the extent of use of the WTPs, RWTPs, WDPs, STPs or other municipal infrastructure by users, but with no guarantees as to the amounts that will be paid to the Group, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public use the service. The intangible asset (operating concession) is accounted for in accordance with the policy set out for "intangible assets" above, which is amortised on a straight-line basis over the terms of operation ranging from 25 to 30 years.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration.

2.4 重大會計政策(續)

服務特許經營安排(續)

授予人支付的代價

倘本集團於擁有無條件權利就所提供的建設服務及或本集團就污水處理廠的經營權利已付及應付的代價向授予人或按授予人的指示收取現金或另一項金融資產，且授予人避免付款的酌情權很小(如有)通常由於協議可按法律強制執行，則會確認金融資產(金融應收款項)。倘於代價到期支付前隨時間流逝外並無其他規定，且授予人以合約方式擔保向本集團支付特定或可釐定金額，即使付款須以本集團確保基礎設施符合特定的有效質量要求為條件，本集團仍擁有無條件權利收取現金或其他金融資產。金融資產(金融應收款項)乃根據下文「投資及其他金融資產」項下按攤銷成本計量之金融資產(債務工具)所載的政策入賬。

無形資產(經營特許權)只有在本集團獲得權利可向公共服務使用者收費或授予人按照使用者使用污水處理廠、再生水處理廠、供水廠、污泥處理廠或其他市政基礎設施的情況對本集團作出補償(但不保證將支付予本集團的金額)時亦予確認，此項權利並非收取現金的無條件權利，因金額視乎公眾使用服務的程度而定。該項無形資產乃根據上文「無形資產」所載政策入賬，乃於介乎25至30年的經營年期內按直線法攤銷。

倘本集團就建設服務獲支付的代價部分為一項金融資產及部分為一項無形資產，則代價的各組成部分須分開入賬，初步按代價的公平值確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Service concession arrangements (Continued)

Construction or upgrade services

Costs relating to construction or upgrade services comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of t

iar(pī iTj 0.269 3 ()Tj 0.370.362 0 Td (i)Tj b 0T 0 Td (i)Tj 0.269 N2 0 Td (i)T3id

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.4 重大會計政策(續)

投資及其他金融資產(續)

初步確認及計量(續)

按攤銷成本或通過其他全面收益公平值計量及分類的金融資產，產生的現金流量應僅為支付本金及未償還的本金產生的利息("SPPI") (僅為支付本金及利息)。現金流量並非SPPI的金融資產，不論其業務模式如何，均按公平值計入損益分類及計量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產在旨在持有金融資產以收取合約現金流量的業務模式內持有，而按公平值計入其他全面收益分類及計量的金融資產則在旨在持有以收集合約現金流量及出售的業務模式內持有。並非在上述業務模式內持有的金融資產則以按公平值計入損益分類及計量。

購買或出售金融資產須於監管或市場慣例規定的期間內交付資產，則於交易日(即本集團承諾購買或出售資產的日期)確認。

後續計量

金融資產的後續計量視乎其如下分類而定：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、變更或減值時，收益及虧損於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 重大會計政策(續)

投資及其他金融資產(續)

後續計量(續)

指定為按公平值計入其他全面收益的金融資產(股權投資)

於初步確認時，本集團可選擇於股權投資符合國際會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其股權投資不可撤回地分類為指定為按公平值計入其他全面收益的股權投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益。當確立支付權時，股息於損益中確認為其他收入，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定為按公平值計入其他全面收益的股權投資不受減值評估影響。

終止確認金融資產

金融資產(或(如適用)一項金融資產或一組類似金融資產的部分)主要於下列情況下終止確認(即從本集團的綜合財務狀況表內移除)：

- 自資產收取現金流量的權利已屆滿；或
- 本集團已根據「轉讓」安排轉讓自資產收取現金流量的權利或承擔在無重大延誤情況下向第三方悉數支付已收取現金流量的責任，及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團概無轉讓亦無保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

31 December 2024 二零二四年十二月三十一日

Derecognition of financial assets (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of

The Group recognises an allowance for exp74472742335335777

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The various group companies have different credit policies depending on the requirements of their markets in which they operate and the businesses they engage in. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- | | |
|---------|--|
| Stage 1 | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

2.4 重大會計政策(續)

金融資產減值(續)

一般方式(續)

於各報告日期，本集團評估信貸風險自初始確認以來是否顯著上升。於評估時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性的資料，包括過往經驗及毋須花費不必要成本或努力獲取的前瞻性資料。

各集團公司訂有不同的信貸政策，視乎其業務營運所在市場及所從事業務的要求而定。然而，在若干情況下，倘內部或外部資料顯示，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收回未償還合約款項，則本集團亦可認為金融資產已違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按公平值計入其他全面收益的債務工具及按攤銷成本計量的金融資產應以一般方法減值及根據以下預期信貸虧損的計量階段分類，惟貿易應收款項須應用以下詳述之簡化方法除外。

- | | |
|------|--|
| 第一階段 | 自初始確認以來信貸風險未有顯著上升的金融工具及該等按相當於12個月預期信貸虧損之金額計量虧損減值的金融工具 |
| 第二階段 | 自初始確認以來信貸風險顯著上升惟不屬於未作信貸減值的金融資產之金融工具及該等按相等於全期預期信貸虧損之金額計量虧損減值的金融工具 |
| 第三階段 | 於報告日期已作信貸減值的金融資產(惟不是已購買或源頭信貸減值)及該等按相等於全期預期信貸虧損之金額計量虧損減值的金融資產 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the

practical expedient 0.564 0 Td (s)T13199 > 0 Td (l)Tj Of Tm (p)Td (t)Tjd (p)Tj 0.615 0 Td d (j) 0.564 0 Td (s Td (a)Tj 0.539 0 Td (l)

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at amortised cost (trade and other payables, and borrowings) (Continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.4 重大會計政策(續)

金融負債(續)

其後計量(續)

按攤銷成本計量之金融負債(貿易及其他應付款項及借款)(續)

計算攤銷成本時須計及收購時的任何折讓或溢價，且包括組成實際利率不可缺少的費用或成本。實際利率攤銷計入損益的融資成本。

終止確認金融負債

倘金融負債的責任被解除、取消或到期，則會終止確認金融負債。

倘現有金融負債被來自同一貸款人的另一項與現有大部分條款不相同的負債所替代，或現有負債的條款大部分被修訂，該項交換或修訂作為終止確認原有負債及確認新負債處理，兩者相應賬面值的差額於損益內確認。

抵銷金融工具

倘現行存在合法可強制執行的權利以抵銷已確認金融資產及金融負債金額及有意按淨額基準結算，或可同時變現資產並結算負債，則金融資產及金融負債可互相抵銷，抵銷淨額於財務狀況表內呈報。

存貨

存貨按成本與可變現淨值中較低者列賬。成本按先進先出基準釐定。可變現淨值按估計售價減完成及出售時產生的任何估計成本計算。

現金及現金等價物

財務狀況表中的現金及現金等價物包括手頭現金及銀行現金，以及到期日通常在三個月內的短期高流動性存款，其可隨時轉換為已知金額的現金，價值變動風險很小及為滿足短期現金承擔而持有。

就綜合現金流量表而言，現金及現金等價物包括手頭及銀行現金以及上文所界定的短期存款，減須按要求償還並構成本集團現金管理組成部分的銀行透支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 重大會計政策(續)

撥備

倘因過往事件須承擔現時責任(法定或推定),而履行該責任可能導致未來資源外流,假設該責任所涉金額能夠可靠估計,則確認撥備。

倘折現影響重大,則確認為撥備的金額為預期履行責任所需未來開支於報告期末的現值。因時間推移而產生的折現值增加計入損益表的融資成本內。

於業務合併中確認的或然負債初步按其公平值計量,其後則按(i)將根據上述一般撥備政策確認的金額;與(ii)初步確認金額減(指在適當情況下)根據收益確認政策確認的收益金額兩者中的較高值計量。

所得稅

所得稅包括即期及遞延稅項。與於損益以外確認的項目相關的所得稅於損益以外確認,即於其他全面收益或直接於權益確認。

即期稅項資產及負債,乃根據報告期末已實施或大致實施的稅率(及稅法),考慮到本集團經營所在國家現行詮釋及慣例,以預期可自稅務機關收回或向稅務機關支付的金額計量。

遞延稅項乃使用負債法,就於報告期末資產及負債的稅基與其作財務申報用途的賬面值間所有暫時差額作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 重大會計政策(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額確認，惟以下情況除外：

- 倘遞延稅項負債來自初步確認商譽或非業務合併交易中的資產或負債，且於交易時對會計溢利及應課稅溢利或虧損均無影響，且不會產生相等應課稅及可扣稅暫時差額；及
- 對於與附屬公司、聯營公司及合營企業投資有關的應課稅暫時差額，倘能夠控制撥回暫時差額的時間，且於可見將來應不會撥回暫時差額。

遞延稅項資產乃就所有可扣稅暫時差額、結轉的未動用稅項抵免及任何未動用稅項虧損確認。倘可能有可供動用可扣稅暫時差額、結轉的未動用稅項抵免及任何未動用稅項虧損的應課稅溢利，則會確認遞延稅項資產，惟以下情況除外：

- 倘與可扣稅暫時差額有關的遞延稅項資產來自初步確認非業務合併交易中的資產或負債，且於交易時對會計溢利及應課稅溢利或虧損均無影響，且不會產生相等應課稅及可扣稅暫時差額；及
- 對於與附屬公司、聯營公司及合

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

2.4 重大會計政策(續)

所得稅(續)

遞延稅項資產的賬面值會於各報告期末檢討，倘不再可能有可供動用全部或部分遞延稅項資產的足夠應課稅溢利，則會予以調低。未確認的遞延稅項資產會於各報告期末重新評估及於可能有可供收回全部或部分遞延稅項資產的足夠應課稅溢利時確認。

遞延稅項資產及負債乃根據於報告期末前已實施或大致實施的稅率(及稅法)，按預期於資產變現或負債償還期間適用的稅率計算。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅項負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延負債可予抵消。

政府補助

如能合理確保將獲得政府補助，且所有附帶條件將獲遵守，則政府補助按公平值確認。如補助與支出項目有關，則有系統地將補助在擬補償的成本支銷期間確認為收入。

倘補助涉及一項資產，則其公平值會計入遞延收益賬，並按有關資產的預計可使用年期以每年等額分期款項撥入損益或自該項資產的賬面值中扣除，並透過減少折舊開支方式撥入損益。

倘若本集團收到非貨幣資產補助金，則有關補助金會以非貨幣資產的公平值記錄，並在相關資產的預期使用年內每年按等額計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 重大會計政策(續)

收益確認

來自客戶合約的收益

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收益金額極有可能不會發生重大收益回撥。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率折現，該貼現率將反映在本集團與客戶在合約開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為在本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜方法，不會對重大融資部分的影響作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 0 Td07>Tj ET EMC /Art /Layout >>BDC 0 Td07>Tj ET EMC CEMC eEMC cEMC eEMC mEMC bEMC eEMC rTj ET EM

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

2.4 重大會計政策(續)

收益確認(續)

來自其他來源的收益

租賃收益已按時間比例於租賃期間獲確認。

其他收益

利息收益按應計基準使用實際利率法確認，透過應用於金融工具的預期期限或較短期間(如適用)其已估算未來現金流量的利率準確變現至金融資產的賬面淨值。

股息收入於股東收取付款權利實施後予以確認，與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠計量。

合約資產

倘本集團於無條件享有合約條款的代價之前，透過向客戶轉讓貨品或服務履行合約，則就所賺取有條件代價確認合約資產。合約資產須作減損測試，其詳情載於金融資產減值會計的政策。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss and other comprehensive income for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 重大會計政策(續)

合約負債

合約負債於本集團轉讓相關貨品或服務前收到客戶付款或付款到期(以較早者為準)時確認。倘本集團根據合約履約(即向客戶轉讓相關產品或服務的控制權),則合約負債確認為收益。

以股份為基礎的付款

本公司設有購股權計劃。本集團僱員(包括董事)按以股份為基礎的付款形式收取酬金,而僱員則提供服務換取股本工具(「股權結算交易」)。

與僱員進行股權結算交易的成本,乃參考購股權授出之日的公平值計量。公平值乃由外部估值師採用二項式模型釐定。

股權結算交易的成本在績效及或服務條件獲達成期間,連同股本的相應升幅一併於僱員福利開支確認。股權結算交易於各報告期末至歸屬日期間確認的累計開支,反映過去歸屬期屆滿以及本集團就最後歸屬的股本工具數目的最佳估計。期內自綜合損益及其他全面收益表扣除或計入收益的金額,指於該期間期初及期終所確認的累計開支變動。

在釐定獎勵於授予日期的公平值時,服務及非市場績效條件均不予考慮,但會評估符合該等條件的可能性,作為本集團就最終將予歸屬的股本工具數目作出最佳估計的部分工作。市場績效條件在授予日期公平值中反映。某項獎勵附帶的任何其他條件(但並無相關的服務要求)被視為非歸屬條件。非歸屬條件在獎勵的公平值中反映,並導致即時支銷獎勵,除非同時存在服務及或績效條件。



Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Other employee benefits (Continued)

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medic

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

2.4 重大會計政策(續)

外幣(續)

於終止確認與預付代價相關的非貨幣性資產或非貨幣性負債時，為釐定初步確認相關資產、開支或收入採用的匯率，初步交易日期為本集團初步確認預付代價產生的非貨幣性資產或非貨幣性負債當日。倘存在多筆預先付款或收款，本集團就每筆預付代價的付款或收款釐定交易日期。

2.5 重大會計判斷及估計

編製本集團的財務報表時，管理層須作出對收益、開支、資產及負債的報告金額、其相關披露以及或然負債的披露產生影響的判斷、估計和假設。這些假設及估計相關的不確定性可能引致須對日後受影響的資產或負債的賬面值作出重大調整的後果。

判斷

在應用本集團的會計政策的過程中，除涉及估計的判斷外，管理層作出以下對財務報表中確認的金額影響最重大的判斷：

客戶合約收益

本集團採取以下對釐定金額及客戶合約收益時機造成重大影響之判斷：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Revenue from contracts with customers (Continued)

(i) *Accounting for service concession arrangements*

The Group engages in certain service concession arrangements in which the Group carries out construction work of the WTPs. The Group has identified the following as the significant accounting judgements and estimates in relation to the service concession arrangements:

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Revenue from contracts with customers (Continued)

(i) Accounting for service concession arrangement

(Continued)

Subsequent to initial recognition, the financial receivable is measured at amortised cost using the effective interest method.

