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**中國水務集團有限公司\***

**China Water Affairs Group Limited**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

(Stock Code: 855)

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2025

### FINANCIAL HIGHLIGHT FOR THE YEAR ENDED 31 MARCH

		2025 <i>HK\$ million</i>	2024 <i>HK\$ million</i>	Changes % <i>Note (1)</i>
Revenue	Total	11,655.6	12,858.5	(9.4)
	Pipeline direct drinking water supply operations and pipeline direct drinking water supply installation and maintenance services	357.9	426.0	(16.0)
	Pipeline direct drinking water supply construction services	219.8	1,274.6	(82.8)
	City water supply operations and city water supply installation and maintenance services	4,858.2	4,969.1	(2.2)
	City water supply construction services	2,832.8	3,927.6	(27.9)
	Sewage treatment and drainage operations services	641.4	377.4	69.9
	Sewage treatment and water environmental renovation construction services	729.5	654.5	11.5
Segment profit	Pipeline direct drinking water supply	243.2	591.7	(58.9)
	City water supply	2,492.9	2,490.2	0.1
	Environmental protection	555.8	354.2	56.9
EBITDA ( <i>Note (2)</i> )		4,720.0	5,152.5	(8.4)
EBITDA excluding expected credit loss on trade and other receivables, fair value gain on investment properties and write-down of completed properties held for sale which are non-cash nature		5,256.6	5,162.5	1.8
Profit for the year attributable to owners of the Company		1,074.7	1,533.5	(29.9)
Earnings per share – Basic		HK\$0.66	HK\$0.94	(29.8)
Final dividend per share		HK15 cents	HK15 cents	–

*Notes: (1) The average exchange rate of Renminbi to Hong Kong Dollar adopted by the Group for financial reporting purpose depreciated by approximately 1.1% as compared with the last corresponding year.*

*(2) Calculated as profit before finance costs, income tax, depreciation and amortisation.*

\* For identification purpose only

## RESULTS

The Board of Directors (the “Directors”) of China Water Affairs Group Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2025 together with the comparative figures for the previous year as follows:

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31 March 2025*

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
<b>Revenue</b>	3	<b>11,655,565</b>	12,858,515
Cost of sales		<u>(7,250,587)</u>	<u>(8,082,551)</u>
<b>Gross profit</b>		<b>4,404,978</b>	4,775,964
Other income, net	3	<b>544,506</b>	372,709
Selling and distribution costs		<b>(222,035)</b>	(265,942)
Administrative expenses		<b>(702,201)</b>	(822,560)
Expected credit loss on trade and other receivables		<u>(497,735)</u>	<u>(10,000)</u>
<b>Operating profit</b>	5	<b>3,527,513</b>	4,050,171
Finance costs	6	<b>(847,116)</b>	(724,654)
Share of results of associates		<u><b>69,748</b></u>	<u>44,141</u>
<b>Profit before income tax</b>		<b>2,750,145</b>	3,369,658
Income tax expense	7	<u><b>(722,067)</b></u>	<u>(778,301)</u>
<b>Profit for the year</b>		<u><b>2,028,078</b></u>	<u>2,591,357</u>

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>1,074,663</b>	1,533,543
Non-controlling interests		<b>953,415</b>	1,057,814
		<u><b>2,028,078</b></u>	<u>2,591,357</u>
<b>Earnings per share for profit attributable to owners of the Company during the year</b>			
	9	<i>HK\$</i>	<i>HK\$</i>
Basic		<u><b>0.66</b></u>	<u>0.94</u>
Diluted		<u><b>0.66</b></u>	<u>0.94</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
<b>Profit for the year</b>	<b>2,028,078</b>	2,591,357
<b>Other comprehensive loss</b>		
Items that have been or may be reclassified subsequently to profit or loss:		
– Currency translation	(315,316)	(1,617,922)
– Recycling of currency translation differences upon deregistration or disposal of subsidiaries, net	(1,130)	26
Items that will not be reclassified to profit or loss:		
– Change in fair value of financial assets at fair value through other comprehensive income	13,397	(111,890)
– Share of other comprehensive income/(loss) of an associate	17,068	(5,128)
<b>Other comprehensive loss for the year, net of tax</b>	<b>(285,981)</b>	(1,734,914)
<b>Total comprehensive income for the year</b>	<b>1,742,097</b>	856,443
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	880,949	227,264
Non-controlling interests	861,148	629,179
	<b>1,742,097</b>	856,443

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,532,627	3,422,496
Right-of-use assets		1,332,683	1,388,089
Investment properties		1,457,690	1,306,249
Investment in associates		2,266,806	2,151,263
Financial assets at fair value through other comprehensive income		361,214	345,320
Goodwill		1,362,565	1,371,118
Other intangible assets		34,155,770	31,847,158
Prepayments, deposits and other receivables		679,244	686,960
Contract assets		2,080,110	1,798,014
Receivables under service concession arrangements		2,043,187	2,049,741
		<b>48,271,896</b>	<b>46,366,408</b>
<b>Current assets</b>			
Properties under development		610,162	1,199,731
Properties held for sale		1,328,890	1,049,150
Inventories		672,520	667,498
Contract assets		2,936,615	2,220,961
Receivables under service concession arrangements		151,464	120,796
Trade and bills receivables	10	2,527,194	2,135,973
Financial assets at fair value through profit or loss		5,435	491,668
Amounts due from non-controlling equity holders of subsidiaries		394,652	214,792
Amounts due from associates		1,118,031	394,240
Prepayments, deposits and other receivables		2,424,756	2,830,658
Pledged deposits		678,233	745,396
Cash and cash equivalents		4,771,795	4,804,799
		<b>17,619,747</b>	<b>16,875,662</b>

