



瀘州市興瀘水務（集團）股份有限公司

LUZHOU XINGLU WATER (GROUP) CO., LTD.*

(a joint stock company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號: 2281

2025

ANNUAL REPORT 年度報告



* For identification purposes only 僅供識別

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Chapter I Corporate Information

第一章 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Qinan (*Chairman of the Board and general manager*)
Mr. Xu Guanghua

Non-executive Directors

Mr. Xu Fei
Ms. Zhang Guanghui
Ms. Hu Fenfen

Independent Non-executive Directors

Ms. Ma Hua
Mr. Fu Ji
Mr. Liang Youguo

BOARD COMMITTEES

Strategy Committee

Mr. Chen Qinan (*Chairman*)
Mr. Xu Fei
Ms. Hu Fenfen

Audit Committee

Mr. Fu Ji (*Chairman*)
Ms. Ma Hua
Mr. Liang Youguo

Nomination and Remuneration Committee

Ms. Ma Hua (*Chairman*)
Ms. Zhang Guanghui
Mr. Liang Youguo

董事會

執行董事

陳棋楠先生(董事長、總經理)
徐光華先生

非執行董事

徐飛先生
張光惠女士
胡芬芬女士

獨立非執行董事

馬樺女士
傅驥先生
梁有國先生

董事會轄下委員會

戰略委員會

陳棋楠先生(主席)
徐飛先生
胡芬芬女士

審計委員會

傅驥先生(主席)
馬樺女士
梁有國先生

提名薪酬委員會

馬樺女士(主席)
張光惠女士
梁有國先生

Chapter I Corporate Information (Continued)

第一章 公司資料(續)

SECRETARY TO THE BOARD

Mr. Chen Yongzhong

COMPANY SECRETARY

Mr. Chen Yongzhong

AUTHORISED REPRESENTATIVES

Mr. Chen Qinan

Mr. Chen Yongzhong

REGISTERED ADDRESS, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

16 Baizi Road
Jiangyang District, Luzhou
Sichuan Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

DOMESTIC SHARE REGISTRAR

China Securities Depository and Clearing Corporation Limited
No. 17, Taipingqiao Avenue
Xicheng District, Beijing, the PRC

H SHARE REGISTRAR

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

董事會秘書

陳永忠先生

公司秘書

陳永忠先生

授權代表

陳棋楠先生

陳永忠先生

註冊地址、總部及 中國主要營業地點

中國四川省
瀘州市江陽區百子路16號

香港主要營業地點

香港灣仔
皇后大道東248號
大新金融中心40樓

內資股股份登記處

中國證券登記結算有限責任公司
中國北京市西城區
太平橋大街17號

H股證券過戶登記處

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

Chapter I Corporate Information (Continued)

第一章 公司資料(續)

LEGAL ADVISER

As to Hong Kong law

Zhong Lun Law Firm
22nd-24th Floor and 27th-31st Floor, South Tower of CP Center
20 Jinhe East Avenue, Chaoyang District
Beijing

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
Luzhou Bank Co., Ltd.
Bank of Communications Co., Ltd.

AUDITOR

SHINEWING (HK) CPA Limited
9/F, Block A, Fuhua Mansion,
No. 8 Chaoyangmen North Street,
Dongcheng District, Beijing, the PRC

STOCK CODE

2281

COMPANY WEBSITE

www.lzss.com

法律顧問

有關香港法律

北京市中倫律師事務所
北京市
朝陽區金和東路20號院
正大中心南塔22-24層及27-31層

主要往來銀行

中國工商銀行股份有限公司
瀘州銀行股份有限公司
交通銀行股份有限公司

核數師

信永中和會計師事務所(特殊普通合夥)
中國北京市東城區
朝陽門北大街8號
富華大廈A座9層

股份代號

2281

公司網址

www.lzss.com

Chapter II Definitions

第二章 釋義

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

於本年報內，除文義另有所指外，下列詞彙具有以下含義：

“Annual General Meeting” or “AGM” 「年度股東會」	the 2025 annual general meeting to be convened by the Company on 26 June 2026, or any adjournment thereof 本公司將於2026年6月26日召開的2025年年度股東會或其任何續會
“Articles of Association” 「公司章程」	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time 本公司的公司章程（以不時修訂、補充或以其他方式修改者為準）
“associate(s)” 「聯繫人」	has the meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞的含義
“Board” 「董事會」	the board of Directors 本公司董事會
“Company” or “Group” or “us” or “we” 「本公司」或「本集團」或「我們」	Luzhou Xinglu Water (Group) Co., Ltd.*, converted by Xinglu Water Company Limited (a limited liability company established on 31 July 2002 in the PRC) on 25 December 2015, which includes its predecessor and subsidiaries as required by the context 瀘州市興瀘水務（集團）股份有限公司，由興瀘水務有限公司（於2002年7月31日成立的有限責任公司）於2015年12月25日改制而成，如文義所需，包括前身及附屬公司
“connected person(s)” 「關連人士」	has the meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞的涵義
“Controlling Shareholder(s)” 「控股股東」	has the meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞的涵義
“Corporate Governance Code” 「企業管治守則」	the Corporate Governance Code set out in Appendix C1 to the Listing Rules 上市規則附錄C1所載的企業管治守則
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Domestic Share(s)” 「內資股」	the ordinary share(s) in issue in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB 本公司股本中每股面值人民幣1.00元已發行的普通股以人民幣認購或列作繳足
“Fanxing Environmental” 「繁星環保」	Luzhou Fanxing Environmental Development Co., Ltd.*, a limited liability company established in the PRC on 18 August 2016 and a non-wholly owned subsidiary of the Company, mainly engaged in wastewater treatment business 瀘州市繁星環保發展有限公司，一家於2016年8月18日成立的中國有限責任公司，本公司非全資附屬公司，主要從事污水處理業務

Chapter II Definitions (Continued)

第二章 釋義(續)

“H Share(s)”	the ordinary share(s) in issue in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
「H股」	本公司股本中每股面值人民幣1.00元已發行並在香港聯交所主板上市的普通股
“HK\$” or “HKD” 「港元」或「港幣」	the lawful currency of Hong Kong 香港法定貨幣
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the People’s Republic of China 中華人民共和國香港特別行政區
“Hong Kong Stock Exchange” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“CASBE”	Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People’s Republic of China and the Rules as amended from time to time
「中國企業會計準則」	中華人民共和國財政部頒發的《企業會計準則》及經不時修訂的規則
“IPO”	the initial public offering of the Company’s H Shares on the Main Board of the Hong Kong Stock Exchange on 31 March 2017
「首次公开发售」	2017年3月31日本公司H股在香港聯交所主板成功首次公开发售
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則
“Luzhou Laojiao” 「瀘州老窖」	Luzhou Laojiao Group Co., Ltd.*, one of our Shareholders 瀘州老窖集團有限責任公司，我們的股東之一
“Luzhou Infrastructure” 「瀘州基建」	Luzhou City Infrastructure Investment Co., Ltd.*, one of our Shareholders 瀘州市基礎建設投資有限公司，我們的股東之一
“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules 上市規則附錄C3所載的上市發行人董事進行證券交易的標準守則
“PRC” or “China” 「中國」	the People’s Republic of China, and for the purpose of this annual report only, excluding Hong Kong, Macau and Taiwan 中華人民共和國，就本年報而言，不包括香港、澳門及台灣
“Prospectus” 「招股章程」	the prospectus dated 21 March 2017 in relation to the IPO of H shares 於首次公开发售H股的招股章程，日期為2017年3月21日

Chapter II Definitions (Continued)

第二章 釋義(續)

“Reporting Period” 「報告期」	the year ended 31 December 2025 截至2025年12月31日止年度
“RMB” or “Yuan” 「人民幣」	the lawful currency of the PRC 中國的法定貨幣
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章《證券及期貨條例》
“Share(s)” 「股份」	the ordinary share(s) of RMB1.00 each in the share capital of the Company, including H Shares and Domestic Shares 本公司股本中每股面值人民幣1.00元的普通股，包括H股及內資股
“Shareholder(s)” 「股東」	the holder(s) of the Share(s) 股份持有人
“subsidiary(ies)” 「附屬公司」	has the meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞的涵義
“Xinglu Investment” 「興瀘投資」	Luzhou City Xinglu Investment Group Co., Ltd.*, a limited liability company established in the PRC on 28 January 2003 and the beneficial owner of our Controlling Shareholder 瀘州市興瀘投資集團有限公司，一家於2003年1月28日成立的中國有限責任公司，我們控股股東的實益擁有人
“Xinglu Assets” 「興瀘資產」	Luzhou City Xinglu Assets Management Co., Ltd.*, a limited liability company established in the PRC on 4 September 2014 and our Controlling Shareholder 瀘州市興瀘資產管理有限公司，一家於2014年9月4日於中國成立的有限責任公司，我們的控股股東
“Xinglu Wastewater Treatment” 「興瀘污水處理」	Luzhou Xinglu Wastewater Treatment Co., Ltd.*, a limited liability company established in the PRC on 11 December 2000 and a non-wholly owned subsidiary of the Company, mainly engaged in wastewater treatment business 瀘州市興瀘污水處理有限公司，一家於2000年12月11日成立的中國有限責任公司，本公司非全資附屬公司，主要從事污水處理業務
“%” 「%」	Percent 百分比

* for identification purpose only

* 僅供識別

Chapter III Chairman's Statement

第三章 董事長致辭

I hereby present the annual report of the Group for the year ended 31 December 2025 on behalf of the Board.