Revenue from the construction service under the terms of service concession arrangements is estimated on a cost-plus basis with reference to a prevailing market rate of gross margin at the date of agreement applicable to similar construction services rendered in similar locations, and is recognised on the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract. The Group's prevailing margins of gross construction margin were valued by CHFT Advisory and Appraisal Ltd. ("CHFT"), an independent third-party valuer that has appropriate qualifications and recent experience in the valuation of gross construction margin.

When the Group receives a payment during the concession period, it will apportion such payment among (i) a repayment of the financial receivables (if any), which will be used to reduce the carrying amount of the financial receivables on the statement of financial position, (ii) interest income, which will be recognised as revenue in profit or loss and (iii) revenue from operating and maintaining the WTPs, RWTPs, WDPs, STPs or other municipal infrastructure in profit or loss.

Judgement is also exercised in determining the fair value of the financial receivables. Discount rates, estimates of future cash flows and other factors are used in the valuation process.

2.5 重大會計判斷及估計(續)

判斷(續)

客戶合約收益(續)

(i) 服務特許經營安排的會計處理(續)

在初步確認後，金融應收款項採用實際利率法按攤銷成本計量。

服務特許經營安排條款下的建設服務收益乃參考適用於協議日期在類似地點提供類似建設服務現行的市場毛利率，按成本加成基準估計，並按竣工百分比法(參考至今所產生成本佔相關合約估計成本總額的比例計量)確認。本集團建設毛利潤率的當時費率由獨立第三方估值師華坊諮詢評估有限公司(「華坊」)估值；該估值師具有評估建設毛利潤率方面的合適資格及近期經驗。

本集團於特許經營期內收到款項時，會將有關款項分配至(i)償還金融應收款項(如有)，用以減少財務狀況表金融應收款項的賬面值，(ii)利息收入(將於損益確認為收益)及(iii)污水處理廠、再生水處理廠、供水廠、污泥處理廠或其他市政基礎設施運營及維護收益(於損益確認)。

在釐定金融應收款項的公平值時亦會作出判斷。折現率、估計未來現金流量及其他因素會於估值過程中使用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Revenue from contracts with customers (Continued)

(ii) Accounting for EPC arrangements

The Group seeks to collect claims from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract, which give rise to variable consideration. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for claims in construction services, given there is a wide range of possible outcomes which are subject to negotiations with third parties.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, current negotiations with customers, profitability of the head contracts of the customers and the current economic conditions.

Withholding tax arising from the distribution of dividends

The Group's determination as to whether to accrue for withholding taxes arising from the distributions of dividends from certain subsidiaries according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends or on whether certain subsidiaries of the Group are determined to be Chinese resident enterprises by the PRC governing tax authorities in the future. Management considered that it is not probable that the Group's subsidiaries in the PRC will distribute retained profits as at the end of the year in the foreseeable future, and accordingly no additional provision for withholding tax was made. Where the final outcome of these matters is different from the amounts originally rewarded, the difference will impact the deferred tax provision in the period in which the difference arises.

2.5 重大會計判斷及估計(續)

判斷(續)

客戶合約收益(續)

(ii) EPC安排的會計處理

本集團尋求向客戶收取賠償，作為原始建設合約未包含工程範圍的成本及保證金的補償，從而產生可變代價。鑒於存在多種可能結果需要與第三方協商，本集團認為預期價值法為用於估計建設服務索償可變代價的最佳方法。

將任何數額可變代價納入交易價格之前，本集團會考慮可變代價金額是否受到約束。根據歷史經驗、與客戶的當前談判、客戶總承包的盈利能力及當前經濟狀況，本集團認為可變代價的估計不受約束。

派發股息產生的預扣稅

本集團釐定是否根據相關稅務司法權區累計若干附屬公司派發股息產生的預扣稅，乃視乎對派付股息的時間或中國規管稅務機關會否於日後釐定本集團若干附屬公司為中國居民企業的判斷而定。管理層認為於可見將來，本集團的中國附屬公司將不大可能於年末派發保留溢利，故並無作出額外預扣稅撥備。如該等事宜的最終結果與原先獲獎勵的金額不同，有關差額將對出現差額期間的遞延稅項撥備造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group periodically reviews the changes in market conditions, expected physical wear and tear, and the maintenance of the asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. Depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed, at the end of the year, based on changes in circumstances.

Current income tax and deferred income tax

The Group is subject to income taxes in Hong Kong and Mainland China. Estimation is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current income tax and deferred income tax in the periods in which the differences arise. Deferred tax assets relating to certain temporary differences or unused tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or the unused losses can be utilised.

The realisation of the deferred tax assets mainly depends on whether sufficient future profits will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which will be recognised in profit or loss in the period in which such a reversal takes place. Details of deferred tax assets are contained in note 20 to the financial statements.

2.5 重大會計判斷及估計(續)

估計的不確定性

下文闡述有重大風險可能導致下一財政年度資產及負債的賬面值作重大調整的與日後有關的重要假設及於年末其他重要的估計不確定性來源。

物業、廠房及設備項目的可使用年期及剩餘價值

在釐定物業、廠房及設備項目的可使用年期及剩餘價值時，本集團會定期檢討資產的市場情況變動、預期實物耗損及維護。資產的可使用年期乃根據本集團過往按類似方式使用的類似資產的經驗估計。如物業、廠房及設備項目的估計可使用年期及或剩餘價值與先前的估計不同，將對折舊金額作出調整。可使用年期及剩餘價值會根據情況變動於年末檢討。

即期所得稅及遞延所得稅

本集團須在香港及中國內地繳付所得稅。在釐定稅項撥備時須作出估計。在日常業務過程中，很多交易及計算的最終稅項釐定並不確定。當有關事項的末期稅項結果有別於初始記錄金額時，有關差額將影響即期所得稅及差異產生期間的遞延所得稅撥備。與若干暫時差額或未動用稅務虧損有關的遞延稅項資產於管理層認為日後可能有可供動用暫時差額或未動用稅務虧損的應課稅溢利時確認。

遞延稅項資產的變現主要視乎

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Percentage of completion of construction services

The Group recognises revenue according to the percentage of completion of individual contracts of construction works, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs. Due to the nature of the activity undertaken in construction works, the date on which the activity commences and the date on which the activity completes usually fall into different accounting periods. Hence, the Group reviews and revises the percentage of completion of construction works. Where the actual contract revenue is less than expected or actual contract costs are more than expected, a foreseeable loss may arise.

Estimation of total budgeted costs and cost to completion for construction services

Total budgeted costs for construction contracts comprise (i) direct material costs and direct labour, (ii) costs of subcontracting, and (iii) an appropriation of variable and fixed construction overheads. In estimating the total budgeted costs for construction contracts, management refers to information such as (i) current offers from sub-contractors and suppliers, (ii) recent offers agreed with sub-contractors and suppliers, and (iii) professional estimation on material costs, labour costs and other costs.

Provision for expected credit losses on trade receivables, financial receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables, financial receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2.5 重大會計判斷及估計(續)

估計的不確定性(續)

建設服務竣工百分比

本集團根據建設工程個別合約的竣工百分比確認收益，而該確認需要管理層作出估計。竣工階段經參考總預算成本產生的實際成本後進行估計。由於建設工程所進行活動的性質，活動開始日期及活動竣工日期一般屬於不同會計期間。因此，本集團會對建設工程竣工百分比進行審閱及修訂。如實際合約收益低於預期或實際合約成本高於預期，則可能產生可預見虧損。

建設服務的預算成本總額及完工成本估計

建設合約的總預算成本包括(i)直接物料成本及直接工資、(ii)分包成本，及(iii)適當比例的可變及固定建設費用。估計建設合約的總預算成本時，管理層會參考有關資料，例如(i)分包商及供應商的目前報價、(ii)分包商及供應商協定的近期報價、及(iii)有關物料成本、勞工成本及其他成本的專業估計。

貿易應收款項、金融應收款項及合約資產預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項、金融應收款項及合約資產預期信貸虧損撥備。撥備率乃根據具備類似虧損型態(即按地區、產品類別及評級以及以信用證及其他信用保險形式的保障劃分)的各類客戶分部逾期日數計算。

撥備矩陣最初基於本集團觀察所得的歷史違約率計算。本集團將透過調整矩陣方式，藉以透過前瞻性資料對過往信貸虧損經驗作出調整。例如，倘預測經濟狀況(即國內生產總值)預計將於未來一年內惡化，可能導致製造分部違約數量增加，過往違約率因而得到調整。於各報告日期，觀察所得的歷史違約率將會更新，並分析前瞻性評估變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables, financial receivables and contract assets (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's financial receivables, trade receivables and contract assets is disclosed in note 19, note 21 and note 23 to the financial statements, respectively.

Financial receivables

Estimation is exercised in determining the fair values of the financial receivables at initial recognition. These fair values are computed on the discounted cash flow method using a discount rate based upon the market-related rate for a similar instrument as at the date of initial recognition. The assumptions and estimates used can materially affect the fair values of the financial receivables.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 18.

2.5 重大會計判斷及估計(續)

估計的不確定性(續)

貿易應收款項、金融應收款項及合約資產預期信貸虧損撥備(續)

觀察所得的歷史違約率、預測經濟狀況及預期信貸虧損之間的關聯性評估屬一項重大估計。預期信貸虧損金額對環境變化及預測經濟狀況表現敏感。本集團歷史信貸虧損經驗及對經濟狀況所作預測可能未必意味著客戶日後實際違約。有關本集團金融應收款項、貿易應收款項及合約資產的預期信貸虧損的資料分別於財務報表附註19、附註21及附註23披露。

金融應收款項

在釐定金融應收款項於初步確認的公平值時會作出估計。有關公平值乃根據於初步確認日期類似工具的市場相關利率按照使用貼現率的貼現現金流量法計算。使用的假設及估計可能對金融應收款項的公平值產生重大影響。

商譽減值

本集團最少每年一次釐定商譽有否減值。此舉須估計獲分配商譽的現金產生單位的使用價值。本集團估計使用價值，須要估計現金產生單位的預期未來現金流量，以及須選出合適的貼現率，以計算該等現金流量的現值。進一步詳情載於附註18。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

2.5 重大會計判斷及估計(續)

估計的不確定性(續)

租賃 — 估計增量借款利率

本集團未能輕易釐定租賃的隱含利率，因此，其使用增量借款利率("IBR")計量租賃負債。IBR為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品於類似期間借入所需資金應支付之利率。因此，IBR反映了本集團「應支付」的利率，當無可觀察的利率時(如就並無訂立融資交易的附屬公司而言)或當須對利率進行調整以反映租賃的條款及條件時，則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據估算IBR並須作出若干實體特定的估計。

非金融資產(商譽除外)減值

本集團於各報告期末評估全部非金融資產(包括使用權資產)是否存在任何減值跡象。具無限年期的無形資產將於每年及出現減值跡象時進行減值測試。其他非金融資產將於有跡象顯示其賬面值可能不可收回時進行減值測試。當一項資產或現金產生單位的賬面值超過其可收回金額時即存在減值，減值為其公平值減出售成本與其使用價值兩者中的較高者。公平值減出售成本乃根據來自類似資產公平交易的受約束銷售交易的可用數據或可觀察市價減出售資產的增量成本計算。採用使用價值計算時，管理層必須估計來自資產或現金產生單位的未來預計現金流量，並選擇適當的折現率，以計算上述現金流量現值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to their nature. Each of the Group's operating segments represents a strategic business unit that provides services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

- (a) the segment of Urban Water Treatment engages in the design, construction, upgrade and operation of WTPs, RWTPs, STPs and WDPs, and in the operation and maintenance of waste water treatment facilities entrusted by governments ("O&M");
- (b) the segment of Water Environment Comprehensive Remediation engages in river harnessing and improvement, foul water body treatment, and sponge city construction; and
- (c) the segment of Rural Water Improvement engages in the construction and operation related to "the Water Environment Facilities of Beautiful Village" such as waste water treatment facilities and pipeline construction for collecting waste water so as to achieve rural living environment improvement.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that unallocated income and gains, finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

3. 經營分部資料

為方便管理，本集團經營業務的結構及管理乃按其性質分開處理。本集團各經營分部代表一個戰略業務單位，提供的服務涉及的風險及回報與其他經營分部不同。經營分部的詳情概述如下：

- (a) 城鎮水務分部涉及設計、建設、改造及運營污水處理廠、再生水處理廠、污泥處理廠及供水廠以及運營及維護政府委託的污水處理設施(「運營及維護」)；
- (b) 水環境綜合治理分部涉及流域治理及改善、黑臭水體修復及海綿城市興建；及
- (c) 鄉村污水治理分部涉及建設及營運「美麗鄉村水環境設施」，例如污水處理設施設備及污水收集管網建設，以達致鄉村居住環境改善。

管理層分開監察本集團各經營分部的業績，以作出資源分配及績效評估決定。分部表現按可呈報分部業績評估，並為經調整除稅前溢利的計量方式。經調整除稅前溢利的計量與本集團除稅前溢利一致，惟該計量不包括未分配的收入及收益、融資成本以及企業及其他未分配開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

(Continued)

Segment assets and liabilities mainly comprise operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment assets exclude investment properties, unallocated intangible assets, unallocated deferred tax assets, unallocated prepayments, other receivables and other assets, unallocated pledged deposits, unallocated cash and cash equivalents, unallocated investments in associates and a joint venture and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated other payables and accruals, lease liabilities, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 經營分部資料(續)

分部資產及負債主要由該分部直接應佔或可合理分配至該分部的經營資產及負債構成。

分部資產不包括投資物業、未分配無形資產、未分配遞延稅項資產、未分配預付款項、其他應收款項及其他資產、未分配抵押存款、未分配現金及現金等價物、於聯營公司及一家合營企業的未分配投資以及其他未分配總部及企業資產，原因為該等資產乃集團總部統一管理。

分部負債不包括未分配其他應付款項及應計費用、租賃負債以及其他未分配總部及企業負債，原因為該等負債乃以集團總部統一管理。

分部間銷售及轉讓乃參考按當時現行市價向第三方銷售的售價進行交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