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current liabilities</b>			
Lease liabilities		<b>47,059</b>	38,613
Contract liabilities		<b>854,323</b>	1,069,563
Trade and bills payables	11	<b>8,087,089</b>	6,849,362
Accrued liabilities, deposits received and other payables		<b>2,995,083</b>	2,685,314
Amounts due to associates		<b>29,995</b>	21,764
Borrowings		<b>5,735,988</b>	6,971,524
Amounts due to non-controlling equity holders of subsidiaries		<b>212,917</b>	126,857
Provision for tax		<b>3,446,970</b>	2,984,412
		<b>21,409,424</b>	20,747,409
<b>Net current liabilities</b>		<b>(3,789,677)</b>	(3,871,747)
<b>Total assets less current liabilities</b>		<b>44,482,219</b>	42,494,661
<b>Non-current liabilities</b>			
Borrowings		<b>19,449,230</b>	17,878,737
Lease liabilities		<b>408,271</b>	332,314
Contract liabilities		<b>249,810</b>	254,574
Amounts due to non-controlling equity holders of subsidiaries		<b>777,323</b>	818,436
Deferred government grants		<b>180,534</b>	190,700
Deferred tax liabilities		<b>1,544,365</b>	1,567,358
		<b>22,609,533</b>	21,042,119
<b>Net assets</b>		<b>21,872,686</b>	21,452,542
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>16,323</b>	16,323
Reserves		<b>13,155,624</b>	12,770,470
		<b>13,171,947</b>	12,786,793
<b>Non-controlling interests</b>		<b>8,700,739</b>	8,665,749
<b>Total equity</b>		<b>21,872,686</b>	21,452,542

*Notes:*

## **1. BASIS OF PREPARATION**

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are carried at fair value.

As at 31 March 2025, the Group’s current liabilities exceeded its current assets by approximately HK\$3,790 million. Whilst the Group has cash and cash equivalents of HK\$4,772 million, the current liabilities are significant which would require the Group to accelerate its collection of receivables and to secure sufficient financing to meet with its obligation as and when they fall due.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, taking into consideration a number of plans and measures as set out below:

- On 21 March 2025, the Company, Silver Dragon Water Supply Group Limited (“Silver Dragon”) and Silver Dragon Water Affairs Investments Co., Ltd. (being the “Silver Dragon Water Affairs”) (both of which are wholly-owned subsidiaries of the Company), entered into the equity investment agreement with Taikang Assets Management Co., Ltd (“Taikang Assets”), pursuant to which, Taikang Assets has conditionally agreed to invest RMB1.5 billion (equivalent to approximately HK\$1.6 billion) into Silver Dragon Water Affairs by cash in return for the equity interests in the Silver Dragon Water Affairs. The first tranche of RMB1.3 billion was completed on 15 May 2025 and the corresponding proceed was received on 15 May 2025. The second tranche of RMB0.2 billion will be completed before 31 December 2025 after the approval by Taikang Asset’s internal investment committee.

The proceeds from this investment are being strategically deployed to strengthen the Group’s financial position. The funds will be used to repay external borrowings, support planned capital expenditure, fulfil payment to creditors, and to finance the general working capital of Silver Dragon Water Affairs and the Group.

Besides, the Group is also actively looking for other strategic investors to invest in the Group so as to enhance the capital structure and reduce overall financing expenses of the Group.

- As at 31 March 2025, the Group had unutilised committed banking facilities of approximately HK\$1,993 million in the PRC and unutilised committed banking facilities of HK\$719 million in Hong Kong, both of which are for general working capital purpose. The Group has letter of intent received from various local PRC banks to provide credit facilities to the Group totalling of approximately HK\$8,140 million. Also, the Group has obtained approval from National Association of Financial Market Institutional Investors for the issuance of RMB3,000 million panda bond of which RMB700 million was issued within the financial year ended 31 March 2025. Subsequent to 31 March 2025, the Group has obtained new borrowings for general working capital purpose in Hong Kong amounting to HK\$833 million and HK\$1,290 million in the PRC, mainly for its projects.

The Group has maintained good track record in compliance with the terms and conditions of its existing borrowings. The directors of the Company are confident that the aforementioned financing arrangement will be available as and when needed for the next twelve months from 31 March 2025.

- As at 31 March 2025, the Group had contract assets of HK\$2,937 million, trade and bills receivables of HK\$2,527 million (of which HK\$943 million are over 180 days due), and other receivables of HK\$2,117 million. To improve the Group's liquidity position, management has implemented a dedicated plan focused on the improvement in turnover and collection of its current assets. This involves proactively pursuing the collection of outstanding amounts, particularly the aged and construction-related receivables, through more direct communication with the local governments and agreement of repayment schedules.
- As at 31 March 2025, the Group had trade and bills payables of HK\$8,087 million amongst which HK\$2,499 million was over 180 days overdue and other payables of HK\$2,504 million. The Group will reduce these liabilities by using the cash proceeds from the Taikang Assets investment, other available financing and collection of receivables balances. The directors of the Company are of the view that they have the ability to manage the progress of the projects from time to time and will negotiate with the creditors to agree on settlement schedules.

Alongside this, a key component of the Group's plan is to control its capital expenditure. Based on the Group's latest understanding of relevant local government policies and the overall economic conditions, management is actively optimising its project pipeline to prioritise essential investments and defer non-core projects, thereby reducing capital expenditure while meeting its operational needs.