In 2025, supported by all Shareholders and directed by the Board, the Group faced head-on the relevant policy adjustments and market transformations, adhered to focusing on the principal businesses and the central theme of “expanding revenue sources while reducing costs and increasing efficiency”, and adopted the development strategy of “seeking progress while ensuring stability”. With sincere cooperation, all staff members overcame difficulties to achieve breakthroughs in multiple areas – promoting reforms, mitigating risks, and benefiting people’s livelihoods – and steadily facilitated the high-quality and sustainable development.

BUSINESS REVIEW

In 2025, the Group recorded a total revenue of approximately RMB1,236.8 million, representing a year-on-year decrease of approximately 7.0%; net profit amounted to approximately RMB116.3 million, representing a year-on-year decrease of approximately 38.8% from the same period of 2024; basic earnings per share amounted to RMB0.13, representing a year-on-year decrease of approximately 38.8% from the same period of 2024. The Board, taking into account the funding needs for the Company’s business development, resolved to recommend the distribution of final dividends of RMB0.04 per share (tax inclusive) to the Shareholders for returning their long-term support to the Company.

STRENGTHENING THE FOUNDATION

The Group remains committed to enhancing operation and maintenance management in its core water supply and drainage business. Based on ensuring a safe water supply, it has further improved regional water supply infrastructure and optimized dispatch plans, advancing the quality of water supply services while ensuring the safety and reliability of water for public livelihood. The Group has promoted the standardized construction of wastewater treatment plants, established a comprehensive responsibility matrix covering all key elements, and optimized treatment processes and production operation procedures to ensure that treated wastewater meets discharge standards, thereby contributing to the construction of the ecological barrier in the upper reaches of the Yangtze River.

本人謹代表董事會提呈本集團截至2025年12月31日止年度之報告。

2025年，本集團在全體股東的支持和董事會的引領下，直面有關政策調整與市場變革，堅持聚焦主業，緊扣「拓展開源、降本增效」的主線，採取「穩中求進」的發展策略，全體同仁精誠合作、攻堅克難，在促改革、防風險、惠民生上多點突破，穩步推進企業高質量、可持續發展。

業績回顧

2025年，本集團於報告期內實現收入總額約為人民幣1,236.8百萬元，比上年度同期減少約7.0%；淨利潤約為人民幣116.3百萬元，較2024年同期減少約38.8%；每股基本盈利為人民幣0.13元，較2024年同期減少約38.8%。董事會結合本公司業務發展資金需求，建議向股東派發末期股息，每股人民幣0.04元（含稅），以回饋股東一直以來給予本公司的支持。

固本強基

本集團堅持立足供排水主業強化運維管理，在保證安全供水的基礎上，進一步完善區域供水基礎設施和優化調度方案，在確保民生用水安全無虞的基礎上，推進供水服務品質升級。推進污水處理廠標準化建設，構建全要素責任清單體系，優化處理工藝和生產運行規程，確保經處理的污水達標排放，為構築長江上游生態屏障作出貢獻。

Chapter III Chairman's Statement (Continued)

第三章 董事長致辭(續)

EXPANDING BUSINESS VENTURES

The Group has accelerated its presence in niche areas of water supply and drainage. In response to the current state of the differentiated water supply market, it has selected several suitable locations for pilot projects to promote direct drinking water systems, thereby gradually expanding its presence in the direct drinking water business market. The Shidong Wastewater Treatment Plant in the Luzhou Yangtze River Economic Development Zone was completed and put into operation, providing professional services to liquor producers in Luzhou through dedicated pipelines, tanker trucks, and other transportation methods. In addition, leveraging the opportunities arising from national strategies in relevant sectors, the Group continues to explore the integration of water supply and drainage, thereby promoting the Group's high-quality and sustainable development across multiple dimensions.

COST REDUCTION AND EFFICIENCY ENHANCEMENT

The Group has implemented comprehensive cost control across the entire process. On one hand, it has established mechanisms to optimize expenditures related to production and operations, project construction, and debt financing. On the other hand, while ensuring full legal and regulatory compliance, it recovers waste materials such as biogas generated during production and operations, turning waste into valuable resources and utilizing them to generate additional revenue through multiple channels. Through a series of innovative measures, the Group has formed a closed-loop pattern of "reform and innovation – efficiency improvement – profit growth", continuously strengthening its internal drivers to enhance operational quality and efficiency.

拓展開源

本集團加快佈局供排水細分領域，直面分質供水市場現狀，選取一批合適的場所先行試點推進直飲水項目，循序漸進拓展直飲水業務市場。建成投運瀘州長江經濟開發區石洞污水處理廠，通過專用管道或槽車轉運等方式為瀘州從事酒類生產企業提供專業服務。此外，公司借助國家推進有關戰略的契機，持續探索供排水一體化，多方位促進本集團高質量可持續發展。

降本增效

本集團統籌全流程管控成本，一方面建立機制優化生產運營、工程建設、債務融資等費用支出。另一方面在確保合法合規的前提下，回收生產運營過程中產生的沼氣等廢棄物，變廢為寶充分利用資源，多渠道增收創效。通過一系列創新舉措形成「改革創新—效能提升—效益增長」閉環格局，持續增強內生動力推動經營質效提升。

Chapter III Chairman's Statement (Continued)

第三章 董事長致辭(續)

FUTURE OUTLOOK

The year 2026 marks the beginning of the “15th Five-Year Plan” period and a year of “foundation building and consolidation” for the Group. The Group will continue to focus on its core responsibilities and principal businesses, directly confront the bottlenecks in industry development, and uphold the development philosophy of “water services for people's livelihood, green water services, and smart water services”. Adhering to a “seeking progress while ensuring stability” development strategy, the Group will promote industrial upgrading and improvements in operational quality and efficiency, continuously strengthen its risk resilience and core competitiveness, and promote a healthy, sustainable, and high-quality corporate development.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude and best regards to all the Shareholders and partners for their continuous trust and support for the development of the Group, and to all the colleagues of the Group for their hard work and contributions.

Chen Qinan

Chairman of the Board

Luzhou, the PRC

27 March 2026

未來展望

2026年是「十五五」開局之年，也是本集團「築基固本」之年，本集團將持續聚焦主責主業，直面行業發展瓶頸，堅守「民生水務、綠色水務、智慧水務」的發展理念，堅持「穩中求進」的發展策略，推進產業升級和質效提升，不斷增強企業抗風險能力和核心競爭力，推動企業健康可持續、高質量發展。

致謝

本人借此機會向一直以來對本集團發展給予信任和支持的全體股東、合作夥伴，以及團結協作、無私奉獻的本集團全體同仁表示衷心感謝和誠摯問候。

陳棋楠

董事長

中國•瀘州

2026年3月27日

Chapter IV Financial Highlights

第四章 財務概要

The Group adopted the CASBE to prepare its financial statements, details are showed in the analysis below:

本集團按照中國企業會計準則編製其財務報表，詳見如下分析：

4.1 CONSOLIDATED RESULTS

4.1 合併業績

		For the year ended 31 December				
		截至12月31日止年度				
		2025	2024	2023	2022	2021
		2025年	2024年	2023年	2022年	2021年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	1,236,777	1,330,267	1,286,434	1,353,419	1,370,098
Profit before tax	除稅前利潤	154,588	227,865	262,521	256,756	307,322
Income tax expense	所得稅開支	38,326	37,930	38,608	33,516	46,347
Net profit for the year	年度淨利潤	116,262	189,935	223,913	223,241	260,975
Total comprehensive income for the year attributable to:	應佔綜合收益：					
– Shareholders of the company	— 歸屬於本公司股東	109,218	177,238	209,901	203,225	241,327
– Minority shareholders	— 歸屬於少數股東	7,069	12,697	14,012	20,016	19,048
		116,286	189,935	223,913	223,241	260,376
Return on average equity ^(Note)	平均股本回報率 ^(註)	3.7%	6.2%	7.7%	8.0%	9.9%
Basic earnings per share (RMB)	基本每股盈利(人民幣)	0.13	0.21	0.24	0.24	0.28

Note: Return on average equity equals profit for the year divided by the average balance of total equity at the beginning and end of the period and multiplied by 100%.