(Continued)

3. 經營分部資料(續)

Year ended 31 December 2024	截至 二零二四年十二月三十一日 止年度	Urban Water Treatment 城鎮水務 RMB'000 人民幣千元	Water Environment Comprehensive Remediation 水環境 綜合治理 RMB'000 人民幣千元	Rural Water Improvement 鄉村 污水治理 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue	分部收益				
Sales to external customers	向外部客戶銷售	2,160,205	22,133	78,944	2,261,282
Total segment revenue	分部總收益	2,160,205	22,133	78,944	2,261,282
Segment results	分部業績	460,393	25,182	21,969	507,544
<i>Reconciliation:</i>	<i>對賬：</i>				
Unallocated income and gains	未分配收入及收益				9,451
Share of profits and losses of unallocated associates	分佔未分配聯營公司的損益				18
Share of profit and loss of an unallocated joint venture	分佔一家未分配合營企業的損益				(1,753)
Corporate and other unallocated expenses	企業及其他未分配開支				(76,233)
Unallocated lease-related finance costs	未分配租賃相關融資成本				(85)
Unallocated finance costs (other than interest on lease liabilities)	未分配融資成本 (租賃負債利息除外)				(202,699)
Profit before tax	除稅前溢利				236,243
Segment assets	分部資產	16,785,400	1,153,880	643,461	18,582,741
<i>Reconciliation:</i>	<i>對賬：</i>				
Corporate and other unallocated assets	企業及其他未分配資產				571,185
Total assets	總資產				19,153,926
Segment liabilities	分部負債	12,242,483	371,663	456,855	13,071,001
<i>Reconciliation:</i>	<i>對賬：</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				63,080
Total liabilities	總負債				13,134,081

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

(Continued)

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

(Continued)

3. 經營分部資料(續)

Year ended 31 December 2023	截至 二零二三年十二月三十一日 止年度	Urban Water Treatment 城鎮水務 RMB'000 人民幣千元	Water Environment Comprehensive Remediation 水環境 綜合治理 RMB'000 人民幣千元	Rural Water Improvement 鄉村 污水治理 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment revenue	分部收益				
Sales to external customers	向外部客戶銷售	2,123,024	43,438	49,919	2,216,381
Total segment revenue	分部總收益	2,123,024	43,438	49,919	2,216,381
Segment results	分部業績	512,121	(16,281)	(11,119)	484,721
<i>Reconciliation:</i>	<i>對賬：</i>				
Unallocated income and gains	未分配收入及收益				18,615
Share of profits and losses of unallocated associates	分佔未分配聯營公司的損益				3,777
Share of profit and loss of an unallocated joint venture	分佔一家未分配合營企業的損益				(42)
Corporate and other unallocated expenses	企業及其他未分配開支				(56,902)
Unallocated lease-related finance costs	未分配租賃相關融資成本				(156)
Unallocated finance costs (other than interest on lease liabilities)	未分配融資成本 (租賃負債利息除外)				(216,059)
Profit before tax	除稅前溢利				233,954
Segment assets	分部資產	16,511,177	1,253,543	636,810	18,401,530
<i>Reconciliation:</i>	<i>對賬：</i>				
Corporate and other unallocated assets	企業及其他未分配資產				825,832
Total assets	總資產				19,227,362
Segment liabilities	分部負債	12,473,546	489,654	362,094	13,325,294
<i>Reconciliation:</i>	<i>對賬：</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				52,036
Total liabilities	總負債				13,377,330

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

(Continued)

3. 經營分部資料(續)

Year ended 31 December 2023	截至 二零二三年十二月三十一日 止年度	Urban Water Treatment 城鎮水務 RMB'000 人民幣千元	Water Environment Comprehensive Remediation 水環境 綜合治理 RMB'000 人民幣千元	Rural Water Improvement 鄉村 污水治理 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Other segment information	其他分部資料				
Investments in associates	於聯營公司的投資	–	234,258	–	234,258
Unallocated investments in associates	於聯營公司的未分配投資				319
Investment in a joint venture	於一家合營企業的投資	69,656	–	–	69,656
Unallocated investment in a joint venture	於一家合營企業的未分配投資				8,435
Share of profits and losses of associates	分佔聯營公司的損益	–	922	–	922
Share of profits and losses of unallocated associates	分佔未分配聯營公司的損益				3,777
Share of profit and loss of a joint venture	分佔一家合營企業的損益	(286)	–	–	(286)
Share of profit and loss of an unallocated joint venture	分佔一家未分配合營企業的損益				(42)
Impairment losses recognised in profit or loss, net [#]	於損益確認的減值虧損淨額 [#]	(31,690)	(2,231)	–	(33,921)
Depreciation and amortisation	折舊及攤銷	65,837	18	25,046	90,901
Unallocated depreciation and amortisation	未分配折舊及攤銷				3,803
Total depreciation and amortisation	折舊及攤銷總額				94,704
Capital expenditure	資本開支	15,497	–	19,256	34,753
Unallocated amounts	未分配金額				8
Total capital expenditure*	資本開支總額*				34,761

* Capital expenditure consists of additions to property, plant and equipment and service concession contract assets.

[#] The impairment losses recognised in profit or loss consists of the impairment of financial receivables, the impairment of contract assets, the impairment of trade receivables and the impairment of other receivables.

* 資本開支包括添置物業、廠房及設備以及服務特許經營合約資產。

[#] 於損益確認的減值虧損包括金融應收款項減值、合約資產減值、貿易應收款項減值及其他應收款項減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

(Continued)

Geographical information

(a) Revenue from external customers

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Mainland China	中國內地	2,261,282	2,216,381

The revenue information above is based on the locations of the customers.

(b) Non-current assets

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Mainland China	中國內地	12,058,649	12,531,572

All the non-current assets are located in Mainland China.
The non-current asset information above excludes deferred tax assets.

3. 經營分部資料(續)

地區資料

(a) 外部客戶收益

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

3. OPERATING SEGMENT INFORMATION

(Continued)

Information about major customers

The revenue derived from the Group's two largest customers during the year is as follows:

Year ended 31 December 2024

		Urban Water Treatment 城鎮水務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Customer C	客戶 C	188,092	188,092
Customer B	客戶 B	140,732	140,732
		328,824	328,824

Year ended 31 December 2023

		Urban Water Treatment 城鎮水務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Customer A	客戶 A	152,322	152,322
Customer C	客戶 C	134,881	134,881
		287,203	287,203

3. 經營分部資料(續)

與主要客戶有關的資料

於年內，本集團兩大客戶產生的收益如下：

截至二零二四年十二月三十一日止年度

截至二零二三年十二月三十一日止年度

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

4. REVENUE

The Group has entered into a number of service concession arrangements with the Grantors on a BOT or a TOT basis in respect of its WTPs, RWTPs, WDPs, STPs or other municipal infrastructure. These service concession arrangements generally involve the Group as an operator in (i) constructing WTPs, RWTPs, WDPs, STPs or other municipal infrastructure for those arrangements on a BOT basis; (ii) paying a specific amount for those arrangements on a TOT basis; and (iii) operating WTPs, RWTPs, WDPs, STPs or other municipal infrastructure on behalf of the Grantors for periods ranging from 17 to 30 years (the "Service Concession Periods"), and the Group will be paid for its services over the Service Concession Periods at prices stipulated through a pricing mechanism.

The Group carries out construction works of other municipal infrastructure under EPC arrangements and agrees with EPC customers to enter into a settled agreement for the construction work during the construction.

Revenue represents: (i) an appropriate proportion of contract revenue from construction contracts under BOT arrangements, EPC arrangements and other construction service projects, net of tax and government surcharges; (ii) revenue from operation of WTPs, RWTPs, WDPs, STPs or other municipal infrastructure under BOT arrangements and TOT arrangements and the provision of Operation and Maintenance services; and (iii) financial income from service concession arrangements. The amounts of each of the significant categories of revenue during the year are as follows:

Revenue from contracts with customers

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Revenue from operating services	運營服務收益	1,251,647	1,295,986
Revenue from construction services	建設服務收益	266,035	173,630
Financial income from service concession arrangements	服務特許經營安排的財務收入	743,600	746,765
Total	總計	2,261,282	2,216,381

4. 收益

本集團已就污水處理廠、再生水處理廠、供水廠、污泥處理廠或其他市政基礎設施以BOT或TOT方式與授予人訂立多項服務特許經營安排。該等服務特許經營安排一般涉及本集團作為經營者(i)以BOT方式就該等安排建設污水處理廠、再生水處理廠、供水廠、污泥處理廠或其他市政基礎設施；(ii)以TOT方式就該等安排支付指定金額；及(iii)於17至30年的期間內(「服務特許經營期間」)代表授予人經營污水處理廠、再生水處理廠、供水廠、污泥處理廠或其他市政基礎設施，而本集團將於服務特許經營期間就其服務按通過定價機制規定的價格獲得報酬。

本集團根據EPC安排進行其他市政基礎設施的建設工程，並於建設期間與EPC客戶達成訂立建設工程的結算協議。

收益指：(i) BOT安排、EPC安排及其他建設服務項目下建設合約的適當比例合約收益，扣除稅項及政府附加費；(ii) BOT安排及TOT安排下運營污水處理廠、再生水處理廠、供水廠、污泥處理廠或其他市政基礎設施以及提供運營及維護服務的收益；及(iii)服務特許經營安排的財務收入。於年內各重大收益類別的金額如下：

客戶合約收益

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

4. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information

For the year ended 31 December 2024

4. 收益(續)

客戶合約收益(續)

(a) 收益資料細分

截至二零二四年十二月三十一日止年度

Segments	分部	Water Environment			Total
		Urban Water Treatment	Comprehensive Remediation	Rural Water Improvement	
		城鎮水務	綜合治理	污水治理	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from contracts with customers	客戶合約收益	2,160,205	22,133	78,944	2,261,282
Geographical market	地區市場				
Mainland China	中國內地	2,160,205	22,133	78,944	2,261,282
Total	總額	2,160,205	22,133	78,944	2,261,282
Timing of revenue recognition	收益確認時間				
Services transferred over time	隨時間轉移的服務	2,160,205	22,133	78,944	2,261,282
Total	總額	2,160,205	22,133	78,944	2,261,282

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

4. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (Continued)

For the year ended 31 December 2023

Segments	分部	Urban Water Treatment	Water Environment Comprehensive Remediation	Rural Water Improvement	Total
		城鎮水務	水環境綜合治理	鄉村污水治理	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from contracts with customers	客戶合約收益	2,123,024	43,438	49,919	2,216,381
Geographical market	地區市場				
Mainland China	中國內地	2,123,024	43,438	49,919	2,216,381
Total	總額	2,123,024	43,438	49,919	2,216,381
Timing of revenue recognition	收益確認時間				
Services transferred over time	隨時間轉移的服務	2,123,024	43,438	49,919	2,216,381
Total	總額	2,123,024	43,438	49,919	2,216,381

Revenue from construction services, operating services of waste water treatment, reclaimed water treatment, water distribution and sludge treatment and financial income from service concession arrangements are recognised over time.

(b) Performance obligations

The aggregate amount of the transaction prices allocated to the performance obligations of BOT and TOT arrangements that are unsatisfied (or partially unsatisfied) as at 31 December 2024 was RMB33 billion (2023: RMB33 billion). The performance obligations expected to be recognised in more than one year relate to the services to be performed in respect of the BOT and TOT arrangements. The amounts disclosed above do not include variable consideration which is constrained.

4. 收益(續)

客戶合約收益(續)

(a) 收益資料細分(續)

截至二零二三年十二月三十一日止年度

污水處理、再生水處理、供水以及污泥處理的建設服務、運營服務收益以及服務特許經營安排的財務收入均於一段時間內確認。

(b) 履約責任

於二零二四年十二月三十一日分配至BOT及TOT安排的未履行(或部分未履行)履約責任的交易價格總金額為人民幣330億元(二零二三年：人民幣330億元)。預期於一年以後確認之履約責任與將就BOT及TOT安排履行的服務有關。上文披露的金額不包括受限制的可變代價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

5. OTHER INCOME AND GAINS

5. 其他收入及收益

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Government grants*	政府補助*	25,178	20,230
Interest income from loans to a third party	向一家第三方貸款的利息收入	15,643	20,087
Bank interest income	銀行利息收入	2,215	2,522
Interest income from loans to an associate and a joint venture	向一家聯營公司及一家合營企業貸款的利息收入	1,985	1,663
Rental income less depreciation of investment properties	租金收入減投資物業折舊	619	1,274
Dividend income from equity investments designated at fair value through other comprehensive income	指定為按公平值計入其他全面收益之股權投資的股息收入	—	9,602
Foreign exchange differences, net	匯兌差額，淨額	—	510
Others**	其他**	21,174	3,901
Total	總計	66,814	59,789

* Government grants primarily represented the value-added tax refund and the environmental protection funds for environmental technological improvements granted by government authorities. Certain environmental protection funds related to the upgrading of WTPs granted by government authorities are recognised as deferred income that is recognised in profit or loss on a systematic basis over the expected upgrade interval cycle. There are no unfulfilled conditions or contingencies relating to these grants.