The directors of the Company have reviewed the Group's cash flow projections prepared by management which covers a period of not less than twelve months from 31 March 2025. After assessing the Group's current and forecasted cash positions, the directors of the Company are of the opinion that, (i) considering the equity investment by Taikang Assets, (ii) the available financing resources, (iii) the dedicated plan for collection of receivables balances, (iv) the agreement of settlement schedules and (v) the management of capital expenditure, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 March 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

## 2. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

During the year, the Group adopted the following new and amended standards which are mandatory for the year ended 31 March 2025.

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

The above new and amended standards adopted by the Group did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



### 3. REVENUE AND OTHER INCOME

Revenue derived from the Group's principal activities, which is also the Group's turnover, recognised during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Revenue:</b>		
<b>Point in time</b>		
City water supply operations	3,525,711	3,310,678
Pipeline direct drinking water supply operations	314,587	293,426
Sales of goods ( <i>Note 1</i> )	1,097,504	490,854
Sales of properties	333,839	187,351
Others	277,106	250,229
	<u>5,548,747</u>	<u>4,532,538</u>
<b>Overtime</b>		
City water supply installation and maintenance services	1,332,454	1,658,418
Pipeline direct drinking water supply installation and maintenance services	43,263	132,560
City water supply construction services	2,832,823	3,927,636
Pipeline direct drinking water supply construction services	219,760	1,274,642
Sewage treatment and drainage operations services	641,414	377,438
Sewage treatment and water environmental renovation construction services	729,528	654,534
Hotel and rental income	109,389	108,726
Finance income	58,550	54,811
Handling income	41,965	41,681
Others	97,672	95,531
	<u>6,106,818</u>	<u>8,325,977</u>
Total	<u>11,655,565</u>	<u>12,858,515</u>
<b>Other income, net:</b>		
Interest income	185,482	191,674
Government grants and subsidies ( <i>Note 2</i> )	144,256	193,393
Amortisation of deferred government grants	10,425	13,205
Dividend income from financial assets	6,465	5,542
Fair value gain on investment properties	55,908	–
Gain/(loss) on disposal of other intangible assets, net	214	(866)
Gain/(loss) on deregistration or disposal of subsidiaries, net	28,960	(6,515)
Gain/(loss) on disposal of property, plant and equipment, net	179	(1,009)
Gain/(loss) on disposal of right-of-use assets	4,410	(406)
Miscellaneous income/(loss), net	108,207	(22,309)
Total	<u>544,506</u>	<u>372,709</u>

*Notes:*

1. Sales of goods included sales of pipeline direct drinking water equipment of HK\$78,121,000 (2024: HK\$23,942,000).
2. Government grants and subsidies mainly comprised unconditional subsidies for subsidising the Group's water supply and other businesses.

#### 4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, which are the Group's chief operating decision-maker for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- (i) "City water supply" involves the provision of city water supply operations and construction, installation and maintenance services and other services;
- (ii) "Pipeline direct drinking water supply" involves the provision of pipeline direct drinking water supply operations and construction, installation and maintenance services and other services;
- (iii) "Environmental protection" involves the provision of sewage treatment and drainage operations and construction services, solid waste and hazardous waste business, environmental sanitation and water environment management;
- (iv) "Main contractor construction" involves the provision of municipal public construction services by the Group's subsidiary which possesses Grade 1 main contractor qualification; and
- (v) "Property development and investment" segment involves development of properties for sale and investment in properties for long-term rental yields or for capital appreciation.

Information about other business activities and operating segments that are not reportable are combined and disclosed in "All other segments".

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group use for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except that finance costs, share of results of associates, corporate income, corporate expense, income tax expense, expected credit loss on other receivables and gain/loss on deregistration or disposal of subsidiaries, net are excluded from segment results.

Segment assets exclude corporate assets (mainly comprises cash and cash equivalents and pledged deposits), financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and investment in associates. Segment liabilities exclude items such as taxation and other corporate liabilities (mainly comprises corporate borrowings).

Unallocated corporate income mainly comprises interest income and dividend income from financial assets.

Unallocated corporate expenses mainly comprise salaries and wages, operating leases and other operating expenses of the Company and the investment holding companies.

No asymmetrical allocations have been applied to reportable segments.