附註：平均股本回報率指全年溢利除以期初與期末權益總額的平均餘額再乘以100%。

Chapter IV Financial Highlights (Continued)

第四章 財務概要(續)

4.2 CONSOLIDATED ASSETS AND LIABILITIES

4.2 合併資產及負債

		For the year ended 31 December 截至12月31日止年度				
		2025 2025年 RMB'000 人民幣千元	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Total assets	總資產	7,201,944	7,188,076	7,054,786	7,140,568	7,073,316
Total liabilities	總負債	3,988,198	4,039,593	4,042,153	4,299,548	4,412,295
Total equity	權益總額	3,213,746	3,148,483	3,012,633	2,841,020	2,661,021
Equity attributable to shareholders of the company	本公司股東應佔權益	3,002,496	2,929,363	2,798,549	2,636,130	2,476,129
Non-controlling interests	非控股股東權益	211,250	219,120	214,084	204,890	184,892
		3,213,746	3,148,483	3,012,633	2,841,020	2,661,021

Chapter V Management Discussion and Analysis

第五章 管理層討論與分析

5.1 INDUSTRY OVERVIEW

In recent years, the overall operation of the water industry in the PRC has remained stable. However, due to the persistently subdued performance of the overall macro-economy, adjustments to relevant fee policies, and tightening of fiscal payment capacity of local governments, traditional water supply and drainage businesses continue to face significant pressure in their ongoing operation. As a result, the willingness of water and environmental protection enterprises to continue investing in traditional municipal water supply and urban domestic wastewater treatment has declined, with many shifting their focus toward higher market-oriented segmented fields such as direct drinking water supply and industrial wastewater treatment.

With the further advancement of national policies on the integration of urban and rural water supply and drainage systems, as well as the introduction of policies regarding the operation and application of water supply and drainage facilities and equipment, enterprises are now required to achieve more refined operation and maintenance management. This marks a shift in the water and environmental protection industry from large-scale expansion driven by strong capital investment toward a model emphasizing industrial chain integration, refined management, and the delivery of high-quality, high-efficiency, and cost-effective solutions.

As cutting-edge Artificial Intelligence (“AI”) technologies and big data applications become more intensely embedded and widely adopted, enabling the interconnection and integration of isolated data silos to generate cognitive value through data flow has become increasingly important. To avoid falling into the trap of excessive technological stacking, establishing mechanisms for data cleansing, anomaly detection, and drift calibration—ensuring that real, reliable, and meaningful data provide high-quality “fuel” for model training and business decision-making—will become a key area for future exploration and research. Consequently, the water and environmental protection industry will undergo a profound integration of technology and business operations, fostering deep collaboration between humans and machines and driving a systemic transformation that leverages the complementary strengths of both.

5.1 行業概覽

近年，中國水務行業整體運行平穩，但整體社會經濟運行仍處於低位、有關收費政策調整、地方財政支付緊張等因素影響，致傳統供排水業務持續經營承受較大壓力。各水務環保企業持續投資傳統市政供水、城市生活污水處理的意願有所下降，紛紛轉向拓展直飲水供應、工業廢水處理等市場化程度較高的細分領域。

國家有關城鄉供排水一體化的進一步推進和供水、排水設施設備運用政策的出台，對企業的精細化運維管理提出了更高的要求，標誌著水務環保行業從以雄厚資本大規模攻城略地轉向以產業鏈一體化、精細化管理催生提質增效高性價比模式輸出。

隨著人工智能（「AI」）前沿技術深度普及和大數據推廣應用，聯通融合各孤島數據讓其在流動中產生認知價值，避免陷入技術堆砌的迷思，建立數據清洗、異常識別、漂移校準機制，讓真實有用的數據為模型訓練與業務決策提供高質量「燃料」將成為未來探索研究的重要課題。水務環保行業也因此將迎來技術與業務的深度融合，人與機器深度協作，促進人機優勢互補的系統性革新。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.2 DEVELOPMENT STRATEGY AND OUTLOOK

5.2 發展策略及展望

The year 2026 marks the inaugural year of the “15th Five-Year Plan”. Directly confronting the challenges arising from the continued downturn in the overall economy, the allocation-based charges from centralized construction of water supply pipe networks and the cancellation of secondary water supply charges, as well as persistently high accounts receivable, the Group will uphold the general work principle of “seeking progress while ensuring stability”, and firmly advance the integration of urban and rural water supply and drainage, with a strategic focus on expanding into direct drinking water supply, industrial wastewater treatment, and the upstream and downstream segments of the water supply and drainage industry chain, with a view to enhancing our risk-resilience and sustainable development capability.

2026年是「十五五」開局之年。直面整體經濟持續下行、供水管網集中建設分攤收費和二次供水收費取消、應收賬款持續高企的困境，本集團將堅持「穩中求進」的工作總基調，堅定不移地推進城鄉供排水一體化，重點拓展直飲水、工業廢水處理及供排水上下游產業鏈市場，增強企業抗風險能力和可持續發展能力。

5.3 BUSINESS REVIEW

The Group is an integrated municipal water service provider in Sichuan Province, the PRC, principally engaged in two major business segments: tap water supply and wastewater treatment. The business primarily adopts build-own-operate (“BOO”) and transfer-own-operate (“TOO”) project models, pursuant to which we enter into concession agreements with local governments typically for a term of 30 years. The Group conducts business in the regions of Luzhou, Weiyuan in Neijiang City, Jingyan in Leshan City, Qingbaijiang in Chengdu City, as well as Leibo and Dechang in Liangshan Prefecture, the PRC.

As at the end of the Reporting Period, we operated 12 tap water plants, 8 city wastewater treatment plants, 2 industrial park wastewater treatment plants and 5 entrusted operation wastewater treatment plants. In addition, we operated several wastewater treatment facilities in townships and rural areas, and engaged in entrusted operation projects, with a total treatment capacity of approximately 1.439 million tons per day.

5.3 業務回顧

本集團為中國四川省綜合市政水務服務供應商，主營業務包括自來水供應和污水處理兩個主要分部。業務主要採用建設－擁有一經營（「BOO」）及轉讓－擁有一經營（「TOO」）項目模式，並與地方政府訂立一般為期30年的特許經營協議。本集團的業務在中國瀘州地區、內江市威遠地區、樂山井研地區、成都市青白江地區、涼山州雷波及德昌地區等區域開展。

於報告期末，我們經營12座自來水廠和8座城市生活污水處理廠，以及2座工業園區污水處理廠及5座委託運營污水處理廠，我們還經營若干個鄉鎮及農村污水處理設施及委託運營項目，日總處理能力約為143.9萬噸。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.3.1 Tap Water Projects

As at the end of the Reporting Period, the Group owned 12 tap water plants with an aggregate daily water supply capacity of approximately 784,000 tons (excluding emergency back-up water plants), representing an increase of 10,000 tons as compared with the end of 2024. The average utilization rate of the tap water plants was 70.0%.

During the Reporting Period, our total water sales amounted to approximately 165.1 million tons, representing a decrease of 0.6% as compared with approximately 166.0 million tons for the same period of 2024. The decrease was mainly due to changes in the water consumption structure, including a decline in non-residential water usage and greening water usage as compared with the same period of the previous year.

5.3.2 Wastewater Treatment Projects

As at the end of the Reporting Period, the Group operated 8 urban wastewater treatment plants (excluding emergency back-up wastewater treatment plants), with an aggregate daily treatment capacity of approximately 533,000 tons and a production load rate of 75.81%; 3 industrial park wastewater treatment plants, with an aggregate daily treatment capacity of approximately 33,000 tons; 4 entrusted-operation wastewater treatment plants, with an aggregate daily treatment capacity of 30,000 tons; and 224 township and rural wastewater treatment facilities, with an aggregate daily treatment capacity of 59,000 tons, representing a decrease of 68 facilities as compared with the end of 2024.

During the Reporting Period, our actual treatment volume of wastewater amounted to approximately 174.5 million tons, representing a decrease of 0.4% as compared with 175.2 million tons for the same period of 2024. The decrease was mainly due to the suspension of the Leshan Shizhong District project and the reduction in inflow from municipal interception pipe networks.