** The others mainly includes the gains from debt restructuring, net of goodwill impairment.

* 政府補助主要指政府機關授予的增值稅退稅及有關環保技術改進的環境保護基金。若干經政府當局批准與污水處理廠改造有關的環保基金已確認為遞延收入，於預期的改造間隔週期按系統化之基準於損益中確認。並無與該等補助有關的未滿足條件或或然事項。

** 其他主要包括債務重組收益(扣除商譽減值)。化

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/ (crediting):

6. 除稅前溢利

本集團的除稅前溢利乃經扣除（計入）以下各項後得出：

			2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
	Notes 附註			
Cost of construction services		建設服務成本	208,253	206,487
Cost of operation services		運營服務成本	964,015	933,900
Total cost of services		總服務成本	1,172,268	1,140,387
Depreciation of property, plant and equipment	12	物業、廠房及設備折舊	5,221	5,758
Depreciation of right-of-use assets	13(a)	使用權資產折舊	1,069	1,172
Amortisation of service concession intangible assets	17	無形資產 — 特許經營權攤銷	118,958	87,244
Amortisation of other intangible assets		其他無形資產攤銷	343	395
Impairment of financial receivables [#]	19	金融應收款項減值 [#]	46,608	829
Impairment of contract assets [#]	23	合約資產減值 [#]	99	(147)
Impairment of trade receivables [#]	21	貿易應收款項減值 [#]	19,478	30,646
Impairment of other receivables [#]	22	其他應收款項減值 [#]	6,804	2,593
Lease payments not included in the measurement of lease liabilities	13(c)	並無計入租賃負債計量的租賃付款	325	389
Auditor's remuneration		核數師酬金	2,552	2,552
Employee benefit expense (including directors' remuneration):		僱員福利開支 (包括董事薪酬):		
Wages, salaries and allowances, social securities and benefits		工資、薪金及津貼、社會保障及福利	228,251	235,984
Equity-settled share option expense		以權益結算購股權開支	5,141	—
Pension scheme contributions (defined contribution scheme)*		退休金計劃供款 (界定供款計劃)*	25,669	25,078
Total employee benefit expense		總僱員福利開支	259,061	261,062

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

6. PROFIT BEFORE TAX (Continued)

6. 除稅前溢利(續)

			2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
	Notes 附註			
Operating lease income		經營租賃收入	(1,237)	(1,409)
Less: Depreciation of investment properties		減：投資物業折舊	618	135
Rental income less depreciation of investment properties	5	租金收入減投資物業折舊	(619)	(1,274)
Bank interest income	5	銀行利息收入	(2,215)	(2,522)
Government grants	5	政府補助	(25,178)	(20,230)
Interest income from loans to a third party	5	向一家第三方貸款的利息收入	(15,643)	(20,087)
Interest income from loans to a joint venture and an associate	5	向一家合營企業及一間聯營公司的貸款的利息收入	(1,985)	(1,663)
Loss on disposal of items of property, plant and equipment, net		出售物業、廠房及設備項目虧損淨額	10	32
Loss on disposal of an associate		出售一家聯營公司虧損	—	5,781
Foreign exchange differences, net		匯兌差額，淨額	2,228	(510)

The impairment of financial receivables, the impairment of contract assets, the impairment of trade receivables and the impairment of other receivables are included in "Other expenses" in profit or loss.

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

金融應收款項減值、合約資產減值、貿易應收款項減值及其他應收款項減值計入至損益的「其他開支」中。

* 概無任何被沒收供款可被本集團作為僱主用於減低現有供款水平。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

7. FINANCE COSTS

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Interest on interest-bearing bank and other borrowings	計息銀行及其他借款利息	544,126	578,563
Interest on lease liabilities	租賃負債利息	85	156
Total	總計	544,211	578,719

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year ended 31 December 2024 (in thousands of Hong Kong dollars) is as follows:

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(i) Independent non-executive directors

8. 董事及最高行政人員薪酬(續)

(i) 獨立非執行董事

		2024 二零二四年		2023 二零二三年
		Equity-settled share option		
		Fees	expense	Total
		以權益結算		
		袍金	的購股權開支	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Mr. Chang Qing (常清)	常清先生	330	48	378
Mr. Peng Yongzhen (彭永臻)	彭永臻先生	330	48	378
Mr. Chau Kam Wing (周錦榮)	周錦榮先生	330	48	378
Total	總計	990	144	1,134
				975

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(ii) Executive directors

		Fees	Equity-settled share option expense 以權益結算的 購股權開支 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total remuneration 總薪酬 RMB'000 人民幣千元
Year ended 31 December 2024	截至二零二四年十二月三十一日止年度					
Executive directors:	執行董事：					
Mr. Zhao Juanxian (alias, Zhao Junxian) (趙雋賢)*	趙雋賢先生*	331	–	1,597	–	1,928
Mr. Li Zhong (李中)	李中先生	221	384	1,465	–	2,070
Mr. Duan Jerry Linnan (段林楠)	段林楠先生	221	384	1,342	–	1,947
Ms. Liu Yujie (劉玉杰)	劉玉杰女士	221	384	547	–	1,152
Mr. Zhou Wei (周偉)**	周偉先生**	166	384	1,115	49	1,714
Total	總計	1,160	1,536	6,066	49	8,811
Year ended 31 December 2023	截至二零二三年十二月三十一日止年度					
Executive directors:	執行董事：					
Mr. Zhao Juanxian (alias, Zhao Junxian) (趙雋賢)	趙雋賢先生	325	–	1,581	–	1,906
Mr. Li Zhong (李中)	李中先生	217	–	1,483	–	1,700
Mr. Duan Jerry Linnan (段林楠)	段林楠先生	217	–	1,351	–	1,568
Ms. Liu Yujie (劉玉杰)	劉玉杰女士	217	–	542	–	759
Total	總計	976	–	4,957	–	5,933

* Mr. Zhao Juanxian (alias, Zhao Junxian) was re-designated to non-executive director of the Company with effect from the from 1 January 2025.

** Mr. Zhou Wei was appointed as an executive director of the Company on 10 April 2024.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. 董事及最高行政人員薪酬(續)

(ii) 執行董事

* 趙雋賢先生已獲調任為本公司非執行董事，自二零二五年一月一日起生效。

** 周偉先生於二零二四年四月十日獲委任為本公司執行董事。

概無董事於年內作出豁免或同意豁免任何薪酬的安排。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2023: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2023: two) highest paid employee who is neither a director nor a chief executive of the Company are as follows:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	902	1,959
Performance related bonuses	表現相關花紅	90	178
Equity-settled share option expense	以權益結算的購股權開支	192	–
Pension scheme contributions	退休金計劃供款	66	109
Total	總計	1,250	2,246

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2024 二零二四年	2023 二零二三年
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	2
Total	總計	1	2

9. 五名最高薪酬僱員

年內，五名最高薪僱員包括四名董事(二零二三年：三名董事)，彼等之薪酬詳情載於上文附註8。本年度餘下一名(二零二三年：兩名)既非本公司董事亦非最高行政人員之最高薪酬僱員之薪酬詳情如下：

薪酬在以下範圍內的非董事及非最高行政人員最高薪酬僱員人數如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

10. INCOME TAX EXPENSE

Pursuant to The PRC Enterprise Income Tax Law Implementing Regulations (中華人民共和國企業所得稅法實施條例), most of the subsidiaries established in the PRC, engaged in the operations of waste water treatment projects, are eligible for tax holiday of a three-year full exemption followed by a three-year half exemption commencing from their respective first years of generating operating revenue (the "3+3 Tax Holiday"). At the end of the year, these subsidiaries were qualified for the 3+3 Tax Holiday or in the process of preparation and submission of the required documents to the respective tax authorities to apply for the 3+3 Tax Holiday.

In accordance with the relevant tax rules and regulations of Mainland China, a number of the Company's subsidiaries enjoy income tax exemptions and reductions because (1) these companies are qualified third-party enterprises engag

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

10. INCOME TAX EXPENSE (Continued)

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Current	即期		
— Mainland China	— 中國內地	37,414	44,749
Deferred	遞延	27,948	58,977
Total tax charge for the year	年內稅項支出總額	65,362	103,726

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory tax rate for the country in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

10. 所得稅開支(續)

由於本集團年內並無在香港產生或賺取應課稅溢利，故並無計提香港利得稅撥備。

按本公司及其大部分附屬公司住所及或經營所在國家的法定稅率計算的除稅前溢利適用的稅項開支（抵免）與按實際稅率計算的稅項開支對賬，以及適用稅率（即法定稅率）與實際稅率的對賬如下：

		2024 二零二四年 RMB'000 人民幣千元	%	2023 二零二三年 RMB'000 人民幣千元	%
Profit before tax	除稅前溢利	236,243		233,954	
Tax at the statutory tax rate	按法定稅率計算的稅項	59,061	25.0	58,489	25.0
Lower tax rates for specific provinces or enacted by local authority	指定省份或當地政府機關頒佈的較低稅率	(15,617)	(6.5)	(10,702)	(4.5)
Expenses not deductible for tax	不可扣稅開支	3,750	1.6	2,616	1.1
Tax losses not recognised	未確認稅務虧損	39,670	16.8	45,442	19.4
Tax losses utilised from previous periods	運用過往期間的稅務虧損	(28,028)	(11.9)	(8,205)	(3.5)
Reversal of tax losses recognised in previous periods	於過往期間確認的稅務虧損撥回	6,004	2.5	17,179	7.3
Profits and losses attributable to joint ventures and associates	合營企業及聯營公司應佔損益	522	0.2	(1,093)	(0.5)
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅務支出	65,362	27.7	103,726	44.3

The share of tax attributable to associates and joint ventures amounting to negative RMB306,000 (2023: negative RMB412,000) is included in "Share of profits and losses of associates" and "Share of profits and losses of joint ventures" in profit or loss.

分佔聯營公司及合營企業應佔稅項負人民幣306,000元(二零二三年：負人民幣412,000元)於損益內的「分佔聯營公司損益」及「分佔合營企業損益」項下入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,139,735,000 (2023: 2,139,735,000) outstanding during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

11. 母公司普通權益持有人應佔每股盈利

每股基本盈利金額乃基於年內母公司普通權益持有人應佔溢利及年內已發行普通股之加權平均數2,139,735,000股(二零二三年：2,139,735,000股)計算。

每股攤薄盈利金額乃根據母公司普通權益持有人應佔年內溢利計算。計算時所採用的普通股加權平均數為本年度發行的普通股數量，即與計算每股基本盈利時採用的數量相同，並假設普通股加權平均數已因全部攤薄潛在普通股被視為已行使或轉換為普通股，而按零代價發行。

每股基本及攤薄盈利乃基於以下各項計算：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Earnings:	盈利：		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	用於計算每股基本及攤薄盈利的 母公司普通權益持有人 應佔溢利	167,998	124,753
		Number of shares 股份數目	
		2024 二零二四年	2023 二零二三年
Shares:	股份：		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利的 年內已發行普通股 加權平均數	2,139,735,000	2,139,735,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT

31 December 2024

12. 物業、廠房及設備

二零二四年十二月三十一日

		Buildings and other infrastructure 樓宇及其他 基礎設施 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment and others 辦公設備 及其他 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2024:	於二零二四年一月一日：					
Cost	成本	85,866	22,669	37,509	725	146,769
Accumulated depreciation and impairment	累計折舊及減值	(40,042)	(20,453)	(32,896)	–	(93,391)
Net carrying amount	賬面淨值	45,824	2,216	4,613	725	53,378
At 1 January 2024, net of accumulated depreciation and impairment	於二零二四年一月一日， 扣除累計折舊及減值	45,824	2,216	4,613	725	53,378
Additions	添置	–	3	886	–	889
Disposals	出售	(232)	(132)	–	–	(364)
Depreciation provided during the year	年內折舊撥備	(3,427)	(881)	(913)	–	(5,221)
At 31 December 2024, net of accumulated depreciation and impairment	於二零二四年十二月三十一日， 扣除累計折舊及減值	42,165	1,206	4,586	725	48,682
At 31 December 2024:	於二零二四年十二月三十一日：					
Cost	成本	85,634	22,540	38,395	725	147,294
Accumulated depreciation and impairment	累計折舊及減值	(43,469)	(21,334)	(33,809)	–	(98,612)
Net carrying amount	賬面淨值	42,165	1,206	4,586	725	48,682

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

31 December 2023

12. 物業、廠房及設備(續)

二零二三年十二月三十一日

		Buildings and other infrastructure 樓宇及其他 基礎設施 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment and others 辦公設備 及其他 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2023:	於二零二三年一月一日：					
Cost	成本	85,866	23,000	37,048	725	146,639
Accumulated depreciation and impairment	累計折舊及減值	(36,611)	(19,491)	(31,531)	–	(87,633)
Net carrying amount	賬面淨值	49,255	3,509	5,517	725	59,006
At 1 January 2023, net of accumulated depreciation and impairment	於二零二三年一月一日， 扣除累計折舊及減值	49,255	3,509	5,517	725	59,006
Additions	添置	–	–	710	–	710
Disposals	出售	–	(331)	(249)	–	(580)
Depreciation provided during the year	年內折舊撥備	(3,431)	(962)	(1,365)	–	(5,758)
At 31 December 2023, net of accumulated depreciation and impairment	於二零二三年十二月三十一日， 扣除累計折舊及減值	45,824	2,216	4,613	725	53,378
At 31 December 2023:	於二零二三年十二月三十一日：					
Cost	成本	85,866	22,669	37,509	725	146,769
Accumulated depreciation and impairment	累計折舊及減值	(40,042)	(20,453)	(32,896)	–	(93,391)
Net carrying amount	賬面淨值	45,824	2,216	4,613	725	53,378

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

At 31 December 2024, certain of the Group's buildings with a net carrying amount of approximately RMB8,138,000 (2023: RMB9,965,000) were pledged to secure certain interest-bearing bank and other borrowings granted to the Group (note 28). As the payments of the land use rights for the buildings cannot be separated reliably from the payments for the purchase of office buildings, the entire payments are included in the costs of the relevant buildings.

Certain infrastructure with a net carrying amount as at 31 December 2024 of approximately RMB8,698,000 (2023: RMB9,433,000) is situated on a piece of land which is legally owned by the non-controlling shareholder of Jilin Kangda Environmental Protection Company Limited ("Jilin Kangda"), a subsidiary of the Group. The subsidiary is contractually authorised to use the land without charge throughout its operating period.

