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**华滋国际海洋股份有限公司**  
**Watts International Maritime Company Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 2258)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Financial Summary**

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>1,534,193</b>	2,143,680
Gross profit	<b>98,540</b>	173,567
(Loss)/Profit before income tax	<b>(68,045)</b>	50,529
(Loss)/Profit for the year	<b>(69,249)</b>	30,750
Total comprehensive (loss)/income for the year attributable to the Shareholders of the Company	<b>(47,546)</b>	27,449
(Loss)/Earnings per share for (loss)/profit attributable to the Shareholders of the Company (expressed in RMB cents per share):		
— Basic earnings per share	<b>(8.46)</b>	3.75
— Diluted earnings per share	<b>(8.46)</b>	3.75
	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Total assets	<b>3,347,474</b>	3,239,021
Total equity	<b>696,921</b>	752,097

## **Annual results for the year ended 31 December 2024**

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2024, which have been reviewed by the Audit Committee, and have been approved by the Board on 27 March 2025.

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

		Year ended 31 December	
		2024	2023
	Note	RMB'000	RMB'000
Revenue	3	1,534,193	2,143,680
Cost of sales		(1,435,653)	(1,970,113)
<b>Gross profit</b>		<b>98,540</b>	173,567
Selling and distribution expenses		(5,671)	(4,365)
Administrative expenses		(99,157)	(83,859)
Net impairment losses on financial assets		(48,341)	(20,289)
Other operating expenses		(305)	(349)
Other income		3,252	3,445
Other gains/(losses) — net		2,850	(1,135)
<b>Operating (loss)/profit</b>		<b>(48,832)</b>	67,015
Finance income		3,521	7,055
Finance costs		(22,734)	(23,541)
<b>(Loss)/Profit before income tax</b>		<b>(68,045)</b>	50,529
Income tax expense	4	(1,204)	(19,779)
<b>(Loss)/Profit for the year</b>		<b>(69,249)</b>	30,750
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified to profit or loss			
Currency translation differences		418	(4,593)
Items that may not be reclassified to profit or loss			
Changes in the fair value of equity instruments at fair value through other comprehensive income, net of tax		21,285	1,292
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>21,703</b>	(3,301)
<b>Total comprehensive (loss)/income for the year attributable to the Shareholders of the Company</b>		<b>(47,546)</b>	27,449
<b>(Loss)/Earnings per share for (loss)/profit attributable to the Shareholders of the Company (expressed in RMB cents per share):</b>			
— Basic (loss)/earnings per share	5	(8.46)	3.75
— Diluted (loss)/earnings per share	5	(8.46)	3.75

# Consolidated Statement of Financial Position

For the year ended 31 December 2024

		As at 31 December	
		2024	2023
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		54,939	68,492
Investment properties		9,982	16,735
Right-of-use assets		9,569	11,910
Intangible assets		43	70
Contract assets	3	469,072	359,433
Trade and other receivables	6	96,555	115,643
Deferred tax assets		36,383	25,832
Financial assets at fair value through other comprehensive income		4,098	16,654
		<u>680,641</u>	<u>614,769</u>
<b>Current assets</b>			
Inventories		6,383	11,082
Contract assets	3	371,690	509,667
Trade and other receivables	6	1,801,358	1,684,898
Time deposits		—	1,831
Restricted cash		144,744	161,020
Cash and cash equivalents		342,658	255,754
		<u>2,666,833</u>	<u>2,624,252</u>
<b>Total assets</b>		<u><u>3,347,474</u></u>	<u><u>3,239,021</u></u>

		As at 31 December	
		2024	2023
	Note	RMB'000	RMB'000
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital		7,303	7,303
Share premium		265,444	273,074
Other reserves		22,821	31,054
Shares held for employee share scheme		(4,756)	(4,756)
Retained earnings		406,109	445,422
<b>Total equity</b>		<b>696,921</b>	<b>752,097</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		4,500	9,500
Lease liabilities		65	366
Trade and other payables	7	167,841	197,242
Deferred tax liabilities		3,815	1,381
		<b>176,221</b>	<b>208,489</b>
<b>Current liabilities</b>			
Lease liabilities		272	3,541
Borrowings		275,998	193,669
Trade and other payables	7	2,109,717	2,019,633
Income tax payables		19,280	19,047
Contract liabilities	3	69,065	42,545
		<b>2,474,332</b>	<b>2,278,435</b>
<b>Total liabilities</b>		<b>2,650,553</b>	<b>2,486,924</b>
<b>Total equity and liabilities</b>	3	<b>3,347,474</b>	<b>3,239,021</b>

## Notes to Annual Results Announcement

*For the year ended 31 December 2024*

### 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 20 December 2017 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company, an investment holding company, and its subsidiaries (together, the **"Group"**) provide marine construction and municipal public construction services in the People's Republic of China (the **"PRC"**) and Southeast Asia. The ultimate controlling shareholders are Mr. Wang Shizhong, Mr. Ye Kangshun, Mr. Wang Xiuchun, Ms. Zhou Meng, Mr. Wang Shiqin, Mr. Wang Likai (**"Controlling Shareholders"**), who are parties acting collectively and have been controlling the group companies since their incorporation.

The Company completed its initial public offering and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) on 19 November 2018 (the **"Listing"**).

The consolidated financial statements are presented in Renminbi (**"RMB"**), unless otherwise stated.

The consolidated financial statements have been approved for issue by the Board of Directors (the **"Board"**) on 27 March 2025.