5.3.1 自來水項目

於報告期末，本集團擁有12座日供水總能力規模約78.4萬噸的自來水廠（不含應急備用水廠），較2024年末增加1萬噸，自來水廠平均利用率為70.0%。

報告期間，我們的售水總量約165.1百萬噸，較2024年同期的約166.0百萬噸減少0.6%，減少的原因主要是用水結構變化，非居民生活用水、綠化用水較上年同期減少。

5.3.2 污水處理項目

於報告期末，本集團共有8座營運中的城鎮污水處理廠（不含應急備用污水處理廠），日處理能力約53.3萬噸，生產負荷率為75.81%；3座工業園區污水處理廠，日處理能力約3.3萬噸；4座委託運營污水處理廠，日處理能力3萬噸；鄉鎮及農村污水處理設施共224個，日處理能力5.9萬噸，較2024年末減少68個。

報告期間，我們的污水實際處理總量約為174.5百萬噸，較2024年同期的175.2百萬噸減少0.4%。減少的原因主要是樂山市中區項目停運及市政截污管網來水減少。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4 FINANCIAL REVIEW

5.4 財務回顧

5.4.1. Analysis of Key Items in the Income Statement

5.4.1. 利潤表主要項目分析

5.4.1.1 Operating revenue

5.4.1.1 營業收入

During the Reporting Period, the Group's operating revenue amounted to RMB1,236.8 million, representing a decrease of 7.0% from RMB1,330.3 million for the same period of 2024. The decrease was mainly due to the decline in engineering installation revenue and the elimination of the secondary water supply service fee effective.

報告期內，本集團實現營業收入為人民幣1,236.8百萬元，較2024年同期的人民幣1,330.3百萬元減少7.0%。減少的主要原因是受工程安裝收入減少，以及取消自來水二次供水服務費的影響。

5.4.1.1.1 Tap water supply

5.4.1.1.1 自來水供應

5.4.1.1.1.1 Sales of tap water

5.4.1.1.1.1 自來水銷售

During the Reporting Period, revenue of the Group generated from sales of tap water amounted to RMB406.7 million, representing a decrease of 1.8% from RMB414.1 million for the same period of 2024. The decrease was mainly due to the cancellation of secondary water supply service fees, in accordance with relevant policies. Revenue generated from sales of tap water accounted for 31.1% and 32.9% of our total revenue for 2024 and 2025, respectively.

報告期內，本集團由銷售自來水產生的收入為人民幣406.7百萬元，較2024年同期的人民幣414.1百萬元減少1.8%。減少的主要原因是根據政策取消收取二次供水服務費。銷售自來水產生的收入分別佔2024年及2025年總收入的31.1%及32.9%。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4.1.1.2 Engineering installation

During the Reporting Period, revenue of the Group generated from installation services amounted to RMB103.4 million, representing a decrease of 56.7% from RMB238.9 million for the same period of 2024. The decrease was mainly due to the downturn in the property market, the decline in installation projects for newly built residential units, and the cancellation of centralized pipeline network construction fees. Revenue generated from installation services accounted for 18.0% and 8.4% of our total revenue for 2024 and 2025, respectively.

5.4.1.1.2 工程安裝

報告期內，本集團由安裝服務產生的收入為人民幣103.4百萬元，較2024年度同期的人民幣238.9百萬元減少56.7%。減少的主要原因是受房地產市場不景氣、新建住宅安裝工程項目減少，以及取消集中管網建設費影響。由安裝服務產生的收入分別佔2024年及2025年總收入的18.0%及8.4%。

5.4.1.1.2 Wastewater treatment

During the Reporting Period, revenue generated from wastewater treatment operating services amounted to RMB715.1 million, representing an increase of 8.3% from RMB660.0 million for the same period of 2024. The increase was mainly due to the commencement of operation of the Chengdong Wastewater Treatment Plant Phase II, resulting in a substantial increase in wastewater treatment volume charges, as well as revenue generated from the completion and commissioning of the Shidong Wastewater Treatment Plant, leading to an increase in revenue. Revenue generated from wastewater treatment accounted for 49.6% and 57.8% of our total revenue for 2024 and 2025, respectively.

5.4.1.1.2 污水處理

報告期內，本集團由污水處理營運服務產生的收入為人民幣715.1百萬元，較2024年同期的人民幣660.0百萬元增加8.3%。增加的主要原因是城東二期污水處理廠投運致污水處理收費量大幅增加，石洞污水處理廠建成投運取得收入，致收入增加。污水處理收入分別佔2024年及2025年總收入的49.6%及57.8%。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4.1.2 Operating cost

During the Reporting Period, the Group's operating cost amounted to RMB823.3 million, representing a decrease of 5.1% from RMB867.4 million for the same period of 2024. The decrease was mainly due to the reduction in engineering installation costs and tap water costs.

5.4.1.2.1 Tap water supply

5.4.1.2.1.1 Sales of tap water

During the Reporting Period, the Group's operating cost associated with the sales of tap water amounted to RMB367.0 million, representing a decrease of 6.3% from RMB391.8 million for the same period of 2024. The decrease was mainly due to the expiration of depreciation periods for water production equipment resulting in cessation of depreciation charges, the extension of depreciation periods for pipe network assets, which led to a reduction in depreciation expenses during the period, and the effective implementation of cost reduction and efficiency enhancement measures by the Group. Operating cost from tap water supply operations accounted for 45.2% and 44.6% of our total operating cost for 2024 and 2025, respectively.

5.4.1.2 營業成本

報告期內，本集團營業成本為人民幣823.3百萬元，較2024年同期的人民幣867.4百萬元減少5.1%，減少的主要原因是工程安裝成本減少，自來水成本減少。

5.4.1.2.1 自來水供應

5.4.1.2.1.1 自來水銷售

報告期內，本集團與自來水銷售相關的營業成本為人民幣367.0百萬元，較2024年同期的人民幣391.8百萬元減少6.3%。減少的主要原因是制水設備折舊年限到期停止計提折舊、管網資產折舊年限調整延長致本期折舊費用減少，以及集團推進降本增效措施取得成效。來自自來水供應營運的營業成本分別佔2024年及2025年總營業成本的45.2%及44.6%。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4.1.2.1 Engineering installation

During the Reporting Period, the Group's operating cost associated with installation services amounted to RMB36.7 million, representing a decrease of 52.6% from RMB77.4 million for the same period of 2024. The decrease was mainly due to the downturn in the property market and the decline in installation projects for newly built residential units. Operating cost associated with installation services accounted for 8.9% and 4.5% of our total operating cost for 2024 and 2025, respectively.

5.4.1.2.1 工程安裝

報告期內，本集團與安裝服務相關的營業成本為人民幣36.7百萬元，較2024年同期的人民幣77.4百萬元減少52.6%。減少的主要原因是房地產市場不景氣、新建住宅安裝工程項目減少。來自安裝服務的營業成本分別佔2024年及2025年總營業成本的8.9%及4.5%。

5.4.1.2.2 Wastewater treatment

During the Reporting Period, the Group's operating cost from wastewater treatment operating services amounted to RMB411.5 million, representing an increase of 6.7% from RMB385.7 million for the same period of 2024. The increase was mainly due to higher depreciation charges arising from the transfer of the Chengdong Wastewater Treatment Plant Phase II to fixed assets. Operating cost from wastewater treatment operating services accounted for 44.5% and 50.0% of our total operating cost for 2024 and 2025, respectively.

5.4.1.2.2 污水處理

報告期內，本集團污水處理營運服務的營業成本為人民幣411.5百萬元，較2024年同期的人民幣385.7百萬元增加6.7%。增加的主要原因是城東二期污水處理廠轉固後計提的折舊增加。污水處理營運服務的營業成本分別佔2024年及2025年總營業成本的44.5%及50.0%。

5.4.1.3 Gross Profit and Gross Profit Margin

As a result of the above factors, the Group's gross profit during the Reporting Period amounted to RMB413.5 million, representing a decrease of 10.7% from RMB462.8 million for the same period of 2024. Gross profit margin decreased from 34.8% for 2024 to 33.4% during the Reporting Period. The decline in gross profit margin was mainly due to the decrease in gross profit from engineering installation services.

5.4.1.3 毛利和毛利率

由於以上原因，報告期內本集團毛利為人民幣413.5百萬元，較2024年同期的人民幣462.8百萬元減少10.7%。毛利率由2024年度的34.8%減少至報告期間的33.4%，毛利率減少的主要原因是工程業務毛利減少。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4.1.3.1 Tap water supply

5.4.1.3.1.1 Sales of tap water

During the Reporting Period, the gross profit from sales of tap water under the tap water supply operations amounted to RMB39.7 million, representing an increase of 78.2% from RMB22.3 million for the same period of 2024. The corresponding gross profit margin increased from 5.4% for 2024 to 9.8% during the Reporting Period. The increase was mainly attributable to the expiration of depreciation periods for water production equipment resulting in cessation of depreciation charges, the extension of depreciation periods for pipe network assets, which led to a reduction in depreciation expenses during the period, and the effective implementation of cost reduction and efficiency enhancement measures by the Group.