## For the year ended 31 March 2025

	City water supply HK\$'000	Pipeline direct drinking water supply HK\$'000	Environmental protection HK\$'000	Main contractor construction HK\$'000	Property development and investment HK\$'000	All other segments HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000
<b>Revenue</b>								
From external customers	7,498,114	656,787	1,523,478	664,363	361,323	951,500	–	11,655,565
From inter-segment	157,861	2,843	51,569	895,489	–	–	(1,107,762)	–
<b>Segment revenue</b>	<b>7,655,975</b>	<b>659,630</b>	<b>1,575,047</b>	<b>1,559,852</b>	<b>361,323</b>	<b>951,500</b>	<b>(1,107,762)</b>	<b>11,655,565</b>
<b>Segment profit</b>	<b>2,492,882</b>	<b>243,153</b>	<b>555,837</b>	<b>553,591</b>	<b>47,820</b>	<b>4,695</b>	<b>–</b>	<b>3,897,978</b>
Unallocated corporate income								198,129
Unallocated corporate expense								(568,594)
Finance costs								(847,116)
Share of results of associates	17,299	(338)	52,205	–	–	582	–	69,748
Profit before income tax								2,750,145
Income tax expense								(722,067)
<b>Profit for the year</b>								<b>2,028,078</b>
<b>Other segment information</b>								
Additions of investment properties	3,367	–	–	–	106,365	–	–	109,732
Additions to other non-current segment assets	2,968,136	450,106	154,756	–	–	86,714	–	3,659,712
Amortisation of deferred government grants	7,736	28	2,661	–	–	–	–	10,425
Amortisation of other intangible assets	(837,456)	(28,646)	(17,697)	–	–	(7,151)	–	(890,950)
Depreciation of property, plant and equipment and right-of-use assets	(80,936)	(33,728)	(39,566)	(1,668)	(7,920)	(67,977)	–	(231,795)
Property, plant and equipment written off	(343)	(500)	(121)	–	(4)	(11)	–	(979)
Write-down of completed properties held for sale	–	–	–	–	(94,789)	–	–	(94,789)
Expected credit loss on trade receivables	(28,585)	(4,084)	(8,171)	–	–	–	–	(40,840)
Trade receivables written off	(859)	(179)	–	–	–	–	–	(1,038)
Cost of consumables and raw materials	(1,319,533)	(255,594)	(517,377)	(390,163)	(248,518)	(29,667)	–	(2,760,852)

	City water supply <i>HK\$'000</i>	Pipeline direct drinking water supply <i>HK\$'000</i>	Environmental protection <i>HK\$'000</i>	Main contractor construction <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	All other segments <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment assets</b>	<b>37,110,742</b>	<b>4,453,330</b>	<b>6,776,555</b>	<b>2,892,173</b>	<b>4,035,119</b>	<b>1,656,089</b>	<b>56,924,008</b>
Other financial assets							366,649
Investment in associates	259,243	3,197	1,868,513	–	–	135,853	2,266,806
Other corporate assets							<u>6,334,180</u>
							<u><u>65,891,643</u></u>
<b>Segment liabilities</b>	<b>6,530,550</b>	<b>975,171</b>	<b>327,115</b>	<b>4,579,609</b>	<b>209,069</b>	<b>409,336</b>	<b>13,030,850</b>
Deferred tax liabilities							1,544,365
Provision for tax							3,446,970
Other corporate liabilities							<u>25,996,772</u>
							<u><u>44,018,957</u></u>

For the year ended 31 March 2024

	City water supply HK\$'000	Pipeline direct drinking water supply HK\$'000	Environmental protection HK\$'000	Main contractor construction HK\$'000	Property development and investment HK\$'000	All other segments HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000
<b>Revenue</b>								
From external customers	8,276,397	1,721,929	1,071,518	826,840	207,482	754,349	–	12,858,515
From inter-segment	60,886	8,264	–	1,669,394	28,270	–	(1,766,814)	–
<b>Segment revenue</b>	<u>8,337,283</u>	<u>1,730,193</u>	<u>1,071,518</u>	<u>2,496,234</u>	<u>235,752</u>	<u>754,349</u>	<u>(1,766,814)</u>	<u>12,858,515</u>
<b>Segment profit</b>	<u>2,490,175</u>	<u>591,716</u>	<u>354,163</u>	<u>610,535</u>	<u>41,056</u>	<u>10,601</u>	<u>–</u>	<u>4,098,246</u>
Unallocated corporate income								203,197
Unallocated corporate expense								(251,272)
Finance costs								(724,654)
Share of results of associates	29,941	(176)	13,402	–	–	974	–	44,141
Profit before income tax								3,369,658
Income tax expense								(778,301)
<b>Profit for the year</b>								<u>2,591,357</u>
<b>Other segment information</b>								
Additions of investment properties	–	–	–	–	28,786	–	–	28,786
Additions to other non-current segment assets	3,941,930	1,511,007	102,275	706	–	125,605	–	5,681,523
Amortisation of deferred government grants	8,079	28	5,098	–	–	–	–	13,205
Amortisation of other intangible assets	(793,520)	(17,253)	(15,843)	–	–	(7,230)	–	(833,846)
Depreciation of property, plant and equipment and right-of-use assets	(79,891)	(32,265)	(27,696)	(742)	(8,142)	(75,606)	–	(224,342)
Property, plant and equipment written off	(115)	(9)	(30)	–	–	(123)	–	(277)
Expected credit loss on trade receivables	(7,910)	(2,090)	–	–	–	–	–	(10,000)
Trade receivables written off	(817)	–	–	–	–	–	–	(817)
Cost of consumables and raw materials	<u>(1,665,916)</u>	<u>(344,726)</u>	<u>(214,516)</u>	<u>(744,256)</u>	<u>(158,662)</u>	<u>(23,038)</u>	<u>–</u>	<u>(3,151,114)</u>

	City water supply <i>HK\$'000</i>	Pipeline direct drinking water supply <i>HK\$'000</i>	Environmental protection <i>HK\$'000</i>	Main contractor construction <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	All other segments <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment assets</b>	34,154,999	4,027,574	5,984,634	2,214,353	3,983,930	3,158,194	53,523,684
Other financial assets							836,988
Investment in associates	263,423	2,202	1,818,969	–	–	66,669	2,151,263
Other corporate assets							<u>6,730,135</u>
							<u><u>63,242,070</u></u>
<b>Segment liabilities</b>	5,891,785	963,102	150,090	4,078,455	428,799	140,161	11,652,392
Deferred tax liabilities							1,567,358
Provision for tax							2,984,412
Other corporate liabilities							<u>25,585,366</u>
							<u><u>41,789,528</u></u>

For the years ended 31 March 2025 and 2024, the Group did not depend on any single customer under each of the segments.