### 2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (**"HKFRSs"**) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. They have been prepared on a historical cost basis, except for certain financial assets which were measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements will be disclosed in the 2024 annual report.

**(i) New and amended standards adopted by the Group**

The Group has applied the following new and amended standards for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to HKAS 1
- Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause — Hong Kong Interpretation 5 (Revised)
- Lease Liability in Sale and Leaseback — Amendments to HKFRS 16; and
- Supplier Finance Arrangements — Amendments to HKAS 7 and HKFRS 7

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(ii) New and amended standards and revised conceptual framework not yet adopted**

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for HKFRS 18, which will mainly impact the presentation of statements of comprehensive income. The Group is still in progress of evaluating the impact of HKFRS 18.

<b>Standards</b>	<b>Key requirements</b>	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HK Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027



### **3 SEGMENT INFORMATION**

#### **(a) Description of segments and principal activities**

The chief operating decision-maker has been identified as the executive directors. The Group's management evaluates the Group's performance both from a service and geographic perspective and has identified two reportable segments of its business:

- (i) Marine construction, including infrastructure construction of ports, waterway engineering and other services; and
- (ii) Municipal public construction, including construction of public infrastructure within cities, urban greening and construction of buildings.

The segment results represent the gross profit of marine construction and municipal public construction.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. Segment assets are allocated based on the operations of the segment and the physical location of the asset. Segment liabilities are allocated based on the operations of the segment.

**(b) Segment results and other information**

The segment information for the year ended 31 December 2024 is as follows:

	<b>Year ended 31 December 2024</b>		
	<b>Marine</b>	<b>Municipal</b>	
	<b>construction</b>	<b>construction</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>497,195</b>	<b>1,036,998</b>	<b>1,534,193</b>
Cost of sales	<b>(448,557)</b>	<b>(987,096)</b>	<b>(1,435,653)</b>
Gross profit	<b>48,638</b>	<b>49,902</b>	<b>98,540</b>
Unallocated items			
Operating expenses			<b>(153,474)</b>
Other income			<b>3,252</b>
Other gains — net			<b>2,850</b>
Finance costs — net			<b>(19,213)</b>
Loss before income tax			<b>(68,045)</b>
Income tax expense ( <i>Note 4</i> )			<b>(1,204)</b>
Loss for the year			<b>(69,249)</b>
Segment items included:			
Depreciation and amortization	<b>(9,088)</b>	<b>(6,716)</b>	<b>(15,804)</b>
Net impairment reversal/ (losses) on financial assets and contract assets	<b>85</b>	<b>(48,426)</b>	<b>(48,341)</b>

The segment assets and liabilities at 31 December 2024 are as follows:

	As at 31 December 2024			Total <i>RMB'000</i>
	Marine construction <i>RMB'000</i>	Municipal public construction <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	
Total assets	<u>1,357,587</u>	<u>2,129,116</u>	<u>(139,229)</u>	<u>3,347,474</u>
Total liabilities	<u>915,493</u>	<u>1,874,289</u>	<u>(139,229)</u>	<u>2,650,553</u>

The segment information for the year ended 31 December 2023 is as follows:

	Year ended 31 December 2023		
	Marine construction <i>RMB'000</i>	Municipal public construction <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue	724,585	1,419,095	2,143,680
Cost of sales	<u>(643,964)</u>	<u>(1,326,149)</u>	<u>(1,970,113)</u>
Gross profit	<u>80,621</u>	<u>92,946</u>	<u>173,567</u>
Unallocated items			
Operating expenses			(108,862)
Other income			3,445
Other gains — net			(1,135)
Finance costs			<u>(16,486)</u>
Profit before income tax			50,529
Income tax expense ( <i>Note 4</i> )			<u>(19,779)</u>
Profit for the year			<u>30,750</u>
Segment items included:			
Depreciation and amortisation	(8,531)	(7,377)	(15,908)
Net impairment reversal/ (losses) on financial assets and contract assets ( <i>Note 3.1</i> )	<u>406</u>	<u>(20,695)</u>	<u>(20,289)</u>

The segment assets and liabilities at 31 December 2023 are as follows:

	As at 31 December 2023			Total <i>RMB'000</i>
	Marine construction <i>RMB'000</i>	Municipal public construction <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	
Total assets	<u>1,381,828</u>	<u>1,960,578</u>	<u>(103,385)</u>	<u>3,239,021</u>
Total liabilities	<u>929,199</u>	<u>1,661,110</u>	<u>(103,385)</u>	<u>2,486,924</u>

**(c) Revenue from contracts with customers and cost of sales**

The Group derives revenues from the transfer of services over time for customers in the following services and locations of the customers:

	Year ended 31 December					
	2024			2023		
	Marine construction <i>RMB'000</i>	Municipal public construction <i>RMB'000</i>	Total <i>RMB'000</i>	Marine construction <i>RMB'000</i>	Municipal public construction <i>RMB'000</i>	Total <i>RMB'000</i>
<b>PRC</b>						
Revenue	338,986	1,036,998	1,375,984	422,598	1,419,095	1,841,693
Cost of sales	<u>(308,516)</u>	<u>(987,096)</u>	<u>(1,295,612)</u>	<u>(367,284)</u>	<u>(1,326,149)</u>	<u>(1,693,433)</u>
	<u>30,470</u>	<u>49,902</u>	<u>80,372</u>	<u>55,314</u>	<u>92,946</u>	<u>148,260</u>
<b>Southeast Asia</b>						
Revenue	158,209	—	158,209	301,987	—	301,987
Cost of sales	<u>(140,041)</u>	<u>—</u>	<u>(140,041)</u>	<u>(276,680)</u>	<u>—</u>	<u>(276,680)</u>
	<u>18,168</u>	<u>—</u>	<u>18,168</u>	<u>25,307</u>	<u>—</u>	<u>25,307</u>