5.4.1.3.1.2 Engineering installation

During the Reporting Period, the gross profit from installation services amounted to RMB66.7 million, representing a decrease of 58.7% from RMB161.4 million for the same period of 2024. The corresponding gross profit margin decreased from 67.6% for 2024 to 64.5% during the Reporting Period. The decrease was mainly due to the cancellation of centralized pipeline network construction fees.

5.4.1.3.1 自來水供應

5.4.1.3.1.1 自來水銷售

報告期內，本集團自來水供應營運下的自來水銷售的毛利為人民幣39.7百萬元，較2024年同期的人民幣22.3百萬元增加78.2%。其對應的毛利率由2024年度的5.4%增加至報告期間的9.8%，增加的主要原因是制水設備折舊年限到期停止計提折舊、管網資產折舊年限調整延長致本期折舊費用減少，以及集團推進降本增效措施取得成效。

5.4.1.3.1.2 工程安裝

報告期內，本集團安裝服務的毛利為人民幣66.7百萬元，較2024年度同期的人民幣161.4百萬元減少58.7%。其對應的毛利率由2024年度的67.6%減少至報告期間的64.5%。減少的原因主要是取消集中管網建設費所致。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4.1.32 Wastewater treatment

During the Reporting Period, the gross profit from wastewater treatment operating services amounted to RMB303.6 million, representing an increase of 10.7% from RMB274.3 million for the same period of 2024. The corresponding gross profit margin increased from 41.6% for 2024 to 42.5% during the Reporting Period. The increase was mainly due to the substantial increase in wastewater treatment volume charges, which diluted fixed unit costs.

5.4.1.32 污水處理

報告期內，本集團污水處理營運服務的毛利為人民幣303.6百萬元，較2024年同期的人民幣274.3百萬元增加10.7%。其對應的毛利率由2024年度的41.6%增加至報告期間的42.5%。增加的原因主要是受污水處理收費水量大幅增加，帶動單位固定成本攤薄所致。

5.4.1.4 Other revenue

During the Reporting Period, the Group's other revenue amounted to RMB45.4 million, representing a decrease of 7.7% from RMB49.2 million for the same period of 2024. The decrease was mainly due to a reduction in sludge subsidy income received during the year.

5.4.1.4 其他收益

報告期內，本集團其他收益為人民幣45.4百萬元，較2024年同期的人民幣49.2百萬元減少7.7%。減少的主要原因是本年爭取到的污泥補助費減少。

5.4.1.5 Selling expenses

During the Reporting Period, the Group's selling expenses amounted to RMB22.9 million, representing a decrease of 5.3% from RMB24.2 million for the same period of 2024. The decrease was mainly attributable to the effectiveness of the cost reduction and efficiency enhancement initiatives introduced by the Group, resulting in reductions in handling fees, entertainment expenses, office expenses, and other related items.

5.4.1.5 銷售費用

報告期內，本集團銷售費用為人民幣22.9百萬元，較2024年同期的人民幣24.2百萬元減少5.3%。減少的主要原因是集團推進降本增效措施取得成效，手續費、招待費、辦公費等各項費用均減少。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4.1.6 Management expenses

During the Reporting Period, the Group's management expenses amounted to RMB105.6 million, representing a decrease of 1.6% from RMB107.4 million for the same period of 2024. The decrease was mainly attributable to the effectiveness of the cost reduction and efficiency enhancement initiatives introduced by the Group, leading to reductions in labour service fees, office expenses, communication expenses, and other related items.

5.4.1.7 Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB86.6 million, representing an increase of 0.9% from RMB85.9 million for the same period of 2024. The increase was mainly due to higher expensed interest as capitalization ceased following the completion and transfer of the Chengdong Wastewater Treatment Plant Phase II to fixed assets.

5.4.1.8 Income tax expense

During the Reporting Period, the Group's income tax expense amounted to RMB38.3 million, representing an increase of 1.0% from RMB37.9 million for the same period of 2024. The increase was mainly due to higher taxable profit contribution from profitable subsidiaries and limitations on the tax deductibility of losses from loss-making subsidiaries, resulting in an increase in consolidated income tax expense. As of 31 December 2024 and 2025, the Group's effective tax rates were 16.6% and 24.8%, respectively.

5.4.1.6 管理費用

報告期內，本集團管理費用為人民幣105.6百萬元，較2024年同期的人民幣107.4百萬元減少1.6%。減少的主要原因是集團推進降本增效措施取得成效，勞務費、辦公費、通訊費等各項費用均減少。

5.4.1.7 財務費用

報告期內，本集團融資成本為人民幣86.6百萬元，較2024年同期的人民幣85.9百萬元增加0.9%。增加的主要原因是系城東二期污水處理廠完工轉固後，相關借款利息停止資本化、費用化利息支出增加所致。

5.4.1.8 所得稅費用

報告期內，本集團所得稅費用為人民幣38.3百萬元，較2024年同期的人民幣37.9百萬元增加1.0%，增加的主要原因盈利子公司的應稅利潤貢獻增加、虧損子公司的稅務抵扣受限，導致合並報表所得稅費用增加。截至2024年及2025年12月31日，本集團的實際稅率分別為16.6%及24.8%。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.4.1.9 Net profit and net profit margin

As a result of the above, the Group's net profit during the Reporting Period amounted to RMB116.3 million, representing a decrease of 38.8% from RMB189.9 million for the same period of 2024. Net profit margin decreased from 14.3% for 2024 to 9.4% during the Reporting Period.

5.4.1.9 淨利潤和淨利潤率

由於以上原因，報告期內本集團淨利潤為人民幣116.3百萬元，較2024年同期的人民幣189.9百萬元減少38.8%。淨利潤率由2024年的14.3%減少至報告期間的9.4%。

5.5 ANALYSIS OF KEY BALANCE SHEET ITEMS

5.5 資產負債表主要項目分析

5.5.1 Accounts receivable

Accounts receivable of the Group were RMB697.7 million and RMB752.3 million as of 31 December 2024 and 2025, respectively. The increase was mainly due to the increase in operating accounts receivable such as wastewater treatment fee.

The table below sets forth the average turnover days of our accounts receivable during indicated periods:

5.5.1 應收賬款

截至2024年及2025年12月31日，本集團應收賬款分別為人民幣697.7百萬元及人民幣752.3百萬元。增加的主要原因是污水處理費等經營性應收賬款增加。

下表載列所示期間我們應收賬款的平均周轉天數：

		For the year ended 31 December 截至12月31日止年度	
		2025 2025年	2024 2024年
Average turnover days of accounts receivable ^{Note 1}	平均應收賬款周轉天數 ^{註1}	211	171

Note:

- (1) Turnover days of accounts receivable: $360 / \text{number of accounts receivable turnover}$, number of accounts receivable turnover: $\text{operating income} / \text{average balance of accounts receivable}$.

註：

- (1) 應收賬款週轉天數 = $360 / \text{應收賬款週轉次數}$ ，應收賬款週轉次數 = $\text{營業收入} / \text{平均應收賬款餘額}$ 。

During the Reporting Period, the average turnover days of accounts receivable increased from 171 days in 2024 to 211 days in the Reporting Period. This increase was primarily attributable to the increase in operating accounts receivables, including wastewater treatment fees.

於報告期，平均應收賬款週轉天數由2024年的171天增加至報告期的211天，增加的主要原因是污水處理費等經營性應收賬款增加。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.5.2 Inventories

The inventories of the Group (consisted primarily of raw materials, including water pipes and other gadgets relating to tap water supply and pipeline installation) were RMB69.7 million and RMB72.6 million as of 31 December 2024 and 2025, respectively. The increase is primarily attributable to the impact of rising contract fulfilment costs (resulting from increased material usage in ongoing projects).

The table below sets forth the average turnover days of our inventories for the indicated periods:

Average turnover days of inventory ^{Note 2} 平均存貨周轉天數^{註2}

Note:

- (2) Turnover days of inventories: $360/\text{number of inventories turnover}$, number of inventories turnover: $\text{operating cost}/\text{average balance of inventories}$.

During the Reporting Period, the average turnover days of inventory increased from 30 days in 2024 to 31 days in the reporting period. This increase was primarily attributable to the impact of higher contract fulfilment costs (resulting from increased material usage in ongoing projects).

5.5.3 Other receivables

As of 31 December 2024 and 2025, the Group's other receivables amounted to RMB72.0 million and RMB43.1 million, respectively. The decrease was mainly due to the recovery of certain subsidy funds for Phase I of the household meter renovation project and funds related to equity transfers.