13. LEASES

The Group as a lessee

The Group leases certain land properties and office properties under operating lease arrangements with leases negotiated for terms ranging from 1 to 16 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Land 土地 RMB'000 人民幣千元	Office 辦公室 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2023	於二零二三年一月一日	1,312	123	1,435
Additions	添置	–	2,023	2,023
Depreciation charge	折舊開支	(96)	(1,076)	(1,172)
As at 31 December 2023 and 1 January 2024	於二零二三年 十二月三十一日及 二零二四年一月一日	1,216	1,070	2,286
Additions	添置	–	520	520
Depreciation charge	折舊開支	(96)	(973)	(1,069)
As at 31 December 2024	於二零二四年 十二月三十一日	1,120	617	1,737

12. 物業、廠房及設備(續)

於二零二四年十二月三十一日，本集團賬面淨值約為人民幣8,138,000元(二零二三年：人民幣9,965,000元)的若干樓宇已抵押作授予本集團若干計息銀行及其他借款的擔保(附註28)。由於土地使用權的付款無法可靠地從購買辦公樓宇的付款中分離，故全部付款計入相關樓宇成本。

於二零二四年十二月三十一日，賬面淨值約為人民幣8,698,000元(二零二三年：人民幣9,433,000元)的若干基礎設施均位於由本集團的附屬公司吉林康達環保有限公司(「吉林康達」)的非控股股東合法擁有的一幅土地上。該附屬公司獲合約授權於整個運營期間免費使用該土地。

13. 租賃

本集團作為承租人

本集團根據經營租賃安排租賃若干土地物業及辦公物業，租賃協定期限介乎一至十六年。一般而言，本集團被限制將租賃資產轉讓及分租予本集團以外的公司。

(a) 使用權資產

本集團於年內的使用權資產的賬面值及變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

13. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	2,616	1,974
New leases	新租賃	520	2,023
Accretion of interest recognised during the year	年內確認的利息增加	85	156
Payments	付款	(1,273)	(1,537)
Carrying amount at 31 December	於十二月三十一日的賬面值	1,948	2,616
Analysed into:	分析：		
Current portion	即期部分	427	1,113
Non-current portion	非即期部分	1,521	1,503

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

- (c) The amounts recognised in profit or loss in relation to leases are as follows:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Depreciation charge of right-of-use assets	使用權資產折舊開支	1,069	1,172
Expense relating to short-term leases	與短期租賃相關的費用	325	389
Interest on lease liabilities	租賃負債利息	85	156
Total amount recognised in profit or loss	於損益確認的總金額	1,479	1,717

- (d) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

13. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

於年內，租賃負債(包含在計息銀行及其他借款)的賬面值及變動如下：

租賃負債的到期分析於財務報表附註39中披露。

- (c) 於與租賃有關的損益中確認的金額如下：

- (d) 租賃的現金流出總額披露於財務報表附註32(c)。

31 December 2024 二零二四年十二月三十一日

The Group as a lessor

The Group leases its investment properties consisting of five commercial properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income less depreciation of investment properties recognised by the Group during the year was RMB619,000 (2023: RMB1,274,000), details of which are included in notes 5 and 6 to the financial statements.

At 31 Dec 07, the company had a net debt of \$1.8 billion, compared with \$1.9 billion at 31 Dec 06.

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

14. INVESTMENTS IN ASSOCIATES (Continued)

The percentages of voting power held and profit sharing are the same as the percentages of equity interest attributable to the Group. The Group's shareholdings in the associates comprise equity shares held through wholly-owned subsidiaries of the Company.

The following table illustrates the summarised financial information in respect of some investments in associates, which are individually material, reconciled to their carrying amounts in the consolidated financial statements:

14. 於聯營公司的投資(續)

持有投票權及溢利分配的百分比與本集團應佔的股權百分比相同。本集團於聯營公司的股權包括本公司全資附屬公司持有的權益股份。

下表說明部分屬個別重大的於聯營公司的投資與在綜合財務報表中的賬面值對賬的財務資料概要：

		2024 二零二四年		2023 二零二三年	
		Fuzhou Fuhe 撫州撫河 RMB'000 人民幣千元	Leping Hehu 樂平河湖 RMB'000 人民幣千元	Fuzhou Fuhe 撫州撫河 RMB'000 人民幣千元	Leping Hehu 樂平河湖 RMB'000 人民幣千元
Current assets	流動資產	383,241	27,129	295,195	30,143
Non-current assets	非流動資產	1,814,094	284,154	1,960,343	264,077
Current liabilities	流動負債	(434,923)	(13,016)	(420,430)	(918)
Non-current liabilities	非流動負債	(1,130,918)	(181,885)	(1,203,571)	(176,921)
Net assets	資產淨值	631,494	116,382	631,537	116,381
Reconciliation to the Group's interests in the associates:	本集團於聯營公司權益的對賬：				
Proportion of the Group's ownership	本集團的所有權比例	24%	44%	24%	44%
Group's share of net assets of the associates	本集團分佔聯營公司淨資產	151,559	51,208	151,569	51,208
Carrying amount of the investments	投資賬面值	151,559	51,208	151,569	51,208
Revenue	收益	85,300	–	14,891	–
Profit for the year	年內溢利	(42)	–	138	–
Total comprehensive income from the year	年內全面收益總額	(42)	–	138	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

14. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Share of the associates' profit for the year	分佔聯營公司年內溢利	1,069	4,666
Share of the associates' total comprehensive income	分佔聯營公司全面收益總額	1,069	4,666
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的賬面總值	32,231	31,800

14. 於聯營公司的投資(續)

下表列示並非個別重大的本集團聯營公司的合併財務資料：

15. INVESTMENTS IN JOINT VENTURES

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Share of net assets	分佔淨資產	74,945	78,091

15. 於合營企業的投資

Particulars of the joint ventures are as follows:

有關合營企業的詳情如下：

Company name 公司名稱	Place of registration and operation 登記及營業地點	Issued and fully paid-up capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比	Principal activities 主要業務
Zibo Tianqiyuan Water Supply Co., Ltd. ("Tianqiyuan") (淄博市天齊淵供水有限公司) [#]	PRC/ Mainland China 中國 中國內地	RMB5,190,000 人民幣5,190,000元	49	Central water supply 中央供水
Gaomi Kangrui Environmental Protection Technology Co., Ltd. ("Gaomi Kangrui") (高密市康瑞環保科技有限公司) [#]	PRC/ Mainland China 中國 中國內地	RMB28,000,000 人民幣28,000,000元	50	Sale and maintenance of environmental protection equipment 銷售及保養環保設備

[#] The English names of these companies referred to in this report represent management's best effort in translating the Chinese names of the companies registered in Chinese Mainland, as no English names have been registered.

[#] 由於在中國內地註冊的公司並無註冊英文名稱，本報告提述的該等公司英文名稱乃管理層盡力翻譯其中文名稱所得。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

15. INVESTMENTS IN JOINT VENTURES (Continued)

The above investments are held through wholly-owned subsidiaries of the Company.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Share of the joint ventures' loss for the year	分佔合營企業年內虧損	(3,146)	(328)
Share of the joint ventures' total comprehensive income	分佔合營企業全面收益總額	(3,146)	(328)
Aggregate carrying amount of the Group's investments in the joint ventures	本集團於合營企業投資的賬面總值	74,945	78,091

15. 於合營企業的投資(續)

上述投資乃透過本公司全資附屬公司持有。

下表列示並非個別重大的本集團合營企業的合併財務資料：

16. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income	指定為按公平值計入其他全面收益的股權投資		
Unlisted equity investments, at fair value	非上市股權投資，按公平值	399,000	347,000

During the year, the gain, net of tax, in respect of the Group's equity investments in Zhongyuan Asset Management Co., Ltd. recognised in other comprehensive income amounted to RMB44,200,000 (2023: loss in other comprehensive income amounted to RMB13,600,000).

16. 指定為按公平值計入其他全面收益的股權投資

於年內，於其他全面收益確認的本集團於中原資產管理有限公司的股權投資的收益(扣除稅項)為人民幣44,200,000元(二零二三年：其他全面收益的虧損為人民幣13,600,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

17. SERVICE CONCESSION INTANGIBLE ASSETS

17. 無形資產 — 特許經營權

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Cost at 1 January, net of accumulated amortisation	於一月一日的成本， 扣除累計攤銷	1,376,539	1,436,965
Additions	添置	268,181	26,818
Amortisation provided during the year	年內計提攤銷	(118,958)	(87,244)
At 31 December	於十二月三十一日	1,525,762	1,376,539
At 31 December:	於十二月三十一日：		
Cost	成本	2,034,017	1,765,836
Accumulated amortisation	累計攤銷	(508,255)	(389,297)
Net carrying amount	賬面淨值	1,525,762	1,376,539

As at 31 December 2024, the Group's service concession intangible assets with a carrying value of RMB1,106,152,000 (2023: RMB1,254,846,000) were pledged to secure certain interest-bearing bank and other borrowings granted to the Group (note 28).

於二零二四年十二月三十一日，本集團賬面值人民幣1,106,152,000元(二零二三年：人民幣1,254,846,000元)的無形資產 — 特許經營權已抵押作授予本集團若干計息銀行及其他借款的擔保(附註28)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

18. GOODWILL

18. 商譽

		Cash-generating units 現金產生單位		Total 總計 RMB'000 人民幣千元
		Waste water treatment plant 污水處理廠 RMB'000 人民幣千元	Manufacture of chemicals for waste water treatment 生產污水處理所用化學品 RMB'000 人民幣千元	
2023	二零二三年			
Cost at 1 January 2023, net of accumulated impairment	於二零二三年一月一日的成本，扣除累計減值	58,325	–	58,325
Cost and net carrying amount at 31 December 2023	於二零二三年十二月三十一日的成本及賬面淨值	58,325	–	58,325
At 31 December 2023:	於二零二三年十二月三十一日：			
Cost	成本	58,325	1,894	60,219
Accumulated impairment	累計減值	–	(1,894)	(1,894)
Net carrying amount	賬面淨值	58,325	–	58,325
2024	二零二四年			
Cost at 1 January 2024, net of accumulated impairment	於二零二四年一月一日的成本，扣除累計減值	58,325	–	58,325
Impairment during the year	年內減值	(41,155)	–	(41,155)
Cost and net carrying amount at 31 December 2024	於二零二四年十二月三十一日的成本及賬面淨值	17,170	–	17,170
At 31 December 2024:	於二零二四年十二月三十一日：			
Cost	成本	58,325	1,894	60,219
Accumulated impairment	累計減值	(41,155)	(1,894)	(43,049)
Net carrying amount	賬面淨值	17,170	–	17,170

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the cash-generating units of “waste water treatment plant” and “the manufacture of chemicals for waste water treatment” for impairment testing.

The recoverable amounts of the cash-generating units of “waste water treatment plant” and “the manufacture of chemicals for waste water treatment” have been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by senior management covering the remaining service concession periods. The pre-tax discount rate applied to the cash flow projections is 9.33% (2023: 9.33%).

商譽減值測試

透過業務合併收購的商譽已分配至「污水處理廠」及「生產污水處理所用化學品」現金產生單位作減值測試。

「污水處理廠」及「生產污水處理所用化學品」現金產生單位的可收回金額已根據使用以高級管理層批准的涵蓋餘下服務特許期財政預測為依據的現金流量預測計算的使用價值釐定。現金流量預測應用的稅前貼現率為9.33%(二零二三年：9.33%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

18. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Assumptions were used in the value in use calculation of the “waste water treatment plant” and “the manufacture of chemicals for waste water treatment” cash-generating units for 31 December 2024 and 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

Price inflation — The basis used to determine the value assigned to price inflation is the forecast price indices during the budget year for the relevant markets.

The values assigned to the key assumptions on market development of waste water treatment plant and the manufacture of chemicals for waste water treatment, discount rates and price inflation are consistent with external information sources.

In the opinion of the directors of the Company, for “waste water treatment plant” and “the manufacture of chemicals for waste water treatment” cash-generating units, a reasonably possible change in the key assumptions of the cash flow projections would cause their carrying amount exceed their recoverable amounts. If the discount rate increased or decreased by 1% from 7%, the impairment loss would increase by RMB1,045,000 or decrease by RMB1,054,000, respectively, during the year ended 31 December 2024.

18. 商譽(續)

商譽減值測試(續)

計算二零二四年十二月三十一日及二零二三年十二月三十一日「污水處理廠」及「生產污水處理所用化學品」現金產生單位的使用價值時已運用假設。下文描述了管理層根據其現金流量預測進行商譽減值測試的各項關鍵假設：

預算毛利率 — 釐定分配予預算毛利率的價值所採用的基準為緊接預算年度前一年內所實現的平均毛利率，由於預期的效率提升及預期的市場發展而有所增加。

貼現率 — 所用貼現率未扣除稅項，並反映有關單位的特定風險。

價格通脹 — 用於釐定分配予價格通脹價值的基準為相關市場於預算年度的預測價格指數。

分配予污水處理廠及生產污水處理所用化學品的市場發展、貼現率及價格通脹的主要假設值與外界資料來源一致。

本公司董事認為，對於「污水處理廠」及「生產污水處理所用化學品」現金產生單位，現金流量預測的關鍵假設若發生合理可能的變動，可能導致其賬面值超過可收回金額。於截至二零二四年十二月三十一日止年度，倘貼現率由7%上升或下降1%，減值虧損將分別增加人民幣1,045,000元或減少人民幣1,054,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

19. FINANCIAL RECEIVABLES

19. 金融應收款項

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Receivables under service concession arrangements	服務特許經營安排應收款項	11,677,750	11,595,265
Impairment	減值	(3,769)	(3,015)
Net carrying amount	賬面淨值	11,673,981	11,592,250
Portion classified as current assets	分類為流動資產部分	(2,041,985)	(2,079,291)
Non-current portion	非即期部分	9,631,996	9,512,959

Receivables for service concession arrangements arose from the service concession contracts to build and operate WTPs or STPs and were recognised to the extent that the Group has an unconditional contractual right to receive cash from or at the direction of the Grantor.

Financial receivables were unbilled receivables mainly due from governmental authorities in Mainland China, as the Grantors in respect of the Group's service concession arrangements. The Group does not hold any collateral or other credit enhancements over these balances. Financial receivables represent contract assets as the rights to considerations have yet to be unconditional.

The movements in the loss allowance for impairment of financial receivables are as follows:

服務特許經營安排應收款項產生自建設及運營污水處理廠或污泥處理廠的服務特許經營合約，並於本集團擁有無條件合約權利自授予人或按授予人的指示收取現金時確認。

金融應收款項為未開票應收款項，主要為應收中國內地政府機關的款項，有關政府機關為本集團服務特許經營安排的授予人。本集團並無就該等結餘持有任何抵押品或其他信貸提升產品。金融應收款項指合約資產，原因是收取代價的權利尚未成為無條件。

金融應收款項減值虧損撥備變動如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At beginning of year	於年初	3,015	2,186
Impairment losses	減值虧損	46,608	829
Transfer to assets held for sale	轉撥至持有待售的資產	(45,854)	—
At end of year	於年末	3,769	3,015

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

19. FINANCIAL RECEIVABLES (Continued)

An impairment analysis is performed at each reporting date using a provision matrix. The provision matrix is initially based on the probabilities of default rates which are estimated based on historical observed default rates and published credit ratings of credit bonds issued in Mainland China. The calculation reflects the probability-weighted outcome, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information.