The breakdown of individual customer's revenue exceeds 10% of the Group's total revenue for the year ended 31 December 2024 and 2023 is as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Customer A	<u><b>NA</b></u>	<u><b>236,618</b></u>

**(d) Segment assets by territory**

Non-current assets, other than non-current receivables, contract assets, financial assets at fair value through other comprehensive income and deferred tax assets, by territory:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
PRC	<b>72,325</b>	90,331
Southeast Asia	<u><b>2,208</b></u>	<u>6,876</u>
<b>Total</b>	<u><b>74,533</b></u>	<u><b>97,207</b></u>

(e) **Contract assets and liabilities**

The Group recognised the following assets and liabilities relating to contract with customers:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Contract assets</b>		
Current portion		
Marine construction	<b>172,356</b>	149,856
Municipal public construction	<b>220,203</b>	381,275
Less: allowance for impairment of contract assets	<b>(20,869)</b>	(21,464)
	<b>371,690</b>	509,667
Non-current portion		
Marine construction	<b>24,258</b>	49,282
Municipal public construction	<b>474,071</b>	322,385
Less: allowance for impairment of contract assets	<b>(29,257)</b>	(12,234)
	<b>469,072</b>	359,433
<b>Total contract assets</b>	<b>840,762</b>	869,100
<b>Contract liabilities</b>		
Marine construction	<b>9,916</b>	2,250
Municipal public construction	<b>59,149</b>	40,295
<b>Total contract liabilities</b>	<b>69,065</b>	42,545

## 4 INCOME TAX EXPENSE

The amounts of tax expense charged to the consolidated statement of comprehensive income represent:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Current income tax	<b>7,915</b>	23,875
Deferred income tax	<b>(6,711)</b>	(4,096)
	<hr/>	<hr/>
<b>Income tax expense — net</b>	<b><u>1,204</u></b>	<b><u>19,779</u></b>

### (i) Cayman Islands profits tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and is exempted from payment of the Cayman Islands income tax.

### (ii) British Virgin Islands (“BVI”) profits tax

The Company’s subsidiaries incorporated in the BVI are exempted from BVI income tax, as they are incorporated under the International Business Companies Act of the BVI.

### (iii) Hong Kong profits tax

One of the Company’s subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax. The applicable Hong Kong profits tax rate is 16.5% for the years ended 31 December 2024 and 2023.

**(iv) PRC corporate income tax (“CIT”)**

The Group’s subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% (2023: 25%) on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations, except for two as disclosed below.

Third Harbor Maritime, a subsidiary of the Group, obtained new and high-technology enterprise recognition in October 2019 and renewed in October 2022 and is entitled to a preferential income tax rate of 15%. Watts Environmental, a subsidiary of the Group was recognised as a new and high-technology enterprise in November 2022 and is entitled to a preferential income tax rate of 15%. The certificate of new and high-technology enterprise is subject to renewal for each three-year interval.

**(v) Brunei income tax**

One of the Company’s subsidiaries incorporated in Brunei is subject to Brunei income tax. The applicable Brunei income tax rate is 18.5% for years ended 31 December 2024 and 2023.

**(vi) Indonesia income tax**

One of the Company’s subsidiaries incorporated in Indonesia is subject to Indonesia income tax. Indonesia income tax is charged through a system of withholding taxes. The customers of the Group are required to withhold final income tax for construction services and the banks are required to withhold final income tax on interest income from bank deposits. For the year ended 31 December 2024, income tax was provided at the rate of 2.65%–4% on the revenue from construction services (2023: 2.65%–4%) and income tax of 20% was provided on the interest income from bank deposits, according to respective Indonesia income tax laws and regulations.

**(vii) Malaysia income tax**

One of the Company’s subsidiaries incorporated in Malaysia is subject to Malaysia income tax. The applicable Malaysia income tax rate is 24% for the year ended 31 December 2024.



**(viii) Saudi Arabia income tax**

One of the Company's subsidiaries incorporated in Saudi Arabia is subject to Saudi Arabia income tax. The applicable Saudi Arabia income tax rate is 20% for the year ended 31 December 2024.

**5 BASIC AND DILUTED (LOSSES)/EARNINGS PER SHARE**

**(a) Basic (losses)/earnings per share**

The calculation of the basic (losses)/earnings per share is based on the (loss)/profit for the year attributable to the Shareholders of the Company and the weighted average number of ordinary shares in issue during the year, as adjusted to exclude the shares repurchased under the share award scheme as at 31 December 2024 and 2023.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
(Loss)/profit attributable to the Shareholders of the Company ( <i>RMB'000</i> )	<b>(69,249)</b>	30,750
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<b>819,008</b>	819,008
Total basic (loss)/earnings per share attributable to the ordinary equity holders of the Group ( <i>RMB cents</i> )	<b><u>(8.46)</u></b>	<b><u>3.75</u></b>

**(b) Diluted (losses)/earnings per share**

Diluted (losses)/earnings per share is of the same amount as the basic (losses)/earnings per share as there was no potentially dilutive ordinary share outstanding as at 31 December 2024 and 2023.