5.5.2 存貨

截至2024年及2025年12月31日，我們的存貨（主要由原材料組成，包括與自來水供應及管道安裝有關的水管及其他器具）分別為人民幣69.7百萬元及人民幣72.6百萬元。增加的原因主要是合同履約成本增加（正在執行的項目用料增多）影響所致。

下表載列所示期間我們存貨的平均周轉天數：

For the year ended
31 December
截至12月31日止年度

2025 2024
2025年 2024年

31 30

註：

- (2) 存貨週轉天數=360 / 存貨週轉次數，存貨週轉次數=營業成本 / 平均存貨餘額。

於報告期，平均存貨週轉天數由2024年的30天增加至報告期的31天，增加的主要原因是合同履約成本增加（正在執行的項目用料增多）影響所致。

5.5.3 其他應收款

截至2024年及2025年12月31日，本集團的其他應收款分別為人民幣72.0百萬元及人民幣43.1百萬元。減少的主要原因是收回部分戶表改造一期補助資金及股權轉讓資金等。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.5.4 Fixed assets

As of 31 December 2024 and 2025, the Group's fixed assets amounted to RMB3,738.5 million and RMB3,714.0 million, respectively. The decrease was mainly due to normal depreciation of fixed assets during the year.

5.5.4 固定資產

截至2024年及2025年12月31日，本集團固定資產分別為人民幣3,738.5百萬元及人民幣3,714.0百萬元，減少的主要原因是固定資產正常計提折舊。

5.5.5 Construction in progress

As of 31 December 2024 and 2025, the Group's balance of construction in progress amounted to approximately RMB235.1 million and RMB69.9 million, respectively. The decrease was mainly due to the completion and transfer to fixed assets of several key water supply projects, including the New Hedong Pump Station, the Medium and high-pressure water pipeline from Hexi Pump Station to Naxi District, and the expansion and renovation projects at the Haiwan Water Plant and Shikala Water Plant.

5.5.5 在建工程

截至2024年及2025年12月31日，本集團在建工程餘額分別約為人民幣235.1百萬元及人民幣69.9百萬元，減少的主要原因是多個重點供水項目已完工並轉為固定資產，包括：新河東加壓站、河西加壓站至納溪城區中高壓輸水管道、海灣水廠及石卡拉水廠改擴建工程。

5.5.6 Intangible assets

As of 31 December 2024 and 2025, the Group's intangible assets amounted to RMB1,512.3 million and RMB1,543.0 million, respectively. The increase was mainly due to the inclusion of land use rights for the New Hedong Pump Station Project and the transfer of intangible assets related to the Qingbaijiang European Industrial City Wastewater Purification Project.

5.5.6 無形資產

截至2024年及2025年12月31日，本集團無形資產分別為人民幣1,512.3百萬元及人民幣1,543.0百萬元，增加的主要原因是新河東加壓站土地使用權、青白江歐洲產業城污水淨化項目相關無形資產轉入。

5.5.7 Long-term deferred expenses

As of 31 December 2024 and 2025, the Group's long-term deferred expenses amounted to RMB161.4 million and RMB149.6 million, respectively. The decrease was mainly due to normal amortization in accordance with regulations.

5.5.7 長期待攤費用

截至2024年及2025年12月31日，本集團長期待攤費用分別為人民幣161.4百萬元及人民幣149.6百萬元，減少的主要原因是按規定正常分期攤銷。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.5.8 Short-term borrowings

As of 31 December 2024 and 2025, the Group's short-term borrowings amounted to RMB119.4 million and RMB483.3 million, respectively. The increase was mainly due to the rollover of certain long-term working capital loans upon maturity, which were reclassified as short-term borrowings.

5.5.9 Accounts payable

As of 31 December 2024 and 2025, the Group's accounts payable were RMB430.2 million and RMB387.1 million, respectively. The decrease was mainly due to a reduction project construction costs payable.

The table below sets forth the average turnover days of our accounts payable during indicated periods:

5.5.8 短期借款

截至2024年及2025年12月31日，本集團短期借款分別為人民幣119.4百萬元及人民幣483.3百萬元，增加的主要原因是部分長期流動資金貸款到期後續貸，調整為短期借款。

5.5.9 應付賬款

截至2024年及2025年12月31日，本集團應付賬款分別為人民幣430.2百萬元及人民幣387.1百萬元。減少的主要原因是應支付的項目工程款減少。

下表載列所示期間我們應付賬款的平均周轉天數：

		For the year ended 31 December 截至12月31日止年度	
		2025 2025年	2024 2024年
Average turnover days of accounts payable ^{Note 3}	平均應付賬款周轉天數 ^{註3}	179	176

Note:

- (3) Turnover days of accounts payables: $360/\text{number of accounts payables turnover}$, number of accounts payables turnover: $\text{operating cost}/\text{average balance of accounts payables}$.

The average turnover days of accounts payable increased from 176 days in 2024 to 179 days during the Reporting Period, which was mainly due to the impact of reduced operating costs.

註：

- (3) 應付賬款週轉天數 $=360/\text{應付賬款週轉次數}$ ，應付賬款週轉次數 $=\text{營業成本}/\text{平均應付賬款餘額}$ 。

於報告期，平均應付賬款週轉天數由2024年的176天增加至報告期的179天，增加的主要原因是營業成本下降影響所致。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.5.10 Contract liabilities

As of 31 December 2024 and 2025, the Group's contract liabilities amounted to RMB173.4 million and RMB196.3 million, respectively. The increase was mainly due to the increase in advance receipts of water fees.

5.5.10 合同負債

截至2024年及2025年12月31日，本集團合同負債分別為人民幣173.4百萬元及人民幣196.3百萬元，增加的主要原因是預收水費增加。

5.5.11 Other payables

As of 31 December 2024 and 2025, the Group's other payables amounted to RMB219.7 million and RMB215.5 million, respectively. The decrease was mainly due to the reduction in amounts payable to and from governmental institutions.

5.5.11 其他應付款

截至2024年及2025年12月31日，本集團其他應付款分別為人民幣219.7百萬元及人民幣215.5百萬元，減少的主要原因是政府機構往來款減少。

5.5.12 Non-current liabilities due within one year

As of 31 December 2024 and 2025, the Group's non-current liabilities due within one year amounted to RMB504.3 million and RMB407.1 million, respectively. The decrease was mainly due to the gradual reduction in principal repayments of long-term borrowings due within one year.

5.5.12 一年內到期的非流動負債

截至2024年及2025年12月31日，本集團一年內到期的非流動負債分別為人民幣504.3百萬元及人民幣407.1百萬元，減少的主要原因是是一年內到期的長期借款本金減少。

5.5.13 Long-term borrowings

As of 31 December 2024 and 2025, the Group's long-term borrowings amounted to RMB1,410.5 million and RMB1,266.5 million, respectively. The decrease was mainly due to the scheduled repayment of a portion of long-term borrowings, as well as the rollover of certain long-term working capital loans upon maturity, which were reclassified as short-term borrowings.

5.5.13 長期借款

截至2024年及2025年12月31日，本集團長期借款分別為人民幣1,410.5百萬元及人民幣1,266.5百萬元，減少的主要原因是按計劃歸還了部分長期借款，以及部分長期流動資金貸款到期後續貸，調整為短期借款。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.5.14 Long-term payables

As of 31 December 2024 and 2025, the Group's long-term payables amounted to RMB910.8 million and RMB780.8 million, respectively. The decrease was mainly due to the reclassification of certain special-purpose bonds, which are due to mature within one year, from "Long-term payables" to "Non-current liabilities due within one year".

5.5.15 Deferred income

As of 31 December 2024 and 2025, the Group's deferred income amounted to approximately RMB185.0 million and RMB158.0 million, respectively. The decrease was mainly due to the amortisation of deferred income being recognized in other revenue during the year.

5.5.14 長期應付款

截至2024年及2025年12月31日，本集團長期應付款分別為人民幣910.8百萬元及人民幣780.8百萬元，減少的主要原因是部分專項債券即將在一年內到期，從「長期應付款」調整至「一年內到期的非流動負債」科目。

5.5.15 遞延收益

截至2024年及2025年12月31日，本集團遞延收益分別約為人民幣185.0百萬元及人民幣158.0百萬元，減少的主要原因是遞延收益按規定分期結轉，計入當期其他收益。

5.6 LIQUIDITY AND FINANCIAL RESOURCES

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to the Shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged during the Reporting Period. The capital structure of the Group consists of net debts (which include borrowings net of cash and cash equivalents) and total equity (comprising paid-in capital/share capital, capital reserve, statutory surplus reserve, retained profits and non-controlling interests). The Group is not subject to any externally imposed capital requirements.

As at the end of the Reporting Period, the cash and bank balances of the Group amounted to approximately RMB606.0 million (at the end of 2024: approximately RMB447.2 million).