The Group's revenue from external customers and its non-current assets located in geographical areas other than the People's Republic of China ("the PRC") are less than 10% of the aggregate amount of all segments.

## 5. OPERATING PROFIT

Profit from operation is arrived at after charging the following:

	2025 HK\$'000	2024 HK\$'000
Cost of consumables and raw materials	2,760,852	3,151,114
Subcontracting costs	824,242	1,569,195
Cost of utilities used	462,146	428,497
Cost of raw water and water resources	460,693	460,146
Depreciation of property, plant and equipment	146,694	150,308
Depreciation of right-of-use assets	85,101	74,034
Amortisation of other intangible assets	890,950	833,846
Write-down of completed properties held for sale	94,789	–
Trade receivables written off	1,038	817
Expected credit loss on trade and other receivables	497,735	10,000
Short-term lease and low-value assets lease expenses in respect of:		
– leasehold land and buildings	7,406	6,822
– other property, plant and equipment	2,515	2,142
Staff costs (including directors' emoluments):		
– Direct labour costs	293,910	345,510
– Salaries and wages	352,880	436,505
– Pension scheme contribution	183,150	186,881
– Other staff costs	67,932	69,212
	897,872	1,038,108
Property, plant and equipment written off	979	277
Net foreign exchange loss	(18,006)	41,943

## 6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank loans	1,120,712	1,108,450
Interest on other loans	343,425	277,480
Interest on amounts due to non-controlling equity holders of subsidiaries	9,587	5,009
Interest on lease liabilities	23,963	18,420
Total borrowing costs	1,497,687	1,409,359
Less: interest capitalised included in property, plant and equipment, investment properties, contract assets, other intangible assets and properties under development	(650,571)	(684,705)
	847,116	724,654

## 7. INCOME TAX EXPENSE

Income tax expense in the consolidated income statement represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax – the PRC	702,917	456,988
Deferred tax	<u>19,150</u>	<u>321,313</u>
Total income tax expense	<u><u>722,067</u></u>	<u><u>778,301</u></u>

## 8. DIVIDENDS

### (a) Dividends attributable to the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend of HK\$0.13 (2024: HK\$0.13) per ordinary share	212,202	212,202
Proposed final dividend of HK\$0.15 (2024: HK\$0.15) per ordinary share	<u>244,132</u>	<u>244,848</u>
	<u><u>456,334</u></u>	<u><u>457,050</u></u>

The final dividends proposed after the reporting date for the year ended 31 March 2025 and 2024 were not recognised as a liability at the reporting date. In addition, the final dividend is subject to the shareholders' approval at the forthcoming annual general meeting.

### (b) Dividends attributable to the previous financial year, approved and paid during the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend in respect of the previous financial year of HK\$0.15 (2024: HK\$0.18) per ordinary share	<u><u>244,848</u></u>	<u><u>293,818</u></u>



## 9. EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$1,074,663,000 (2024: HK\$1,533,543,000) and the weighted average of 1,631,799,000 (2024: 1,632,322,000) ordinary shares in issue during the year.

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 March 2025 and 2024.

## 10. TRADE AND BILLS RECEIVABLES

The Group has a policy of allowing trade customers with credit terms of normally within 90 days except for certain construction, installation and maintenance projects for which settlement is made in accordance with the terms specified in the contracts governing the relevant transaction. The ageing analysis of trade and bills receivables based on the invoice dates is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 90 days	1,271,916	1,092,879
91 to 180 days	312,754	275,241
Over 180 days	942,524	767,853
	<u>2,527,194</u>	<u>2,135,973</u>

## 11. TRADE AND BILLS PAYABLES

The credit terms of trade and bills payables vary according to the terms agreed with different suppliers. The ageing analysis of trade and bills payables based on the invoice dates is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 90 days	3,954,796	3,510,096
91 to 180 days	1,632,956	1,183,315
Over 180 days	2,499,337	2,155,951
	<u>8,087,089</u>	<u>6,849,362</u>

## **12. EVENT AFTER THE REPORTING PERIOD**

On 21 March 2025, the Company, Silver Dragon and Silver Dragon Water Affairs Investments Co., Ltd. (being the “Target Company”) (each a wholly-owned subsidiary of the Company), entered into the equity investment agreement with Taikang Assets, pursuant to which, Taikang Asset has conditionally agreed to invest RMB1.5 billion (equivalent to approximately HK\$1.6 billion) into the Target Company by cash, which shall be completed and settled in two tranches of RMB1.3 billion and RMB0.2 billion respectively, in return for the equity interests in the Target Company.

Upon the first completion, the Company (through Silver Dragon) and Taikang Asset will hold approximately 83.95% and 16.05% equity interest in the Target Company, respectively. Upon the second completion, the Company (through Silver Dragon) and Taikang Asset will hold approximately 81.93% and 18.07% equity interest in the Target Company, respectively. On the same day, the Company, Silver Dragon, the Target Company and Taikang Asset also entered into the shareholders’ agreement which sets out the rights and obligations of the parties thereto in relation to the management and operations of the Target Company and shall take effect from the first completion date. Further details of which had been disclosed in the Company’s announcement dated 21 March 2025.