## 6 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables (i)	1,274,771	1,302,077
Less: allowance for impairment of trade receivables (iv)	(148,350)	(92,666)
Trade receivables — net	1,126,422	1,209,411
Retention receivables (ii)	299,988	322,635
Less: allowance for impairment of retention receivables (iv)	(36,678)	(61,436)
Retention receivables — net	263,310	261,199
Bills receivables	64,551	92,686
Long-term trade receivables (v, vi)	45,491	43,235
Less: allowance for impairment of long-term trade receivables (iv)	(3,315)	(2,592)
Long-term trade receivables — net	42,176	40,643
Other receivables (iii)	233,503	75,036
Prepayments	163,364	119,868
Prepaid taxation	4,588	1,698
	1,847,913	1,800,541
<b>Less: non-current portion</b>		
Retention receivables (ii)	(41,974)	(69,954)
Long-term trade receivables (v, vi)	(38,201)	(36,810)
Other receivables (iii)	(16,380)	(8,879)
	(96,555)	(115,643)
<b>Current portion</b>	<b>1,801,358</b>	<b>1,684,898</b>

- (i) The Group's revenues are generated through marine construction services and municipal public construction services. Settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue receivables are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, certain customers may have large trade receivables balances and there may be concentration of credit risk. The customers of certain long ageing trade and retention receivables are related to some large projects and the customers have strong financial capacity with low credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances.

As at 31 December 2024, bills receivables with a total net book amount of RMB20,208,000 were pledged as collateral for the Group's bank borrowings (2023: RMB31,669,000).

As at 31 December 2024 and 2023, the ageing analysis of the trade and bills receivables based on the payment requests acknowledged by the customers is as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 3 months	<b>453,014</b>	548,739
4 to 6 months	<b>120,402</b>	72,456
7 to 12 months	<b>277,609</b>	374,768
1 to 2 years	<b>174,615</b>	167,238
2 to 3 years	<b>120,472</b>	80,453
Over 3 years	<b>193,210</b>	151,109
	<b><u>1,339,322</u></b>	<b><u>1,394,763</u></b>

The credit terms granted to customers by the Group are usually 30 to 60 days.

- (ii) Retention receivables represent amounts due from customers upon completion of the free maintenance period of the construction services, which normally lasts from one to five years, and the maintenance cost is usually immaterial during that period. In the consolidated statement of financial position, retention receivables are classified as current assets if they are expected to be received in one year or less. If not, they are presented as non-current assets. The ageing of the retention receivables is as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 1 year	<b>62,586</b>	117,668
1 to 2 years	<b>60,021</b>	17,534
2 to 3 years	<b>12,528</b>	72,019
3 to 4 years	<b>70,615</b>	40,035
4 to 5 years	<b>24,608</b>	51,560
Over 5 years	<b>69,630</b>	23,819
	<b><u>299,988</u></b>	<b><u>322,635</u></b>

- (iii) Other receivables mainly represent tender deposits and performance deposits due from customers. The tender deposits are usually returned after the bidding process, which may last approximately three months. The performance deposits are usually returned after the construction project is finished. Certain other receivables represent the reimbursed expenses paid on behalf of related parties. These receivables are unsecured, interest free and receivable/repayable on demand. The carrying amount of other receivables approximate their fair value and there is no indication of significant credit risk. Other receivables are classified as current assets if they are expected to be paid in one year or less. If not, they are presented as non-current assets.
- (iv) The Group applies simplified approach to provide for expected credit losses prescribed in HKFRS 9. Provision for impaired receivables has been included in “Net impairment losses on financial assets” in the consolidated statement of comprehensive income.

- (v) Long-term trade receivables represent amounts due from customers for services relating to a public-private-partnership performed by the private investor with quarterly instalment in fifteen years. Long-term trade receivables were measured at amortised cost using the effective interest method at average rate of 5.39%.
- (vi) As at 31 December 2024, the Group pledged long-term trade receivables with carrying amount of approximately RMB42,176,000 (2023: RMB40,643,000) for the long-term bank borrowings amounted to RMB9,500,000 (2023: RMB14,500,000).
- (vii) The carrying amounts, excluding provision, of the Group's trade receivables, bills receivables, retention receivables, other receivables and long-term trade receivables are denominated in the following currencies:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
RMB	<b>1,713,248</b>	1,665,447
IDR	<b>119,872</b>	142,270
US\$	<b>80,420</b>	14,289
HK\$	<b>3,082</b>	1,844
BN\$	<b>1,613</b>	5,104
MYR	<b>69</b>	6,715
	<b><u>1,918,304</u></b>	<b><u>1,835,669</u></b>

## 7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables ( <i>i</i> )	1,543,705	1,525,923
Bills payables ( <i>i</i> )( <i>vi</i> )	21,000	20,000
Retention payables ( <i>ii</i> )	219,016	175,416
Long-term payables ( <i>iii</i> )	184,725	202,396
Payroll and social security	20,635	20,709
Other payables ( <i>iv</i> )	150,806	123,870
Other tax liabilities excluding income tax liabilities	137,671	148,561
	<u>2,277,558</u>	<u>2,216,875</u>
<b>Less: non-current portion</b>		
Retention payables ( <i>ii</i> )	(98,168)	(117,656)
Long-term payables ( <i>iii</i> )	(49,425)	(59,639)
Other payables ( <i>iv</i> )	(20,248)	(19,947)
	<u>(167,841)</u>	<u>(197,242)</u>
<b>Current portion</b>	<u><u>2,109,717</u></u>	<u><u>2,019,633</u></u>

- (i) The Group's trade and bills payables are mainly denominated in the RMB.