5.6 流動資金及財務資源

本集團管理其資本以確保本集團的實體將可持續經營，並透過優化債務及權益結餘為股東帶來最大化回報。報告期間，本集團的整體策略維持不變。本集團的資本結構包括淨債務（包括借款淨現金及現金等價物）及總權益（包括實繳資本／股本、資本儲備、法定盈餘公積、留存利潤及非控股權益）。本集團不受任何外部強加的資本要求規限。

於報告期末，本集團之現金及銀行結餘約為人民幣606.0百萬元（2024年末：約人民幣447.2百萬元）。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

As at the end of the Reporting Period, the total borrowings of the Group amounted to approximately RMB2,915.8 million (at the end of 2024: RMB2,923.3 million), including bank and other borrowings. Of which, approximately 51.9% of the bank and other borrowings bore interest at floating rates. Short-term borrowings and non-current liabilities due within one year amounted to approximately RMB890.3 million, all of which were domestic RMB borrowings. The amount of fixed-rate borrowings was RMB1,403.9 million.

As at the end of the Reporting Period, the net debts to equity ratio of the Group (being calculated by total equity divided by debts (including long-term and short-term loans and bonds payable) less bank balances and cash) was 105.2% (at the end of 2024: 106.9%).

於報告期末，本集團借款總額約為人民幣2,915.8百萬元（2024年末：人民幣2,923.3百萬元），包括銀行及其他借貸。其中約51.9%的銀行及其他借貸按浮動利率計息。其中短期借款及一年內到期的非流動負債約人民幣890.3百萬元，均為國內人民幣借款。固定利率借款的金額為人民幣1,403.9百萬元。

於報告期末，本集團的負債淨值對權益比率（以總權益額除負債（包括長期及短期借款和應付債券）減銀行結餘及現金計算）為105.2%（2024年末：106.9%）。

5.7 OTHER INFORMATION

5.7 其他信息

5.7.1 Employees and Remuneration Policy

5.7.1 僱員及薪酬政策

As at the end of the Reporting Period, the Group had 844 employees (2024: 867). During the Reporting Period, employee salaries and benefits expenses amounted to approximately RMB168.34 million (2024: approximately RMB171.9 million). The remunerations and benefits, including basic and floating wages, discretionary bonuses and staff benefits, are determined based on their performance and competence levels. During the Reporting Period, the Company continued to adjust the new performance-based remuneration management system of member companies and provided comprehensive career training and development plan for all employees.

During the Reporting Period, the Group did not incur any significant labour disputes that had material impact on the Group's normal business operations.

於報告期末，本集團聘有844名僱員（2024年：867名）。報告期間，僱員工資薪金及福利開支約為人民幣168.34百萬元（2024年：約為人民幣171.9百萬元）。薪酬待遇包括基本及浮動薪資、獎金及員工福利，基於彼等的表現及技能等級釐定。報告期間，本公司還持續改進旗下企業薪酬掛鉤管控新模式以及向所有員工提供全面的職業培訓及發展規劃。

於報告期間，本集團並無任何重大勞務糾紛對本集團正常業務營運產生重大影響。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.7.2 Major Acquisitions and Disposals

The Group did not have any other major acquisitions and disposals during the Reporting Period.

5.7.2 重大收購及出售

於報告期間，本集團並無其他重大收購及出售事項。

5.7.3 Pledges of the Group's Assets

As at the end of the Reporting Period, the Group had secured bank borrowings secured by the operating concessions for all water supply projects of the Company in Jiangyang District, the collection rights for certain wastewater treatment fees, and the charging right for wastewater treatment projects of Fanxing Environmental in townships and rural areas in Jiangyang District, Luzhou City.

Save as disclosed above, as at the end of the Reporting Period, the Group did not have any pledged assets.

5.7.3 本集團資產抵押

於報告期末，本集團有抵押銀行借款乃以本公司江陽區全域供水特許經營權、若干污水處理費用的徵收權及繁星環保的瀘州市江陽區鄉鎮和農村污水處理項目收費權作抵押。

除上文所披露者外，於報告期末，本集團並無其他資產抵押。

5.7.4 Foreign Exchange Risks

During the Reporting Period, the Group carried out business in the PRC and received revenue and paid its costs/expenses in RMB, as at the end of the Reporting Period, the Group has unutilized monetary funds in Hong Kong dollar, and recognized no foreign exchange gains during the Reporting Period. The Group does not currently hedge its exposure to foreign currencies.

5.7.4 外匯風險

於報告期間，本集團在中國進行業務、收取收入並以人民幣支付成本／開支，於報告期末，本集團有尚未使用的以港元計價的貨幣資金，並確認於報告期間未產生外匯收益。本集團現時並無對沖其外幣敞口。

5.7.5 Contingent Liabilities

During the Reporting Period, the Company had no other significant contingent liabilities requiring disclosure.

5.7.5 或有負債

於報告期間，本公司並無其他需要披露的重大或有負債。

5.7.6 Significant Investments Held

As at the end of the Reporting Period, the Group did not hold any significant investments.

5.7.6 持有之重大投資

於報告期末，本集團未持有任何重大投資。

Chapter V Management Discussion and Analysis (Continued)

第五章 管理層討論與分析(續)

5.7.7 Future Plans for Material Investments or Capital Assets

Save as disclosed in this report, we do not have any future plans for material investments or capital assets as at the date of this report.

5.7.7 重大投資或資本資產的未來計劃

除本報告所披露者外，我們於本報告日期並無任何重大投資或資本資產的未來計劃。

5.7.8 Events after the Reporting Period

Save as disclosed in this announcement, the Group did not have other significant events after the Reporting Period.

5.7.8 報告期後事項

除本公告所披露者外，本集團並無其他任何重大報告期後事項。

Chapter VI Directors and Senior Management

第六章 董事及高級管理層

During the Reporting Period, in accordance with the Company Law, relevant national laws, regulations, and regulatory requirements, and taking into account the actual circumstances of the Company, the Company approved the abolition of the Supervisory Committee at its first extraordinary general meeting of 2025 held on November 28, 2025. Consequently, the Audit Committee of the Board exercises the functions and powers of the Supervisory Committee in compliance with the Company Law and relevant national laws, regulations, and regulatory requirements. All supervisors of the Company have stepped down from their positions. Therefore, this chapter only includes information on the Company's directors and senior management.

6.1 DIRECTORS AND SENIOR MANAGEMENT

As of the date of the Report, the biographical details of the Directors and the senior management of the Company are set out below:

6.1.1 Executive Directors

Mr. Chen Qinan (陳祺楠先生), aged 47, serves as an executive Director, chairman of the Board, legal representative, the secretary of the Party Committee, the general manager and chairman of the Strategy Committee of the Company. He also currently serves as Director (Vice Chairman) of Xinglu Investment.

Mr. Chen served as the assistant to the township chief in the Hutou Township Government of Hejiang County from June 2000 to April 2001, served as deputy secretary of the Party Committee in Shilu Township of Hejiang County from April 2001 to March 2003 (during which he was seconded to Cadre Division II of the Organization Department of the Luzhou Municipal Party Committee from August 2002 to March 2003), served in various positions successively in the Organization Department of the Luzhou Municipal Committee of the Communist Party of China, including deputy chief staff member, chief staff member, deputy division director, division director, section chief, and a member of the ministry and commission from March 2003 to September 2017 (during which he temporarily served as deputy secretary of the

報告期內，本公司根據《公司法》及相關國家法律法規及監管要求及結合本公司的實際情況，於2025年11月28日經2025年首次臨時股東大會審議批准取消監事會，並由董事會審計委員會按照《公司法》及相關國家法律法規及監管要求行使監事會職權，本公司的全體監事全部退任。故本章僅包括本公司董事及高級管理人員信息。

6.1 董事及高級管理人員

截至本報告日期，本公司的董事及高級管理人員的簡歷如下：

6.1.1 執行董事

陳祺楠先生，47歲，現擔任本公司執行董事、董事長、法定代表人、黨委書記、總經理及戰略委員會主席。彼現時亦擔任興瀘投資董事（副董事長）。

陳先生自2000年6月至2001年4月在合江縣虎頭鄉政府擔任鄉長助理，自2001年4月至2003年3月在合江縣實錄鄉擔任黨委副書記（其間自2002年8月至2003年3月借調至瀘州市委組織部幹部二處工作），自2003年3月至2017年9月在中共瀘州市委組織部先後擔任副主任科員、主任科員、副處長、處長、科長、部務委員等多個職務（其間自2012年8月至2013年8月在瀘州市納溪區龍車鎮掛職任黨委副書記、鎮長、黨委代理書記），自

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第六章 董事及高級管理層(續)

Party Committee, town mayor, and acting secretary of the Party Committee in Longche Town, Naxi District, Luzhou City from August 2012 to August 2013), served in various positions successively in Hejiang County, including a member of the Standing Committee of the County Party Committee, director of the Organization Department, director of the United Front Work Department, principal of the Party School, deputy secretary of the Party Leadership Group of the County CPPCC, deputy secretary of the Party Leadership Group of the County Government, and executive deputy county magistrate from September 2017 to July 2021. From July 2021 to October 2023, he has served as a member of the Standing Committee of the Hejiang County Party Committee, deputy secretary of the Party Leadership Group of the County Government, and executive deputy county magistrate, and was elected as a representative of the 9th Party Congress of Luzhou City, a representative of the 8th and 9th People's Congress of Luzhou City, a representative of the 14th Party Congress of Hejiang County, and a representative of the 16th and 17th People's Congress of Hejiang County. He has also served as the Party's branch secretary general and the chairman of Xinglu Wastewater Treatment since December 2023 to April 2026.