The first completion took place on 15 May 2025 and the Company (through Silver Dragon) and Taikang Asset hold approximately 83.95% and 16.05% equity interest in the Target Company, respectively.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

For the year ended 31 March 2025, the Group recorded a revenue of HK\$11,655.6 million, representing a decrease of 9.4% from HK\$12,858.5 million in last year. The Group recorded a gross profit of HK\$4,405.0 million, representing a decrease of 7.8% from HK\$4,776.0 million in last year. For the year under review, the Group recorded a profit for the year attributable to owners of the Company of HK\$1,074.7 million, representing a decrease of 29.9% from HK\$1,533.5 million in last year. The basic earnings per share decreased by 29.8% to HK\$0.66 in current year.

### **DIVIDENDS**

The Directors recommended a final dividend of HK15 cents (2024: HK15 cents) per ordinary share, which is subject to the approval by the shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 19 September 2025 and will be payable on or about Friday, 14 November 2025 to the shareholders whose names appear on the register of members on Tuesday, 30 September 2025.

### **CLOSURE OF REGISTER OF MEMBERS**

#### **For Annual General Meeting**

The register of members will be closed from Tuesday, 16 September 2025 to Friday, 19 September 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company to be held on Friday, 19 September 2025, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for registration not later than 4:30 p.m. on Monday, 15 September 2025.

#### **For Entitlement to Proposed Final Dividend**

The register of members will be closed from Monday, 29 September 2025 to Tuesday, 30 September 2025 both days inclusive, during which period no transfer of shares will be registered. In order to qualify for entitlement to the proposed final dividend, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for registration not later than 4:30 p.m. on Friday, 26 September 2025. Subject to the approval by shareholders of the Company at the forthcoming annual general meeting, the proposed final dividend will be paid on or around Friday, 14 November 2025.

## **BUSINESS REVIEW**

The Group's total revenue decreased from HK\$12,858.5 million for the year ended 31 March 2024 to HK\$11,655.6 million for the year ended 31 March 2025, representing a decrease of 9.4%. The Group optimised its development strategy to enhance project management on core business. The Group put more emphasis on the return of projects and allocated resources by prioritising projects with the best return which in turn led to slowdown in the construction activities and thus decline in relevant construction revenue. For the year under review, the total revenue attributable to the "City water supply", "Pipeline direct drinking water supply" and "Environmental protection" segments decreased from HK\$11,069.8 million to HK\$9,678.4 million. This represented a decrease of segments revenue by 12.6%, which was mainly because of overall decrease in installation and maintenance and construction works in "City water supply" and "Pipeline direct drinking water supply" segments during the year.

### **(i) City Water Supply Business Analysis**

City water supply projects of the Group are well spread in various provincial cities and regions across China, including Hunan, Hubei, Henan, Hebei, Guizhou, Hainan, Jiangsu, Jiangxi, Guangdong (including Shenzhen), Chongqing, Shandong, Shanxi and Heilongjiang.

For the year under review, the revenue from city water supply segment amounted to HK\$7,498.1 million (2024: HK\$8,276.4 million), representing a decrease of 9.4% as compared with the last corresponding year. The city water supply segment profit amounted to HK\$2,492.9 million (2024: HK\$2,490.2 million), representing an increase of 0.1% as compared with the last corresponding year. This was mainly due to the net effect of cost control of cost of sales and overall decrease in installation and maintenance and construction works during the year.

### **(ii) Pipeline Direct Drinking Water Supply Business Analysis**

Pipeline direct drinking water supply projects of the Group are well spread in various provincial cities and regions across China, including Hunan, Hubei, Henan, Hebei, Guizhou, Jiangsu, Jiangxi, Guangdong (including Shenzhen), Guangxi, Beijing, Shanghai, Chongqing, Shandong, Shanxi, Anhui, Zhejiang, Yunnan, Sichuan, Ningxia, Fujian, Heilongjiang, Hainan, Liaoning and Shaanxi.

For the year under review, the revenue from pipeline direct drinking water supply segment amounted to HK\$656.8 million (2024: HK\$1,721.9 million), representing a decrease of 61.9% as compared with the last corresponding year. The pipeline direct drinking water supply segment profit amounted to HK\$243.2 million (2024: HK\$591.7 million), representing a decrease of 58.9% as compared with the last corresponding year. This was mainly because of overall decrease in installation and maintenance and construction works during the year.

**(iii) Environmental Protection Business Analysis**

Environmental protection projects of the Group are well spread in various provincial cities and regions across China, including Beijing, Tianjin, Guangdong (including Shenzhen), Henan, Hebei, Hunan, Hubei, Guizhou, Jiangxi, Shaanxi, Heilongjiang and Sichuan.

For the year under review, the revenue from environmental protection segment amounted to HK\$1,523.5 million (2024: HK\$1,071.5 million), representing an increase of 42.2% as compared with the last corresponding year. The environmental protection segment profit amounted to HK\$555.8 million (2024: HK\$354.2 million), representing an increase of 56.9% as compared with the last corresponding year. This was mainly attributable to the increase of sewage treatment operation services from new sewage treatment projects in current year.

**(iv) Main Contractor Construction Business Analysis**

Main contractor construction projects were carried out by the Group's subsidiary which possesses Grade 1 main contractor qualification for nationwide municipal public construction works in China.

For the year under review, the revenue from external customers of the main contractor construction segment amounted to HK\$664.4 million (2024: HK\$826.8 million), representing a decrease of 19.7% as compared with the last corresponding year. The main contractor construction segment profit amounted to HK\$553.6 million (2024: HK\$610.5 million), representing a decrease of 9.3% as compared with the last corresponding year, which was mainly due to the decrease of construction work for water supply projects in current year.