As at 31 December 2024 and 2023, the ageing analysis of the trade and bills payables based on the payment requests or demand notes is as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 3 months	<b>265,693</b>	299,432
4 to 6 months	<b>267,195</b>	258,707
7 to 12 months	<b>318,465</b>	259,133
1 to 2 years	<b>291,577</b>	313,762
2 to 3 years	<b>131,263</b>	137,678
Over 3 years	<b>290,512</b>	277,211
	<b><u>1,564,705</u></b>	<b><u>1,545,923</u></b>

- (ii) Retention payables represent amounts due to suppliers upon completion of the free maintenance period of the construction services, which normally lasts from one to five years. In the consolidated statement of financial position, retention payables are classified as current liabilities if they will be required to be paid in one year or less. If not, they are presented as non-current liabilities. The ageing of the retention payables is as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 1 year	<b>18,570</b>	26,977
1 to 5 years	<b>190,604</b>	131,611
Over 5 years	<b>9,842</b>	16,828
	<b><u>219,016</u></b>	<b><u>175,416</u></b>

- (iii) Long-term trade payables represent amounts due to suppliers for certain construction services with unbilled payables and the expected billing period is over one year. For some suppliers, usually 10% to 35% of the payments will be paid upon the completion of the construction and 5% to 10% of the payments will be paid after the warranty period expires. Long-term payables are measured at amortised cost using the effective interest method at the average rate from 3.45% to 5.01%. In the consolidated statement of financial position, long-term payables are classified as current liabilities if they will be required to be paid in one year or less. If not, they are presented as non-current liabilities. The ageing analysis of the long-term payables is as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 1 year	<b>39,073</b>	41,184
1 to 5 years	<b>127,399</b>	137,831
Over 5 years	<b>18,253</b>	23,381
	<b><u>184,725</u></b>	<b><u>202,396</u></b>

- (iv) Other payables mainly represent performance deposits due to suppliers, which are usually repaid after the construction project is finished. Other payables are classified as current liabilities if they are expected to be paid in one year or less. If not, they are presented as non-current liabilities.
- (v) The carrying amounts of the Group's trade payables, bills payables, retention payables, long-term payables and other payables are denominated in the following currencies:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
— RMB	<b>1,936,571</b>	1,850,996
— IDR	<b>85,334</b>	145,904
— BND	<b>45,870</b>	43,643
— HKD	<b>35,004</b>	—
— MYR	<b>13,826</b>	4,511
— USD	<b>2,647</b>	2,551
	<b><u>2,119,252</u></b>	<b><u>2,047,605</u></b>



## 8 DIVIDENDS

The Board does not recommend a final dividend for the year ended 31 December 2024 (2023: HK1.02 cents per share, representing total amount of approximately HK\$8,419,000, equivalent to approximately RMB7,630,000).

## 9 COMMITMENTS

### (a) Capital commitments

As at 31 December 2024 and 2023, the Group and the Company did not have any significant capital commitments.

### (b) Non-cancellable leases

#### *As lessee*

The Group leases various offices and land under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The Group has recognised right-of-use assets for these leases, except for short-term and low-value leases.

Minimum lease payments under non-cancellable leases not recognised in the financial statements are payable as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
No later than 1 year	<b>866</b>	905
Later than 1 year and no later than 2 years	<b>129</b>	222
Later than 2 years and less than 3 years	<b>—</b>	111
	<b>995</b>	<b>1,238</b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Company is a leading port, waterway, maritime engineering and municipal public engineering services provider in the PRC and is committed to the services of (i) port infrastructure, (ii) waterway engineering, (iii) construction of public infrastructure within cities, (iv) urban greening and (v) construction of buildings.

### **Business Review**

The Group enjoys grade A qualifications for the general contracting of the port, waterway and marine engineering business, and construction and municipal public engineering business in China. Therefore, the Group is qualified for inland river, port, waterway and municipal public engineering projects. The Group boasts the strongest construction capacity both in and outside China and a solid customer base. This sustains the stable development of the Group and the maximisation of the return to Shareholders.

In 2024, the Group recorded revenue of RMB1,534.2 million, representing a decrease of approximately 28.4% comparing with the year ended 31 December 2023. Due to the slowdown in the PRC's macroeconomic growth, the weakening of the real estate market and the intensified competition in the ports, waterways and offshore engineering industry in the PRC and Southeast Asia, the commencement of potential projects in the engineering construction industry has been delayed, resulting in a significant decrease in the Group's revenue during the Reporting Period. Meanwhile, in consideration of liquidity and credit risk, in particular the changes in domestic and overseas economic environment and the collection of receivables by the municipal public construction segment, the Group has increased the provision for impairment losses for common and individual projects based on the principle of prudence in anticipation of greater credit losses.

Overall, the revenue of marine construction segment and municipal public construction segment dropped by approximately 31.4% and 26.9% respectively in 2024.

### **Future Plans and Prospect**

In order to mitigate the potential risks arising from competition pressures and regional economic conditions, the Group has been actively expanding the market coverage of its business and enlarging the ecosystem of cooperation. While we focus on our core businesses of ports, waterways and municipal construction, we also develop the emerging business of environmental engineering, which will have more positive impact on the Group's business revenue growth.

In terms of domestic market, China's economy is facing new difficulties and challenges, and there are more risks and hidden dangers in key areas. In particular, there is insufficient room for effective demand in the traditional building construction sector and competition in the market is fierce, bringing considerable pressure on the Group's business growth. In terms of international market, global market falls short of expectation, economic development remains sluggish, there is a clear trend of regionalization and fragmentation of the industrial supply chain, and uncertainty in the international market environment has intensified.