The increase in the loss allowance was mainly due to the increase in the gross carrying amount of financial receivables.

Set out below is the information about the credit risk exposure on the Group's financial receivables:

		2024 二零二四年	2023 二零二三年
Expected credit loss rate	預期信貸虧損率	0.0323%	0.0260%
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	11,677,750	11,595,265
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	3,769	3,015

As at 31 December 2024, the Group's financial receivables with a carrying value of RMB7,238,507,000 (2023: RMB7,957,461,000) were pledged to secure certain interest-bearing bank and other borrowings granted to the Group (note 28).

19. 金融應收款項(續)

減值分析於各報告日期採用撥備矩陣進行。撥備矩陣乃最初根據過往違約率及中國內地已發行信貸債券的已公佈信貸評級估計的違約概率得出。該計算反映概率加權結果及於報告日期可得的有關過往事項、當前狀況及前瞻性信貸風險資料的合理及可靠資料。

虧損撥備增加主要是由於金融應收款項賬面總值增加所致。

有關本集團金融應收款項的信貸風險資料載列如下：

於二零二四年十二月三十一日，本集團賬面值人民幣7,238,507,000元(二零二三年：人民幣7,957,461,000元)的金融應收款項已抵押作授予本集團若干計息銀行及其他借款的擔保(附註28)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

20. DEFERRED TAX

The deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the year are as follows:

31 December 2024

20. 遞延稅項

本年度本集團確認的遞延稅項資產及負債以及其變動如下：

二零二四年十二月三十一日

		Service concession arrangements	Transaction costs for interest- bearing bank borrowings 計息銀行 借款的 交易成本	One-off deduction of machinery 機器的一 次性扣減	Right-of-use assets 使用權資 產	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Deferred tax liabilities	遞延稅項負債					
At 31 December 2023	於二零二三年 十二月三十一日	(1,150,983)	(7,709)	(319)	(480)	(1,159,491)
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除) 計入的遞延稅項	(36,265)	3,940	(109)	46	(32,388)
Deferred tax transfer to assets held for sale	轉撥至持有待售的資產 的遞延稅項	11,503	-	-	-	11,503
At 31 December 2024	於二零二四年 十二月三十一日	(1,175,745)	(3,769)	(428)	(434)	(1,180,376)

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

20. DEFERRED TAX (Continued)

	Impairment of financial and contract assets	Losses available for offsetting against future taxable profits	Fair value adjustments of the equity investments designated at fair value through other comprehensive income 指定為 按公平值計入 其他全面收益 的股權投資 公平值調整	Lease liabilities 租賃負債	Other 其他	Total 總計
董事及高級管理人員	金融及合約 資產減值	可用於抵銷 未來應課稅 溢利的虧損	其他全面收益 的股權投資 公平值調整	租賃負債	其他	總計

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

20. DEFERRED TAX (Continued)

31 December 2023

		Service concession arrangements	Transaction costs for interest-bearing bank borrowings	One-off deduction of machinery	Right-of-use assets	Total
		服務特許經營安排	計息銀行借款的交易成本	機器的 一次性扣減	使用權資產	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deferred tax liabilities	遞延稅項負債					
At 31 December 2022	於二零二二年十二月三十一日	(1,081,187)	(12,132)	(291)	–	(1,093,610)
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除)計入的遞延稅項	(69,796)	4,423	(28)	(480)	(65,881)
At 31 December 2023	於二零二三年十二月三十一日	(1,150,983)	(7,709)	(319)	(480)	(1,159,491)

		Impairment of financial and contract assets	Losses available for offsetting against future taxable profits	Fair value adjustments of the equity investments designated at fair value through other comprehensive income	Lease liabilities	Other	Total
		金融及合約資產減值	可用於抵銷未來應課稅溢利的虧損	指定為按公平值計入其他全面收益的股權投資	租賃負債	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'	RMB'000

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

20. DEFERRED TAX (Continued)

The Group also has tax losses arising in Mainland China of RMB198,526,000 (2023: RMB224,608,000) that will expire in one to five years for offsetting against future taxable profits.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

At 31 December 2024, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the open

20. 遞延稅項(續)

本集團亦在中國內地產生稅項虧損人民幣198,526,000元(二零二三年：人民幣224,608,000元)，將於一至五年內屆滿，用於抵銷日後應課稅溢利。

本集團須就該等在中國內地成立附屬公司就自二零零八年一月一日起產生的盈利所分派的股息繳納預扣稅。本集團的適用費率為5%或10%。

於二零二四年十二月三十一日，並無就本集團於中國內地成立的附屬公司須繳納預扣稅的未匯出盈利應付的預扣稅確認任何遞延稅項。董事認為，該等附屬公司於可預見未來不可能分派有關盈利。於二零二四年十二月三十一日，與中國內地附屬公司的投資有關的暫時性差異總額(尚未就此確認遞延稅項負債)合計約為人民幣3,916,871,000元(二零二三年：人民幣3,745,349,000元)。

本公司向其股東派付股息並無附帶任何所得稅影響。

21. 貿易應收款項

本集團的主要客戶為中國政府機構或代理。本集團不僅根據其服務特許經營安排提供建設服務及運營服務，亦提供其他建設服務項目下的建設服務。

貿易應收款項指根據規管相關交易的合約所列明的條款而應收客戶的未結清款項。本集團並無向建設服務客戶授出統一標準的信用期。個別建設服務客戶的信用期乃按個別基準考慮。貿易應收款項免息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

21. TRADE RECEIVABLES (Continued)

Included in the Group's trade receivables are amounts due from the Group's associates of RMB99,297,000 (2023: RMB108,664,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

At 31 December 2024, the Group's trade receivables with a carrying value of RMB1,444,439,000 (2023: RMB1,181,567,000) were pledged to secure certain interest-bearing bank and other borrowings granted to the Group (note 28).

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Within 3 months	3個月內	530,805	531,465
4 to 6 months	4至6個月	428,710	388,458
7 to 12 months	7至12個月	585,175	460,962
Over 12 months	超過12個月	1,624,998	1,427,628
Total	總計	3,169,688	2,808,513

The movements in the loss allowance for impairment of trade receivables are as follows:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At beginning of the year	於年初	110,042	79,396
Impairment losses, net (note 6)	減值虧損淨額(附註6)	19,478	30,646
At end of the year	於年末	129,520	110,042

21. 貿易應收款項(續)

本集團的貿易應收款項包括應收本集團聯營公司款項為人民幣99,297,000元(二零二三年：人民幣108,664,000元)，該等款項按本集團向主要客戶提供的類似信貸條款償還。

於二零二四年十二月三十一日，本集團賬面值人民幣1,444,439,000元(二零二三年：人民幣1,181,567,000元)的貿易應收款項已抵押作授予本集團若干計息銀行及其他借款的擔保(附註28)。

於報告期末，根據發票日期及扣除虧損撥備後，本集團的貿易應收款項的賬齡分析如下：

貿易應收款項的減值虧損撥備變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

21. TRADE RECEIVABLES (Continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance).

21. 貿易應收款項(續)

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式（即地區、產品類別、客戶類別及評級以及信用證或其他信貸保險形式的保障範圍）的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時間價值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。

下表載列有關使用撥備矩陣的本集團貿易應收款項的信貸風險的資料：

於二零二四年十二月三十一日

於二零二三年十二月三十一日

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

22. 預付款項、其他應收款項及其他資產

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Loans to third parties	借予第三方的貸款	181,151	183,500
Deductible input VAT	可抵扣增值稅進稅項	131,036	134,996
Loans to a joint venture and an associate	借予一間合營企業及 一家聯營公司的貸款	45,950	42,859
Deposits	按金	33,785	40,961
Prepayments	預付款項	20,689	27,440
Staff advances	員工墊款	2,953	3,310
Other receivables	其他應收款項	408,413	533,737
		823,977	966,803
Impairment allowance	減值撥備	(44,590)	(37,786)
Total	總計	779,387	929,017
Portion classified as current assets	分類為流動資產的部分	(760,656)	(903,826)
Non-current portion	非即期部分	18,731	25,191

Notes to the Consolidated Financial Statements

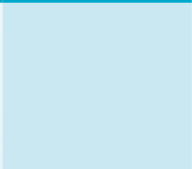
綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

The movements in the loss allowance for impairment of other receivables are as follows:

	2024 二零二四年 RMB'000	2023 二零二三年 RMB'000



Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

23. CONTRACT ASSETS

23. 合約資產

		31 December 2024 二零二四年 十二月三十一日 RMB'000 人民幣千元	31 December 2023 二零二三年 十二月三十一日 RMB'000 人民幣千元
Contract assets arising from:	以下項目所產生的合約資產：		
Construction services	建設服務	546,557	1,255,667
Impairment	減值	(770)	(671)
Net carrying amount	賬面淨值	545,787	1,254,996
Portion classified as current assets	分類為流動資產部分	(53,057)	(77,629)
Non-current portion	非即期部分	492,730	1,177,367

Contract assets are initially recognised for revenue earned from construction services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. Upon completion of installation or construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to intangible assets and contract assets included in financial receivables under service concession arrangements and operating concession for BOT arrangements and trade receivables for other construction contracts when the rights to considerations are unconditional. The decrease in contract assets in 2024 was the result of the completion of construction services.

由於代價須待建設成功竣工後方可收取，合約資產會就建設服務所賺取的收益單獨予以初始確認。建設服務合約資產包括應收保留金。在完成安裝或建設並獲客戶接納後，確認為合約資產的金額重新分類至無形資產，當代價權利為無條件，合約資產包括在服務特許經營安排項下金融應收款項及BOT安排的運營特許權以及其他建設合約的貿易應收款項之中。於二零二四年合約資產減少乃建設服務完成所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

23. CONTRACT ASSETS (Continued)

The movements in the loss allowance for impairment of contract assets are as follows:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
At beginning of the year	於年初	671	818
Impairment losses, net (note 6)	減值虧損淨額(附註6)	99	(147)
At end of the year	於年末	770	671

An impairment analysis is performed at each reporting date using the probability of default approach to measure expected credit losses. The probabilities of default rates are estimated based on default rates and published credit ratings of credit bonds issued in Mainland China. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information.

Set out below is the information about the credit risk exposure on the Group's contract assets:

		2024 二零二四年	2023 二零二三年
Expected credit loss rate	預期信貸虧損率	0.14%	0.05%
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	546,557	1,255,667
Expected credit loss			

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

24. 現金及現金等價物及抵押存款

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	215,856	376,073
Time deposits	定期存款	–	1,000
Subtotal	小計	215,856	377,073
Less: Pledged deposits	減：抵押存款	(93,698)	(128,713)
Cash and cash equivalents	現金及現金等價物	122,158	248,360
Cash and cash equivalents denominated in: 以下列貨幣計值的現金及現金等價物：			
— RMB	— 人民幣	121,561	247,494
— United States dollar	— 美元	298	503
— Hong Kong dollar	— 港元	299	363
Cash and cash equivalents	現金及現金等價物	122,158	248,360

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances, pledged deposits and time deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of cash and cash equivalents and pledged deposits in the consolidated statement of financial position approximate to their fair values.

At 31 December 2024, the Group's pledged deposits with a carrying value of RMB60,287,000 (2023: RMB21,358,000) were pledged to secure certain interest-bearing bank and other borrowings granted to the Group (note 28).

At 31 December 2024, the Group's bills payable were secured by the pledged deposits amounting to RMB20,155,000 (2023: RMB94,061,000) (note 26).

人民幣不可自由兌換為其他貨幣。然而，根據中國內地外匯管制規定以及結匯及售匯及付匯管理規定，本集團獲准透過獲授權從事外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金根據每日銀行存款利率按浮動利率賺取利息。短期存款期限從一天至三個月不等，視乎本集團的即時現金需求，並按各自的短期定期存款利率賺取利息。銀行結餘、抵押存款及定期存款存入近期並無違約記錄的信譽良好銀行。綜合財務狀況表內現金及現金等價物以及抵押存款的賬面值與其公平值相若。

於二零二四年十二月三十一日，本集團賬面值為人民幣60,287,000元(二零二三年：人民幣21,358,000元)的抵押存款已予質押，以擔保授予本集團的若干計息銀行及其他借款(附註28)。

於二零二四年十二月三十一日，本集團的應付票據以人民幣20,155,000元(二零二三年：人民幣94,061,000元)的已抵押存款作抵押(附註26)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

25. ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

On 23 December 2024, Chongqing Kangda and Zhongshan City Xiaolan Water Company Limited (中山市小欖水務有限公司) ("Zhongshan Xiaolan") entered into an equity transfer agreement, pursuant to which Chongqing Kangda agreed to dispose of its 100% equity interests in Zhongshan Kangda Water Company Limited (中山康達水務有限公司) ("Zhongshan Kangda") for a total consideration of RMB96,051,000. In December 2024, the Group has received a total cash consideration of RMB19,210,000.

The above transaction is due to be completed within 2024. The carrying amount of the assets of the disposal group is RMB96,051,000. The liabilities directly associated with the assets are RMB19,210,000. The net amount of the assets of the disposal group is RMB76,841,000.

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

26. TRADE AND BILLS PAYABLES

Trade and bills payables are non-interest-bearing. The credit periods granted by each individual supplier are on a case-by-case basis and are set out in the supplier contracts.

For retention money payables included in trade payables, in respect of guarantees granted by the suppliers, the due dates usually range from one to two years after the completion of the construction work or the preliminary acceptance of equipment.

26. 貿易應付款項及應付票據

貿易應付款項及應付票據不計息。各個供應商授出的信用期乃視乎個別情況而定，並載於供應商合約內。

就供應商授予擔保且計入貿易應付款項的應付保留金而言，付款到期日通常介乎建設工程竣工或初步驗收設備後一至兩年。

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Bills payable (note (a))	應付票據(附註(a))	20,155	102,928
TOT payables (note (b))	TOT應付款項(附註(b))	3,985	3,985
Trade payables	貿易應付款項	1,825,580	1,906,620
Total	總計	1,849,720	2,013,533
Less: Non-current portion	減：非即期部分	4	201
Current portion	即期部分	1,849,716	2,013,332

Notes:

- (a) As at 31 December 2024, the Group's bills payable were secured by the pledged deposits amounting to RMB20,155,000 (2023: RMB94,061,000) (note 24).
- (b) TOT payables represented amounts due to the Grantors based on the payment schedules set out in the relevant TOT contracts at the end of the year.