**(v) Property Business Analysis**

The Group held various property development and investment projects which are mainly located in Beijing, Chongqing, Jiangxi, Hunan, Hubei and Henan provinces of China.

For the year under review, the revenue from the property business segment amounted to HK\$361.3 million (2024: HK\$207.5 million). The total property business segment profit amounted to HK\$47.8 million (2024: HK\$41.1 million), representing an increase of 16.5% as compared with the last corresponding year. This was mainly due to the net effect of fair value gain on investment properties of HK\$55,908,000 (2024: Nil) and the write-down of completed properties held for sale of HK\$94,789,000 (2024: Nil) and the decrease of profit margin in sales of property projects in current year.

For the year under review, expected credit loss on trade and other receivables amounting to HK\$497,735,000 (2024: HK\$10,000,000) was recognised due to slow recovery of the PRC's economy (in particular the real estate sector). In addition, the share of results of Kangda International Environmental Company Limited, whose ordinary shares are listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), amounted to HK\$52.0 million (2024: HK\$39.0 million).

## **ISSUE OF GUARANTEED BLUE BONDS**

On 21 January 2025, the Company (as the issuer) entered into the subscription agreement with Credit Guarantee and Investment Facility ("CGIF") (as the guarantor), a trust fund of the Asian Development Bank, Morgan Stanley & Co. International plc, China International Capital Corporation Hong Kong Securities Limited, Barclays Bank PLC, The Hongkong and Shanghai Banking Corporation Limited and China CITIC Bank International Limited (as the joint global coordinators, joint bookrunners and joint lead managers) in connection with the issue of RMB1,000,000,000 3.45% guaranteed blue bonds due January 2030. The Company intended to use the net proceeds from the bonds issue for repayment of certain offshore indebtedness and in accordance with the Company's green & blue finance framework. Further details of which had been disclosed in the Company's announcement dated 21 January 2025.

## **PROSPECTS**

Into 2025, global geopolitical conflicts are intensifying. Faced with multiple challenges such as escalating trade tensions, slowing external economies, and prolonged domestic demand recovery, the central government has launched a comprehensive policy package—including monetary easing and fiscal expansion—to "stabilize growth and expand domestic demand." The long-term trend of China's economy maintaining steady and positive momentum remains unchanged. Benefiting from a low inflation environment and accelerated marketization of water tariff mechanisms, multiple cities nationwide have already initiated procedures to adjust water tariffs. The recent implementation of water tariff reform plans in Guangzhou and Shenzhen is expected to catalyze similar tariff upward adjustments across other cities. The overall resilience of the water industry has become evident, with improving profitability trends gradually emerging. Coupled with interest rate cuts and reserve requirement ratio reductions in mainland China, a turning point in declining financing costs is emerging, suggesting continued profit recovery for water supply companies.

Looking ahead, the Group will consistently adhere to its mission of “Water oriented and kindness to society” seizing opportunities from policy benefits and technological innovation to promote a sustainable development mode of integrating asset-light and asset-heavy model. We will continue focusing on the core business of differentiated water supply, reinforcing synergistic development between traditional water supply and direct drinking water businesses, and advancing from “safe water usage” to “healthier water consumption” through technological upgrades and service enhancements. The Group will leverage green, low-carbon transformation opportunities to expand coverage of value-added services such as direct drinking water projects, building distinctive competitive advantages and fostering new drivers for sustainable growth. By upgrading differentiated water supply technology and iterating our smart water management systems, we aim to solidify our leadership in the industry while delivering high-quality services to meet public needs and creating long-term value and returns for our shareholders.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the year ended 31 March 2025, the Group maintained a satisfactory liquidity level. As at 31 March 2025, the Group has total cash and cash equivalents and pledged deposits of approximately HK\$5,450.0 million (31 March 2024: HK\$5,550.2 million), which are mainly in Hong Kong dollars, Renminbi and United States dollars. The gearing ratio, calculated as a percentage of total liabilities to total assets, is 66.6% (31 March 2024: 66.1%) as at 31 March 2025.

As at 31 March 2025, the Group’s current liabilities exceeded its current assets by HK\$3,789.7 million (31 March 2024: net current liabilities of HK\$3,871.7 million). The decrease in net current liabilities was mainly due to drawdown of various long-term loans to repay short-term loans and decrease in capital expenditure of non-current nature during the year ended 31 March 2025. In the opinion of the directors of the Company, after taken into account the cashflow generated from operations, the internal financial resources, available loan and financing facilities and offers, and new loan and financing facilities currently under negotiation, the Group will have sufficient working capital to meet its financial obligation in full as they fall due in the next twelve months.

As at 31 March 2025, the Group’s aggregate outstanding borrowings amounted to HK\$25,185.2 million (31 March 2024: HK\$24,850.3 million), which are mainly in Hong Kong dollars, Renminbi and United States dollars. The increase in overall borrowings was mainly due to the loans raised related to the capital expenditure, repayment of indebtedness and working capital requirements of the Group. 67.1% of such outstanding borrowings was arranged on floating rate basis and the balance of 32.9% was at fixed rate basis. According to the repayment schedule, HK\$5,736.0 million was repayable within one year and the balance of HK\$19,449.2 million was repayable after one year. As at 31 March 2025, the total unutilised loan facilities, offers and notes registered principle amount available to the Group amounted to HK\$13,351.2 million (31 March 2024: HK\$9,864.1 million).