The Group will actively seek opportunities in both domestic and international markets, optimize the allocation of resources, further strengthen internal control and enhance cost control, strengthen the management of trade receivables and collection of old projects to reduce liquidity and credit risks, and enhance the Group's overall competitiveness to cope with the intensifying competition in the industry and market fluctuations. The Group will capitalize on its leading position in the ports, waterways, municipal services and construction industries to consolidate its existing market share through competition or cooperation. At the same time, we will actively explore overseas markets and develop emerging environmental businesses, with a view to injecting new vitality into the sustainable development of the Group and enhancing the rate of return to Shareholders.

## **Financial Overview**

### **Revenue**

The Group's consolidated revenue in 2024 was RMB1,534.2 million, representing a year-on-year decrease of approximately 28.4% from RMB2,143.7 million in the previous fiscal year. The main operation income was divided into marine construction segment and municipal public construction segment during the Reporting Period, with revenue of RMB497.2 million and RMB1,037.0 million, respectively. Revenues from the PRC and Southeast Asia in 2024 were RMB1,376.0 million and RMB158.2 million, respectively. The decrease in revenue in 2024 was mainly due to the slowing down of municipal public construction industry.

### **Cost of sales and profits from main operations**

The consolidated cost of sales in 2024 was RMB1,435.7 million, representing a decrease of 27.1% from RMB1,970.1 million in 2023. The costs of sales of marine construction segment and municipal public construction segment in 2024 were RMB448.6 million and RMB987.1 million, respectively. In 2024, costs incurred in the PRC and Southeast Asia were RMB1,295.6 million and RMB140.1 million, respectively.

Cost of sales mainly consists of the cost of used raw materials and consumables and subcontracting costs. In 2024, cost of used raw materials and consumables and subcontracting costs were RMB835.3 million and RMB504.3 million, representing a decrease of 15.5% and 37.7% from the year 2023 respectively. The operation profit of the Group largely depends on the location and composition of the projects. The Group's consolidated gross profit in 2024 was RMB98.5 million, representing a decrease of 43.2% from RMB173.6 million in 2023.

### **Net impairment losses on financial assets and contract assets**

The Group's provision for loss allowance increased from RMB190.4 million as at 31 December 2023 to RMB238.5 million as at 31 December 2024, which mainly consisted of impairment provision on financial assets and contract assets. For the year ended 31 December 2024, such net impairment losses on financial assets and contract assets were approximately RMB48.3 million, representing a decrease of RMB44.7 million from that of the first half of 2024. In the second half of 2024, the Group strengthened the management of trade receivables and collection of previous projects, and the project trade receivables with specific impairment provision in the municipal public construction segment has also been partially recovered with a clear collection plan put in place. As a result, the net impairment losses as at 31 December 2024 were mainly caused by the increase in general provision due to the challenging economic environment following the longer ageing and increase in expected loss rate, amounting to approximately RMB36.8 million.

We assess the impairment of trade receivables, retention receivables, long-term trade receivables and contract assets individually or collectively.

Individual impaired financial assets and contract assets are related to customers who are experiencing unexpected economic difficulties or under litigation claims. Facing the severe challenges of the current macroeconomic environment and the overall business environment, the operating conditions of certain customers worsened. We expect there will be a longer settlement period and lower recovery amount than the contractual cash flow, therefore we took more prudent view when assessing expected credit loss for our financial assets and contract assets.

Collective impaired financial assets and contract assets have been grouped based on shared credit risk characteristics and the days past due. We use expected credit loss model to measure impairment loss of financial assets and contract assets. We made judgement on and estimate the expected loss rate which is subject to a number of key parameters including the past collection history of customers which are adjusted with reference to forward-looking elements. In particular, the adjustment based on forward-looking elements is heavily dependent on macroeconomic factors and the likelihood of bases, optimistic and pessimistic scenarios, such as expected significant changes in business, financial or economic conditions that may impact the customers' ability to meet its obligation, expected significant changes in the performance and behaviour of customers (including changes in the payment period).

## **Operating loss**

Operating loss in 2024 was RMB48.8 million, representing a decrease of 172.9% from RMB67.0 million operating profit in 2023, mainly due to decline in the gross margin affected by the general poor economic circumstances as well as the increase in the net impairment losses on financial assets and contract assets.

## **Administrative expenses**

The administrative expenses in 2024 were RMB99.2 million, representing an increase of 18.2% compared to RMB83.9 million in 2023, due to additional provision for impairment of investment properties of RMB3.3 million as well as the increase in travelling and entertainment expenses.

## **Income tax expense**

The Group's income tax expense in 2024 was RMB1.2 million, representing an decrease of 93.9% compared to RMB19.8 million in 2023, which was primarily attributable to the decrease of profit before income tax and increase in deferred tax assets caused by the allowance for impairment of financial assets and contract assets, offsetting by not recognizing deferred tax assets on certain subsidiary temporary differences and taxable losses.

## **Trade and other receivables**

The Group's net trade and other receivables increased to RMB1,897.9 million as at 31 December 2024 (as at 31 December 2023: RMB1,800.5 million), which mainly comprised of progress receivables on projects, receivables on project completion, delivery and settlement, and retention receivables on completed projects. The increase of trade and other receivables in 2024 was mainly due to the increase on bills receivables, progress receivables and retention receivables as domestic and foreign projects progress. The Group has assessed the expected credit losses and has made proper provisions for impairment losses. The Group's contract assets decreased by RMB28.3 million to RMB840.8 million as at 31 December 2024 from RMB869.1 million as at 31 December 2023.