附註：

- (a) 於二零二四年十二月三十一日，本集團的應付票據乃以為數人民幣20,155,000元(二零二三年：人民幣94,061,000元)的抵押存款作抵押(附註24)。
- (b) TOT應付款項指年末根據相關TOT合約所載付款時間表計算的應付授予人款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

26. TRADE AND BILLS PAYABLES (Continued)

An ageing analysis of the Group's trade and bills payables as at the end of the year is as follows:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Within 3 months	3個月內	313,775	370,571
4 to 6 months	4至6個月	83,862	141,980
7 to 12 months	7至12個月	257,212	211,017
Over 12 months	超過12個月	1,194,871	1,289,965
Total	總計	1,849,720	2,013,533

The carrying amounts of the current portion of the trade and bills payables approximate to their fair values.

Included in the Group's trade and bills payables are amounts due to the Group's associate of RMB10,120,000 (2023: RMB10,120,000) (note 36).

26. 貿易應付款項及應付票據(續)

於年末，本集團貿易應付款項及應付票據的賬齡分析如下：

貿易應付款項及應付票據即期部分的賬面值與其公平值相若。

本集團的貿易應付款項及應付票據包括應付本集團一家聯營公司款項人民幣10,120,000元(二零二三年：人民幣10,120,000元)(附註36)。

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements 綜合財務報表附註

31

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

28. 計息銀行及其他借款(續)

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Analysed into:	分析：		
Interest-bearing bank and other borrowings repayable:	應償還計息銀行及其他借款：		
Within one year	一年以內	2,961,204	3,501,475
In the second year	第二年	2,694,703	1,978,297
In the third to fifth years, inclusive	第三至第五年(包括首尾兩年)	2,218,571	2,391,240
Beyond five years	五年後	1,737,798	2,046,023
Total	總計	9,612,276	9,917,035

Certain of the Group's bank borrowings are subject to certain covenants that are tested yearly. The Group considers there is no indication that it will have difficulties in complying with the covenants.

本集團的部分銀行借款受每年進行測試的若干契諾所規限。本集團認為並無跡象表明其將於遵守契諾方面面臨困難。

The above secured interest-bearing bank and other borrowings are secured by certain assets with carrying values as follows:

上述有抵押計息銀行及其他借款以若干資產作抵押，其賬面值如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Property, plant and equipment (note 12)	物業、廠房及設備(附註12)	8,138	9,965
Investment properties	投資物業	571	571
Financial receivables (note 19)	金融應收款項(附註19)	7,238,507	7,957,461
Trade receivables (note 21)	貿易應收款項(附註21)	1,444,439	1,181,567
Pledged deposits (note 24)	抵押存款(附註24)	60,287	21,358
Service concession intangible assets (note 17)	無形資產—特許經營權(附註17)	1,106,152	1,254,846
Contract assets (note 23)	合約資產(附註23)	70,277	12,590

The Group's interest-bearing bank and other borrowings of RMB3,546,844,000 (2023: RMB3,827,272,000) were guaranteed by the Company's investments in certain subsidiaries and an investment company.

本集團為數人民幣3,546,844,000元(二零二三年：人民幣3,827,272,000元)的計息銀行及其他借款以本公司於若干附屬公司及一家投資公司的投資作抵押。

The Group's interest-bearing bank and other borrowings of RMB432,350,000 (2023: RMB474,365,000) were guaranteed by a director of the Company (note 36).

本集團為數人民幣432,350,000元(二零二三年：人民幣474,365,000元)的計息銀行及其他借款由本公司一名董事擔保(附註36)。



Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

30. SHARE OPTION SCHEME

On 31 May 2024 (the "Date of Grant"), the Company granted a total of 213,973,500 share options to subscribe for a total of 213,973,500 ordinary shares in the share capital of the Company (the "Shares" and each "Share"), subject to acceptance of the grantees (the "Grantees"), under the share option scheme ("Share Option Scheme") adopted by the Company on 14 June 2014.

The purpose of the Share Option Scheme is to give the key staff an opportunity to have a personal stake in the Company and help motivate them to optimise their future performance and efficiency to the Group and to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of management staff, to enable the Group to attract and retain individuals with experience and ability.

All share options will be vested and can be exercised upon expiration of 12 months from the Date of Grant. All of the share options shall be exercisable at any time during the period commencing from 31 May 2025 to 15 September 2025 (both days inclusive) or such longer period as may be extended by the Board in its absolute discretion, provided that the end date shall not be later than 10 years from the Date of Grant). Each Share Option Scheme award granted pursuant to the Share Option Scheme has the same terms and conditions.

The exercise price of share options is HK\$0.30 per Share, which is no less than the highest of: (i) the nominal value of the Share; (ii) the closing price of HK\$0.227 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date or eH

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

30. SHARE OPTION SCHEME (Continued)

The following share options were outstanding under the Share Option Scheme during the year:

		Exercise price 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January 2024	於二零二四年一月一日	–	–
Granted during the year	年內授出	0.30	213,974
At 31 December 2024	於二零二四年十二月三十一日	0.30	213,974

The fair value of share options granted during the year was HK\$9,690,000 (HK\$0.045 each) (2023: Nil), of which the Group recognised a share option expense of RMB5,141,000 (2023: Nil) during the year ended 31 December 2024.

The fair value of equity-settled share options granted during the year, was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		2024 二零二四年
Dividend yield (%)	股息收益率(%)	–
Expected volatility (%)	預期波幅(%)	62.62
Historical volatility (%)	歷史波幅(%)	62.62
Risk-free interest rate (%)	無風險利率(%)	4.20
Expected life of options (year)	預計購股權年期(年)	1.29
Annual employee retaining rate (%)	年度僱員保留率(%)	100

The expected life of the options is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The historical volatility is set by the annualized volatility of the Company.

No other features of the options granted were incorporated into the measurement of fair value.

30. 購股權計劃(續)

年內購股權計劃項下尚未行使的購股權如下：

年內授出的購股權的公平值為9,690,000港元(每份0.045港元)(二零二三年：零)，其中本集團於截至二零二四年十二月三十一日止年度確認的購股權開支為人民幣5,141,000元(二零二三年：零)。

年內授出以權益結算的購股權的公平值乃於授出日期基於所授出購股權的條款及條件使用二項式模型加以估計。下表所列為所用模型的輸入值：

預計購股權年期未必可作為可能出現的行使模式的指標。預期波幅乃反映歷史波幅可作為未來趨勢指標的假設，亦未必為實際結果。歷史波幅根據本公司的年化波幅設定。

於計量公平值時，概無列入已授出購股權的其他特徵。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB520,000 (2023: RMB2,023,000) and RMB520,000 (2023: RMB2,023,000), respectively, in respect of lease arrangements for office properties.

(b) Changes in liabilities arising from financing activities

2024

32. 綜合現金流量表附註

(a) 主要非現金交易

年內，本集團就辦公室物業租賃安排的使用權資產及租賃負債的非現金添置分別為人民幣520,000元(二零二三年：人民幣2,023,000元)及人民幣520,000元(二零二三年：人民幣2,023,000元)。

(b) 融資活動產生的負債變動

二零二四年

		Interest-bearing bank and other borrowings 計息銀行及其他借款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Other payables and accruals* 其他應付款項及應計費用* RMB'000 人民幣千元
At 1 January 2024	於二零二四年一月一日	9,914,419	2,616	10,039
Changes from financing cash flows	融資現金流量變動	(131,288)	(1,273)	384
New leases	新租賃	–	520	–
Foreign exchange movement	外匯變動	2,525	–	–
Interest expense	利息開支	544,126	85	–
Interest paid classified as financing cash flows	分類為融資現金流量的已付利息	(477,744)	–	–
Debt restructuring	債務重組	–	–	(4,725)
Decrease arising from classified as liabilities held for sale (note 25)	因分類為持有待售的負債產生的減少(附註25)	(241,710)	–	–
At 31 December 2024	於二零二四年十二月三十一日	9,610,328	1,948	5,698

* Other payables and accruals mainly represent interest payable, and certain borrowings provided by related parties.

* 其他應付款項及應計費用主要指應付利息及若干由關聯方提供的借款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities (Continued)

2023

	Interest-bearing bank and other borrowings 計息銀行及其他借款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Other payables and accruals* 其他應付款項及應計費用* RMB'000 人民幣千元

At 1 January 2023

於二零二三年

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

33. CONTINGENT LIABILITIES

At the end of the year, the Group did not have any significant contingent liabilities.

34. PLEDGE OF ASSETS

Details of the Group's bank and other borrowings, which are secured by the assets of the Group, are included in note 28 to the consolidated financial statements.

35. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Contracted, but not provided for	已訂約但尚未撥備	110,148	176,589

The Group had the following commitments with respect to service concession arrangements at the end of the year:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Contracted, but not provided for	已訂約但尚未撥備	2,178,156	1,890,613

33. 或然負債

於本年度末，本集團並無任何重大或然負債。

34. 資產抵押

有關以本集團資產擔保的本集團銀行及其他借款詳情載於綜合財務報表附註28。

35. 承擔

於報告期末，本集團有以下合約承擔：

於本年度末，本集團有下列有關服務特許經營安排的承擔：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

36. RELATED PARTY TRANSACTIONS

- (a) The Group had the following material transactions with related parties during the year:

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Certain expenses of the Group paid by non-controlling shareholders of: Huizhou Kangda	由下列公司的非控股股東支付的本集團若干開支：惠州康達	384	384
Services provided to associates and a joint venture:	向聯營公司及一家合營企業提供的服務：		
Leping Hehu	樂平河湖	12,305	2,767
Fuzhou Fuhe	撫州撫河	3,236	12,075
Gaomi Kangrui	高密康瑞	855	862
Services provided by a subsidiary of a shareholder:	由股東的一家附屬公司提供的服務：		
Jiangxi Silver Dragon (i)	江西銀龍 (i)	41,090	26,812
Services provided by a non-controlling shareholder	由一名非控股股東提供的服務		
Jiaoling Kangda	蕉嶺康達	262	—

- (i) Jiangxi Silver Dragon Water Environment Construction Co., Ltd. (江西銀龍水環境建設有限責任公司) ("Jiangxi Silver Dragon") is a subsidiary of the largest shareholder of the Group. This related party transaction also constitutes a connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

The Group is contractually authorised to use a piece of land which is legally owned by the non-controlling shareholder of Jilin Kangda without charge, and such use also constitutes a related party transaction during the year.

The Group's interest-bearing bank and other borrowings in 2024 amounting to RMB432,350,000 (2023: RMB474,365,000) were guaranteed by a director of the Company (note 28).

The above related party transactions were conducted in accordance with the terms mutually agreed between the parties.

36. 關聯方交易

- (a) 本集團於本年度與關聯方進行的重大交易如下：

- (i) 江西銀龍水環境建設有限責任公司(「江西銀龍」)為本集團最大股東的附屬公司。該關聯方交易亦構成關連交易或持續關連交易(定義見上市規則第14A章)。

本集團在合約上獲授權無償使用一塊由吉林康達非控股股東合法擁有的土地，使用該土地亦構成本年度的一宗關聯方交易。

二零二四年為數人民幣432,350,000元(二零二三年：人民幣474,365,000元)的本集團計息銀行及其他借款由本公司董事擔保(附註28)。

上述關聯方交易乃根據雙方協定的條款進行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

36. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Amounts due to non-controlling shareholders of:	應付以下公司非控股股東款項：		
Jilin Kangda	吉林康達	8,550	9,285
Huizhou Kangda	惠州康達	5,698	5,314
Jiaoling Kangda	蕉嶺康達	940	678
Amounts due to associates:	應付以下聯營公司款項：		
Eastern Sludge Treatment (note 26)	東方生態清淤(附註26)	10,120	10,120
Amounts due to the subsidiary of a shareholder:	應付股東的以下附屬公司款項：		
Jiangxi Silver Dragon	江西銀龍	253,918	232,627
Amounts due from non-controlling shareholders of:	應收以下公司非控股股東款項：		
Jiaoling Kangda	蕉嶺康達	1,686	1,686
Shenyang Jinhai	沈陽近海	1,100	1,100
Weihai Kangda	威海康達	43	43
Amounts due from associates:	應收以下聯營公司款項：		
Fuzhou Fuhe	撫州撫河	124,017	133,098
Leping Hehu	樂平河湖	41,818	38,353
Amounts due from joint ventures:	應收以下合營企業款項：		
Tianqiyuan	天齊淵	11,865	22,575
Gaomi Kangrui	高密康瑞	18,854	19,000

(c) Compensation of key management personnel of the Group

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Short term employee benefits	短期僱員福利	1,058	2,246
Equity-settled share option expense	以權益結算的購股權開支	192	—
Total compensation paid to key management personnel	支付予主要管理層人員的薪酬總額	1,250	2,246

Further details of directors' emoluments are included in note 8 to the consolidated financial statements.