During the year under review, the Company continued to deepen its cooperation with the existing banks, broaden the financing channels by cooperating with new banks and financial institutions and optimise its debt structure by means of refinancing outstanding loans repayable within one year with long-term loans which could gradually enhance the Group's liquidity position.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 March 2025 and subsequent to the reporting date and up to the date of this announcement, the Company repurchased its own shares on The Stock Exchange as follows:

<b>Month/Year</b>	<b>Number of shares repurchased</b>	<b>Highest price per share <i>HK\$</i></b>	<b>Lowest price per share <i>HK\$</i></b>	<b>Aggregate consideration (excluding expenses) <i>HK\$</i></b>
October 2024	380,000	5.17	4.90	1,918,000
February 2025	2,160,000	6.05	5.78	12,948,000
March 2025	2,234,000	5.80	5.45	12,649,000
April 2025	836,000	6.00	5.77	4,968,000

During the year ended 31 March 2025, the Company repurchased a total of 4,774,000 ordinary shares of HK\$0.01 each in the capital of the Company at an aggregate price of approximately HK\$27,515,000. Those repurchased shares were held as treasury shares as at the date of this announcement.

Subsequent to the reporting date and up to the date of this announcement, the Company repurchased a total of 836,000 ordinary shares of HK\$0.01 each in the capital of the Company at an aggregate price of approximately HK\$4,968,000. Those repurchased shares were held as treasury shares as at the date of this announcement.

The purchase of the Company's shares was effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting.

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



## **TREASURY AND FOREIGN EXCHANGE RISK MANAGEMENT**

The Group adopted conservative treasury policies in cash and financial management for the year under review. Cash was generally placed in short-term deposits. The Group's liquidity and financing requirements were reviewed regularly.

As Hong Kong dollar was pegged with the United States dollar, the directors of the Company considered that the Group was exposed to limited risk in this aspect.

Majority of the subsidiaries of the Company operates in the PRC with most of its transactions denominated and settled in RMB. Fluctuations of exchange rates may result in exchange gain/loss and would also impact the Group's net asset value due to currency translation in the preparation of the Group's consolidated financial statements. If RMB appreciates/depreciates against Hong Kong dollar, the Group would record a(n) increase/decrease in the Group's net asset value. As at 31 March 2025, the Group has entered into cross currency swap contracts of RMB against USD in an aggregate notional amount of approximately USD110.0 million with bank to reduce its exposure to foreign exchange risk arising from its non-Renminbi borrowings. In addition, the Group manages foreign currency risk by closely monitoring the foreign exchange markets, the proportion of its non-Renminbi borrowings and optimising the treasury and financial management strategies.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value. The Board reviews its corporate governance system from time to time in order to meet the rising expectations of shareholders and comply with the increasingly tightened regulatory requirements.

During the year ended 31 March 2025, the Company has complied with all the applicable provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), save and except for the deviations from code provisions C.2.1, B.2.2 and C.1.6.

Under code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Duan Chuan Liang serves as the Chairman of the Company. The function of chief executive officer is collectively performed by the executive directors. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board continues to believe that this structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently. The Board has strong confidence in the executive directors and believes that this structure is beneficial to the business prospects of the Company.

Under code provision B.2.2, every director should be subject to retirement by rotation at least once every three years. According to the Company's bye-laws, at each annual general meeting, one third of the directors shall retire from office by rotation provided that notwithstanding anything therein, the Chairman of the Board of the Company shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuation is a key factor to the successful long term implementation of business plans, the Board believes that the role of the chairman provides the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategy. As such, the Board is of the view that the chairman of Board should not be subject to retirement by rotation.

Under code provision C.1.6, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Certain independent non- executive directors and non-executive directors were unable to attend the Company's annual general meeting held on 9 September 2024 due to their other business commitments.

## **HUMAN RESOURCES**

As at 31 March 2025, the Group has employed approximately 11,000 staff. Most of them are stationed in the PRC and Hong Kong. The remuneration package of the employees is determined by various factors including their experience and performance, the market condition, industry practice and applicable employment law.

The Company had adopted a share option scheme to incentivise the directors, senior management and employees of the Group. During the year ended 31 March 2025, no option was granted by the Company pursuant to the share option scheme.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions of Directors. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code throughout the year ended 31 March 2025 and they all confirmed that they have fully complied with the required standard set out in the Model Code.

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

The audit committee of the Company currently comprises four independent non-executive directors, namely Mr. Chau Kam Wing (chairman of audit committee), Mr. Siu Chi Ming, Ms. Ho Ping and Mr. Xiao Zhe. The annual results of the Group for the year ended 31 March 2025 have been reviewed by the audit committee.

The financial figures in respect of the announcement of the Group's consolidated results for the year ended 31 March 2025 have been agreed by the Company's auditor, PricewaterhouseCoopers ("PwC"), to the amount set out in the Group's audited consolidated financial statements for the year. The work performed by PwC 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 PwC on this announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.chinawatergroup.com>). The annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

On Behalf of the Board  
**China Water Affairs Group Limited**  
**Duan Chuan Liang**  
*Chairman*

Hong Kong, 30 June 2025

*As at the date of this announcement, the Board comprises four executive Directors, being Mr. Duan Chuan Liang, Ms. Ding Bin, Mr. Li Zhong and Mr. Duan Jerry Linnan, four non-executive Directors, being Mr. Li Hao, Mr. Bai Li, Ms. Wang Xiaoqin and Ms. Liu Yu Jie, and four independent non-executive Directors, being Mr. Chau Kam Wing, Mr. Siu Chi Ming, Ms. Ho Ping and Mr. Xiao Zhe.*