## **Trade and other payables**

The Group's trade and other payables increased to RMB2,277.6 million as at 31 December 2024 (as at 31 December 2023: RMB2,216.9 million), mainly due to the increase in progress payables and retention payables as domestic and foreign projects progress.

## **Current assets, capital structure and gearing ratio**

The Group maintained a healthy liquidity position with net current asset and cash and cash equivalents of approximately RMB192.5 million (as at 31 December 2023: RMB345.8 million) and RMB342.7 million (as at 31 December 2023: RMB255.8 million), respectively as at 31 December 2024. As at 31 December 2024, the Group's restricted cash was approximately RMB144.7 million (as at 31 December 2023: RMB161.0 million). The Group's gearing ratio (calculating by dividing total liabilities by total assets) as at 31 December 2024 was 79.2% (as at 31 December 2023: 76.8%). The Group's bank borrowings as at 31 December 2024 were RMB280.5 million (as at 31 December 2023: RMB203.2 million) which are denominated in RMB and with fixed interest rate.

## **Foreign exchange**

Operations of the Group are mainly conducted in the Major Currencies. The Group did not adopt any hedging policy and the Directors considered that the exposure to foreign exchange risks can be mitigated by using the Major Currencies (i) as principal currencies for contracts entered into by and between the Group and its customers; (ii) to settle payments to our suppliers and operating expenses where possible; and (iii) certain amounts of cash and bank balances are dominated in US\$. In the event that settlements from the Group's customer are received in a currency other than the Major Currencies, such currency will be retained for payment of operating expenditures when necessary and the remaining amount will be converted to US\$ promptly.

## **Capital expenditures and commitments**

The Group generally finances its capital expenditures by cash flows generated from its operation, and the net proceeds from the Listing provide an additional source of funding to meet its capital expenditure plan. As at 31 December 2024, the Group had no major capital commitments.

## **Contingent liabilities**

As at 31 December 2024, there was one outstanding claim against Watts Gallop Construction. According to the legal advisers for the claim, the scope and criteria of the loss appraisal lack relevance and rationality. The Group expects that the potential liability, legal fees and costs, and interest are not expected to be significant. As such, these legal proceedings individually or in aggregate would not have material financial or operational adverse impact on the Group's consolidated financial statements.

## **Charges on assets**

As at 31 December 2024, the secured long-term bank borrowings of RMB9,500,000 (2023: RMB14,500,000) were guaranteed by Zhejiang Kexin Engineering Materials Co., Ltd., a third party, and were secured by the pledge of long-term trade receivables carrying amount of approximately RMB42,176,000 (2023: RMB40,643,000).

As at 31 December 2024, bills receivables with a total net book amount of RMB20.2 million (as at 31 December 2023: RMB31.7 million) was pledged as collateral for the Group's bank borrowings amounted to RMB20.2 million (as at 31 December 2023: RMB31.7 million).

## **Material acquisition and disposal of subsidiaries, associates and joint ventures**

For the year ended 31 December 2024, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures.

## **Significant investment held**

As at 31 December 2024, the Group had no significant investment or future plans for significant investments or capital assets.

## Use of Proceeds

The Group's net proceeds from the Listing was approximately HK\$202.9 million. As at 31 December 2024, the utilisation of net proceeds raised by the Group from the Listing is as below:

(HK\$ million)

	Original allocation of net proceeds as stated in the Prospectus	First Revised allocation of net proceeds	Second Revised allocation of net proceeds (note 2)	Unutilised as at 31 December 2023	Utilised during the Reporting Period	Unutilised as at 31 December 2024
Funding our capital needs and cash flow under our existing projects in the PRC and Southeast Asia	65.5	21.3	21.3	—	—	—
Purchasing new vessels and construction equipment	35.7	24.5	24.5	—	—	—
Funding the capital needs and cash flow under the Group's port, waterway and marine engineering projects (Note 1)	—	44.2	113.0	27.8	27.8	—
Purchasing new vessels and construction equipment and repair and maintenance of vessels and construction equipment (Note 1)	—	11.2	11.2	—	—	—
Recruiting talent	13.0	13.0	13.0	—	—	—
Strategic equity investment	68.8	68.8	—	—	—	—
General working capital	19.9	19.9	19.9	—	—	—
Total	<u>202.9</u>	<u>202.9</u>	<u>202.9</u>	<u>27.8</u>	<u>27.8</u>	<u>—</u>



*Notes:*

1. On 17 December 2020, the Board resolved to (i) change the use of the net proceeds for funding capital needs and cash flow under existing projects in the PRC and Southeast Asia which remains unutilised and approved that such amount of approximately HK\$44.2 million shall be reallocated as funding the capital needs and cash flow under the Group's port, waterway and marine engineering projects; and (ii) change the use of net proceeds for purchasing new vessels and construction equipment and approved that the use of such amount of approximately HK\$11.2 million shall be expanded as purchasing new vessels and construction equipment and repair and maintenance of vessels and construction equipment. For details, please refer to the Company's announcement dated 17 December 2020.
2. On 15 June 2023, the Board resolved to change the use of proceeds for strategic equity investment which remains unutilised and approved that such amount of approximately HK\$68.8 million shall be reallocated as funding the capital needs and cash flow under the Group's port, waterway and marine engineering projects. For details, please refer to the Company's announcement dated 15 June 2023.

During the year ended 31 December 2024, the proceeds raised by the Company from the Listing were utilised according to the intentions previously disclosed by the Company.