董事酬金的進一步詳情載於綜合財務報表附註8。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 December 2024

Financial assets

		Financial assets at fair value through other comprehensive income 按公平值計入 其他全面收益 的金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷 成本計量 的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income	指定為按公平值計入 其他全面收益的 股權投資	399,000	–	399,000
Loans to a joint venture	向一家合營企業的貸款	–	18,854	18,854
Loans to an associate	向一家聯營公司的貸款	–	27,096	27,096
Financial receivables	金融應收款項	–	11,673,981	11,673,981
Trade receivables	貿易應收款項	–	3,169,688	3,169,688
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收 款項及其他資產的 金融資產	–	666,286	666,286
Pledged deposits	抵押存款	–	93,698	93,698
Cash and cash equivalents	現金及現金等價物	–	122,158	122,158
Total	總計	399,000	15,771,761	16,170,761

Financial liabilities

		Financial liabilities at amortised cost 按攤銷 成本計量 的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	1,849,720	1,849,720
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的 金融負債	63,772	63,772
Interest-bearing bank and other borrowings	計息銀行及其他借款	9,612,276	9,612,276
Total	總計	11,525,768	11,525,768

37. 按類別劃分的金融工具

於報告期末，各類別金融工具的賬面值如下：

二零二四年十二月三十一日

金融資產

金融負債

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

37. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

31 December 2023

Financial assets

	Financial assets at fair value through other comprehensive income 按公平值計入 其他全面收益 的金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷 成本計量 的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income	指定為按公平值計入 其他全面收益的 股權投資	347,000	347,000
Loans to a joint venture	向一家合營企業的貸款	19,000	19,000
Loans to an associate	向一家聯營公司的貸款	23,859	23,859
Financial receivables	金融應收款項	11,592,250	11,592,250
Trade receivables	貿易應收款項	2,808,513	2,808,513
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收 款項及其他資產的 金融資產	798,970	798,970
Pledged deposits	抵押存款	128,713	128,713
Cash and cash equivalents	現金及現金等價物	248,360	248,360
Total	總計	15,619,665	15,966,665

Financial liabilities

	Financial liabilities at amortised cost 按攤銷 成本計量 的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	2,013,533
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的 金融負債	130,347
Interest-bearing bank and other borrowings	計息銀行及其他借款	9,917,035
Total	總計	12,060,915

37. 按類別劃分的金融工具(續)

二零二三年十二月三十一日

金融資產

金融負債

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

38. 金融工具公平值及公平值等級

本集團金融工具(其賬面值與公平值合理相若者除外)的賬面值及公平值如下:

		Carrying amounts 賬面值		Fair values 公平值	
		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Financial assets	金融資產				
Equity investments designated at fair value through other comprehensive income	指定為按公平值計入其他全面收益的股權投資	399,000	347,000	399,000	347,000
Financial receivables, non-current portion	金融應收款項, 非即期部分	9,631,996	9,512,959	9,734,966	9,619,827
Total	總計	10,030,996	9,859,959	10,133,966	9,966,827
Financial liabilities	金融負債				
Trade and bills payables, non-current portion	貿易應付款項及應付票據, 非即期部分	4	201	4	192
Interest-bearing bank and other borrowings, non-current portion	計息銀行及其他借款, 非即期部分	6,651,072	6,415,560	6,665,649	6,440,736
Total	總計	6,651,076	6,415,761	6,665,653	6,440,928

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, other current financial assets, the current portion of financial receivables, the current portion of trade and bills payables, the current portion of financial assets included in prepayments, other receivables and other assets, loans to joint ventures and associates, the current portion of financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

管理層已評估, 現金及現金等價物、抵押存款、貿易應收款項、其他流動金融資產、金融應收款項的即期部分、貿易應付款項及應付票據的即期部分、計入預付款項、其他應收款項及其他資產的金融資產的即期部分、向合營企業及聯營公司貸款、計入其他應付款項及應計費用的金融負債的即期部分以及計息銀行及其他借款的即期部分的公平值均與其賬面值相若, 主要是由於該等工具於短期內到期。

31 December 2024 二零二四年十二月三十一日

OF FINANCIAL INSTRUMENTS (Continued)

.067 0 Td (ao)Tj (d)Tj (Td (t)Tj (h)Tj (e)967 4.209 h)Tj (o)Tj (Td (v)058 4.143 fTj E>u)Tj (e)Tj (s)Tj ()Tj 3.07 0 Td (o)Tj (f)

[illegible]

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2023

38. 金融工具公平值及公平值等級(續)

公平值等級(續)

按公平值計量的資產:(續)

於二零二三年十二月三十一日

		Fair value measurement using 公平值計量採用			
		Quoted prices in active markets (Level 1) 活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income	指定為按公平值計入 其他全面收益的 股權投資	-	-	347,000	347,000

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2024 and 31 December 2023.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities (2023: Nil).

按公平值計量的負債:

於二零二四年十二月三十一日及二零二三年十二月三十一日,本集團並無任何按公平值計量的金融負債。

於年內,就金融負債而言,第一級與第二級之間並無公平值計量轉撥,亦無項目轉入或轉出第三級(二零二三年:無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

As at 31 December 2024

		Fair value measurement using 公平值計量採用			
		Quoted prices in active markets (Level 1) 活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial receivables, non-current portion	金融應收款項, 非即期部分	-	9,734,966	-	9,734,966
		-	9,734,966	-	9,734,966

As at 31 December 2023

於二零二三年十二月三十一日

		Fair value measurement using 公平值計量採用			
		Quoted prices in active markets (Level 1) 活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial receivables, non-current portion	金融應收款項, 非即期部分	-	9,619,827	-	9,619,827
		-	9,619,827	-	9,619,827

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2024

		Fair value measurement using 公平值計量採用			
		Quoted prices in active markets (Level 1) 活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables, non-current portion	貿易應付款項及應付票據, 非即期部分	-	4	-	4
Interest-bearing bank and other borrowings, non-current portion	計息銀行及其他借款, 非即期部分	-	6,665,649	-	6,665,649
Total	總計	-	6,665,653	-	6,665,653

As at 31 December 2023

於二零二三年十二月三十一日

		Fair value measurement using 公平值計量採用			
		Quoted prices in active markets (Level 1) 活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables, non-current portion	貿易應付款項及應付票據, 非即期部分	-	192	-	192
Interest-bearing bank and other borrowings, non-current portion	計息銀行及其他借款, 非即期部分	-	6,440,736	-	6,440,736
Total	總計	-	6,440,928	-	6,440,928

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. The Group's interest-bearing bank and other borrowings, pledged deposits and cash and cash equivalents are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to profit or loss as earned/incurred.

If there would be a general increase/decrease in the market interest rates by one percentage point, with all other variables held constant, the Group's consolidated pre-tax profit would have decreased/increased by approximately RMB67,633,000 and RMB70,806,000 for the years ended 31 December 2024 and 2023, respectively, and there would be no impact on other components of the consolidated equity, except for retained profits, of the Group. The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred at the end of the year and had applied the exposure to interest rate risk to those financial instruments in existence at that date.

39. 財務風險管理目標及政策(續)

(a) 利率風險

本集團承受主要與本集團按浮動利率計息的長期債務責任有關的市場利率變動的風險。

本集團會定期審閱及監察固定及浮動利率借款的組合，以管理其利率風險。本集團的計息銀行及其他借款、抵押存款和現金及現金等價物乃按攤銷成本列賬，且不會定期重估其價值。浮動利率利息收入及開支乃於賺取產生時在損益計入扣除。

截至二零二四年及二零二三年十二月三十一日止年度，如市場利率全面上升/下降一個百分點，而所有其他變量保持不變，則本集團的綜合除稅前溢利將分別減少/增加約人民幣67,633,000元及人民幣70,806,000元，且除保留溢利外，不會對本集團綜合權益的其他組成部分構成影響。上述敏感度分析假設市場利率變動已於各年末發生並已應用該等金融工具所承擔於該日期存在的利率風險而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

39. 財務風險管理目標及政策(續)

(b) 信用風險

現金及現金等價物、抵押存款、貿易應收款項、金融應收款項及計入預付款項、其他應收款項及其他資產的金融資產的賬面值為本集團就該等金融資產所承受的最大信用風險。本集團絕大 大最大

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities at the end of the year, based on the contractual undiscounted payments, is as follows:

		31 December 2024 二零二四年十二月三十一日				
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	2 to 5 years 2至5年 RMB'000 人民幣千元	More than 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Lease liabilities	租賃負債	468	303	398	1,138	2,307
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借款 (不包括租賃負債)	3,161,822	3,038,070	2,658,560	1,815,919	10,674,371
Trade and bills payables	貿易應付款項及 應付票據	1,849,716	4	–	–	1,849,720
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的金融負債	63,772	–	–	–	63,772
Total	總計	5,075,778	3,038,377	2,658,958	1,817,057	12,590,170

		31 December 2023 二零二三年十二月三十一日				
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	2 to 5 years 2至5年 RMB'000 人民幣千元	More than 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Lease liabilities	租賃負債	1,563	163	443	1,256	3,425
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借款 (不包括租賃負債)	3,749,847	2,311,708	2,896,445	2,143,341	11,101,341
Trade and bills payables	貿易應付款項及 應付票據	2,013,332	201	–	–	2,013,533
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的金融負債	130,347	–	–	–	130,347
Total	總計	5,895,089	2,312,072	2,896,888	2,144,597	13,248,646

39. 財務風險管理目標及政策(續)

(c) 流動資金風險(續)

於本年度末，本集團的金融負債根據合約未貼現付款劃分的到期狀況如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Foreign currency risk

The Group has minimal transactional currency exposures as the majority of the subsidiaries of the Group operate in the PRC with most of the transactions denominated and settled in RMB.

In addition, the Group has currency exposures from its cash and cash equivalents and interest-bearing bank borrowings. The Group manages foreign currency risk by closely monitoring the proportion of its non-Renminbi borrowings and assets.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change

39. 財務風險管理目標及政策(續)

(d) 貨幣風險

由於本集團大部分附屬公司在中國經營業務，且大部分交易以人民幣計值及結算，故本集團的交易貨幣風險甚微。

此外，本集團因其現金及現金等價物以及計息銀行借款而面臨貨幣風險。本集團透過密切監察其非人民幣借貸及資產的比例管理貨幣風險。

下表顯示在所有其他變數維持不變的情況下，本集團除稅前溢利及本集團權益於報告期末對人民幣、港元及人民幣、美元匯率的合理可能變動的敏感度。

* 不包括保留溢利

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratio in order to support its business and maximise shareholders' value.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No change was made in the objectives, policies or processes for managing capital during the year. The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade and bills payables, certain other payables and accruals, interest-bearing bank and other borrowings less cash and cash equivalents and pledged deposits. Capital includes the equity attributable to owners of the parent and non-controlling interests as stated in the consolidated statement of financial position. The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary. The gearing ratios at the end of the years were as follows:

39. 財務風險管理目標及政策(續)

(e) 資本管理

本集團資本管理的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支持業務及為股東帶來最大價值。

本集團按風險比例設定資本金額。本集團根據經濟狀況變動及相關資產的風險特點管理及調整資本結構。為維持或調整資本結構，本集團或會調整派付予股東的股息金額、向股東歸還資本、發行新股份或出售資產以減少債務。於本年度，資本管理目標、政策或程序並無任何變動。本集團以資本負債比率監管資本，該比率乃以債務淨額除以資本加債務淨額計算。債務淨額包括貿易應付款項及應付票據、若干其他應付款項及應計費用、計息銀行及其他借款減現金及現金等價物及抵押存款。資本包括綜合財務狀況表所列母公司擁有人應佔權益及非控股權益。本集團的策略為維持資產負債比率在穩健資本水平，以支持其業務。本集團採取的主要策略包括但不限於檢討未來現金流量要求及於債務到期時按時間表還款的能力、維持可動用銀行融資在合理水平以及調整投資計劃及融資計劃(如有需要)。於各年末的資產負債比率如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)
(e) 39. 財務風險管理目標及政策(續)
(e) 資本管理(續)

40. 報告期後事項

於二零二四年十二月三十一日後並無發生其他重大事項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

41. 本公司財務狀況表

報告期末本公司財務狀況表的資料如下：

		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	1,220,970	1,217,802
Total non-current assets	非流動資產總值	1,220,970	1,217,802
CURRENT ASSETS	流動資產		
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	746,558	732,225
Cash and cash equivalents	現金及現金等價物		

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2024 二零二四年十二月三十一日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium	Share option reserve	Retained profits/ (accumulated losses)	Total
		股份溢價 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	保留溢利 (累計虧損) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2023	於二零二三年一月一日	1,717,384	65,553	(70,516)	1,712,421
Profit for the year	年內溢利	—	—	4,566	4,566
At 31 December 2023 and 1 January 2024	於二零二三年十二月三十一日及二零二四年一月一日	1,717,384	65,553	(65,950)	1,716,987
Profit for the year	年內溢利	—	—	6,053	6,053
Equity-settled share option arrangements	以權益結算股票增值權安排				

附註：

本公司儲備的概要如下：

於二零二四年五月三十一日，本公司已根據其於二零一四年六月十四日採納的購股權計劃授出合共213,973,500份購股權，可認購本公司股本中合共213,973,500股普通股。於截至二零二四年十二月三十一日止年度，本集團確認購股權開支人民幣5,141,000元(二零二三年十二月三十一日：零)。

42. 批准綜合財務報表

該等綜合財務報表於二零二五年三月三十一日獲董事會批准及授權刊發。

Financial Summary

財務概要

A summary of the results and of the assets, liabilities and total equity of the Group for the last five financial years is as set below:

本集團最近五個財政年度的業績以及資產、負債及權益總額概要載列如下：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2024 二零二四年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue	收益	2,261,282	2,216,381	2,896,589	2,918,958	3,332,432
Profit before tax	除稅前溢利	236,243	233,954	374,341	550,245	607,539
Income tax	所得稅	(65,362)	103,726	134,379	132,064	137,282
Profit for the year	年內溢利	170,881	130,228	239,962	418,181	470,257
Other comprehensive income	其他全面收益	44,200	(13,600)	97,750	(76,500)	(21,250)
Total comprehensive income for the year	年內全面收益總額	215,081	116,628	337,712	341,681	449,007
PROFIT ATTRIBUTABLE TO:	以下人士應佔溢利：					
Shareholders of the Company	本公司股東	167,998	124,753	235,679	412,752	470,488
Non-controlling interests	非控股權益	2,883	5,475	4,283	5,429	(231)
		170,881	130,228	239,962	418,181	470,257
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	以下人士應佔全面收益總額：					
Shareholders of the Company	本公司股東	212,198	111,153	333,429	336,252	449,238
Non-controlling interests	非控股權益	2,883	5,475	4,283	5,429	(231)
		215,081	116,628	337,712	341,681	449,007

Financial Summary

財務概要

ASSETS, LIABILITIES AND TOTAL EQUITY

資產、負債及權益總額

		As at 31 December 於十二月三十一日				
		2024	2023	2022	2021	2020
		二零二四年	二零二三年	二零二二年	二零二一年	二零二零年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	19,153,926	19,227,362	18,965,750	18,281,408	17,645,830
Total liabilities	負債總額	13,134,081	13,377,330	13,225,142	12,873,787	12,527,632
NET ASSETS	資產淨值	6,019,845	5,850,032	5,740,608	5,407,621	5,118,198
Equity attributable to shareholders of the Company	本公司股東應佔權益	5,934,962	5,711,789	5,603,435	5,270,006	4,918,730
Non-controlling						



2011