### **Event after the Reporting Period**

The Group did not have any significant events subsequent to the Reporting Period.

### **Final dividend**

The Company has established a dividend policy, pursuant to which the Board reserves the right to declare and distribute dividends to the Shareholders of the Company as and when appropriate. In considering whether to declare a dividend, the Board shall also take into account the results of operations, cash flows, financial condition, statutory and regulatory restrictions, future development, business strategies and any other factors that the Board may consider relevant.

Having considered the above factors, in particular, the need to maintain sufficient cash flow for daily operation and expansion, the Board has resolved not to recommend payment of any dividend for the year ended 31 December 2024 (2023: HK\$1.02 cents (equivalent to approximately RMB0.92 cent) per share, representing total amount of approximately HK\$8,419,000 (equivalent to approximately RMB7,630,000)).

## **Closure of Register of Members**

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Thursday, 19 June 2025 to Tuesday, 24 June 2025, both days inclusive, during the period no transfer of Shares shall be registered. All transfer documents accompanied by the relevant certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 18 June 2025.

## **Employees and remuneration policies**

As of 31 December 2024, the Group had a total of 472 employees. All employees have been paid remuneration in accordance with relevant laws and regulations in China, Indonesia, Malaysia and Brunei. The Company pays appropriate salary and bonuses with reference to actual practice. Other related benefits include pensions, unemployment insurance and housing allowances. The staff costs, including Directors' emoluments, of the Group were approximately RMB66.6 million for the Reporting Period (2023: approximately RMB71.7 million).

The Remuneration Committee has been established to provide recommendations to the Board on the overall remuneration policy and structure of the Directors and senior management, review the remuneration and ensure that no Directors have determined their own remuneration.

During the Reporting Period, the Group did not experience any strikes, lockouts or major labour disputes affecting operations, or encounter any major difficulties in hiring and retaining qualified employees.

## **Purchase, sale or redemption of listed securities**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2024, the Company did not hold any treasury shares.

## **Model code for securities transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors confirm that they have fully complied with the relevant requirements set out in its own code of conduct during the Reporting Period.

## **Corporate Governance Code**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has applied the principles of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. For the Reporting Period, the Company has complied with all applicable code provisions under the CG Code in force during the Reporting Period.

## **Audit Committee**

The Audit Committee has discussed with management and reviewed the audited consolidated financial statements of the Group for the Reporting Period.

There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

## **Scope of Work of PricewaterhouseCoopers**

The figures in respect of the Group’s consolidated statement of comprehensive income and consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

## **Publication of Annual Results and Annual Report**

This annual results announcement is published on the HKEXnews website at <http://www.hkexnews.hk> and on the website of the Company at <http://www.shbt-china.com>.

The 2024 annual report containing all the information required by the Listing Rules will be published on the above websites in due course.

## Definitions

2025 AGM	the forthcoming annual general meeting of the Company to be held on Tuesday, 24 June 2025
Audit Committee	the audit committee of the Company
BN\$	Brunei Dollars, the lawful currency of Brunei
Board	the board of Directors of the Company
Companies Law	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
Company	Watts International Maritime Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
Director(s)	director(s) of the Company
Group	the Company and its subsidiaries from time to time
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
IDR	the Indonesian Rupiah, the lawful currency of Indonesia
Listing	the listing of the Company's shares on the main board of the Stock Exchange on 19 November 2018
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
Major Currencies	RMB, HK\$, BN\$, IDR, MYR and US\$, the major currencies used by the Group in conducting its business
MYR	Malaysian Ringgit, the lawful currency of Malaysia

PRC or China	the People's Republic of China, but for the purpose of this announcement only and, unless the context otherwise requires, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China and China Taiwan
Prospectus	the prospectus of the Company dated 30 October 2018
Remuneration Committee	the remuneration Committee of the Company
Renminbi or RMB	Renminbi, the lawful currency of the PRC
Reporting Period	the period from 1 January 2024 to 31 December 2024
Share(s)	ordinary shares of HK\$0.01 each in the share capital of the Company
Shareholder(s)	holder(s) of the Shares
Stock Exchange	The Stock Exchange of Hong Kong Limited
Third Harbor Maritime	Shanghai Third Harbor Benteng Maritime Engineering Co., Ltd. (上海三航奔騰海洋工程有限公司), established under the laws of the PRC as a limited liability company on 14 August 2017, and a wholly-owned subsidiary of our Company
US\$, USD or US dollars	U.S. dollars, the lawful currency of U.S.
Watts Environmental	Shanghai Watts Environmental Technology Co., Ltd. (上海華滋環境科技有限公司), a limited liability company established under the laws of the PRC on 8 July 2020 and a wholly-owned subsidiary of Third Harbor Maritime

Watts Gallop Construction

Watts Gallop Construction Engineering Group Co., Ltd. (華滋奔騰建工集團有限公司), a limited liability company established under the laws of the PRC as on 10 December 1999, a wholly-owned subsidiary of Shanghai Municipal

By order of the Board

**Watts International Maritime Company Limited**

**Wang Xiuchun**

*Chairman and Executive Director*

Shanghai, 27 March 2025

*As at the date of this announcement, the Board comprises Mr. Wang Xiuchun, Ms. Wan Yun, Mr. Wang Lijiang and Mr. Wang Likai as executive Directors; Mr. Wang Shizhong as non-executive Director; Mr. Wang Hongwei, Mr. How Sze Ming and Mr. Sun Dajian as independent non-executive Directors.*