Mr. Chen studied at the Department of Mechanical Engineering of Southwest College of Engineering* (西南工學院) (currently known as the School of Manufacturing of Southwest University of Science and Technology* (西南科技大學)) majoring in mechanical manufacturing equipment and automation from September 1996 to June 2000, and obtained a bachelor's degree in engineering.

Mr. Xu Guanghua (徐光華先生), aged 58, joined the Group in 2023. He serves as an employee representative Director and executive Director, and the chairman of federation of trade unions of the Company.

Mr. Xu used to be a teacher at Luzhou Naxi District Dadu Middle School (瀘州市納溪區大渡中學) from July 1990 to September 1996. He then served in Luzhou Municipal People's Government Office (瀘州市人民政府辦公室) as a clerk from July 1999 to July 2000, as a deputy staff

2017年9月至2021年7月在合江縣先後擔任縣委常委、組織部長、統戰部部長、黨校校長、縣政協黨組副書記、縣政府黨組副書記、常務副縣長等多個職務，2021年7月至2023年10月擔任合江縣委常委、縣政府黨組副書記、常務副縣長，並當選為瀘州市第九次黨代會代表、瀘州市第八屆、第九屆人民代表大會代表、合江縣第十四次黨代會代表、合江縣第十六屆及第十七屆人民代表大會代表。彼亦自2023年12月至2026年4月擔任興瀘污水處理公司黨總支書記及董事長。

陳先生自1996年9月至2000年6月在西南工學院機械系(現西南科技大學製造學院)學習機械製造設備及自動化專業，並取得工學學士學位。

徐光華先生，58歲，於2023年加入本集團，徐先生現擔任本公司職工董事兼執行董事及工會主席。

徐先生自1990年7月至1996年9月，彼曾任瀘州市納溪區大渡中學教師。隨後於1999年7月至2000年7月，彼擔任瀘州市人民政府辦公室科員，於2000年7月至2001年12月任副主任科員，於2001年12月至2003年2月任信

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第六章 董事及高級管理層(續)

member from July 2000 to December 2001, as a deputy division director of information and research division from December 2001 to February 2003, as a deputy director of research office from February 2003 to April 2004, and as the party secretary of Yao Ba Township of Hejiang County (合江縣堯壩鎮) from April 2004 to August 2006. He then served as a deputy director of the office and the director of political research office of Hejiang county party committee from August 2006 to October 2006, and served as a director of office of Hejiang County People's Government Office (合江縣人民政府辦公室) from October 2006 to June 2008. He also served as a standing committee member of CPC of Hejiang county, a director of the office of Hejiang County committee of the CPC, the secretary of working committee of an organization directly under the county government, and the chairman of federation of trade unions from June 2008 to March 2010. Mr. Xu then served as a standing committee member of CPC of Hejiang county and the director of publicity department from March 2010 to October 2011, as a deputy director of Luzhou Municipal Government Office and a member of the party group from October 2011 to October 2014, as a deputy director and a member of the Party group of Luzhou State-owned Assets Supervision and Administration Commission (瀘州市國有資產監督管理委員會) from October 2014 to August 2016, as the general manager of Luzhou Cultural Tourism Development Investment Co., Ltd. (瀘州市文化旅遊發展投資集團有限公司) and the chairman of the board of directors of Luzhou Yaoba Ancient Town Tourism Development and Investment Co., Ltd. (瀘州市堯壩古鎮旅遊開發投資有限公司) from August 2016 to March 2023.

Mr. Xu graduated from Yibin Normal College of Higher Education (宜賓師範高等專科學校) (now known as Yibin University (宜賓學院)) in July 1990, and graduated from Yunnan Agricultural University (雲南農業大學) with a master degree in plant pathology in July 1999. He qualified as an administration engineer in November 2017.

息調研處副處長，於2003年2月至2004年4月任研究室副主任，及於2004年4月至2006年8月任合江縣堯壩鎮黨委書記。隨後於2006年8月至2006年10月，彼擔任合江縣委辦公室副主任及政研室主任，並於2006年10月至2008年6月任合江縣人民政府辦公室主任。於2008年6月至2010年3月，彼亦擔任中共合江縣委常委、合江縣委辦公室主任、縣直機關工委書記及總工會主席。隨後於2010年3月至2011年10月，擔任中共合江縣委常委及宣傳部長，於2011年10月至2014年10月任瀘州市政府辦公室副主任及黨組成員，於2014年10月至2016年8月任瀘州市國有資產監督管理委員會副主任及黨組成員，及於2016年8月至2023年3月任瀘州市文化旅遊發展投資集團有限責任公司總經理及瀘州市堯壩古鎮旅遊開發投資有限責任公司董事長。

徐先生於1990年7月畢業於宜賓師範高等專科學校(現稱宜賓學院)，並於1999年7月畢業於雲南農業大學，獲得植物病理學碩士學位。徐先生於2017年11月獲得政工師資格。

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第六章 董事及高級管理層(續)

6.1.2 Non-Executive Directors

Mr. Xu Fei (徐飛先生), aged 48, as of the date of this report, Mr. Xu served as a non-executive Director and a member of the Strategy Committee of the Company. He also served as a director of Luzhou State-owned Capital Management Service Co., Ltd.* (瀘州市國有資本管理服務有限責任公司).

Mr. Xu worked in the Deyao Town Government of Gulin County from October 1999 to March 2002, then worked in the Gulin County Committee of the Communist Youth League from March 2002 to May 2006 (during which he was assigned to serve as the deputy director of the Social Affairs Office in Dongxin Township of Gulin County from September 2003 to December 2004), and worked in the Discipline Committee of Gulin County from May 2006 to July 2007. He served in various positions including staff member and section chief successively in the Organization Department of the Luzhou Naxi District Committee from July 2007 to October 2012 (during which he was assigned to serve as the deputy secretary of the Village Branch of Minqiang Village, Dadukou Town, Naxi District from September 2007 to July 2008, and temporarily served as a member of the Party Committee and the assistant to the head of the office of Yongning Street, Naxi District from April to October 2012), then served as deputy director of the Naxi District Human Resources and Social Security Bureau from November 2012 to February 2015. He served as deputy secretary of the Party Committee and the secretary of the Discipline Committee in Yongning Street, Naxi District from February 2015 to April 2016, as chief of the Mass Work Bureau of the Naxi District Party Committee from April 2016 to March 2017, and then as chief of the Bureau for Letters and Calls of Naxi District from May 2016 to April 2017. He served as the deputy director of the office of the Naxi District Party Committee from March 2017 to February 2019, as the deputy secretary of the Party Committee and the town mayor of Baijie Town, Naxi District from February 2019 to December 2019, and as the secretary of the Party Committee of Baijie Town, Naxi District from December 2019 to December 2021. He served as the chairman of

6.1.2 非執行董事

徐飛先生，48歲，截至本報告日期，擔任本公司非執行董事及戰略委員會委員。彼同時任職於瀘州市國有資本管理服務有限責任公司。

徐先生自1999年10月至2002年3月在古蘭縣德耀鎮政府工作，自2002年3月至2006年5月在共青團古蘭縣委工作（其間自2003年9月至2004年12月選派至古蘭縣東新鄉任社會事務辦公室副主任），自2006年5月至2007年7月在古蘭縣紀委工作，自2007年7月至2012年10月在瀘州市納溪區委組織部先後擔任工作人員、科長等多個職務（其間自2007年9月至2008年7月選派至納溪區大渡口鎮民強村擔任村支部副書記。自2012年4月至10月掛職擔任納溪區永寧街道黨委委員及辦事處主任助理），其後自2012年11月至2015年2月在納溪區人力資源和社會保障局擔任副局長，自2015年2月至2016年4月在納溪區永寧街道擔任黨委副書記及紀委書記，自2016年4月至2017年3月在納溪區委群工局擔任局長，自2016年5月至2017年4月擔任納溪區信訪局局長，自2017年3月至2019年2月擔任納溪區委辦公室副主任，自2019年2月至2019年12月在納溪區白節鎮擔任黨委副書記及鎮長，自2019年12月至2021年12月在納溪區白節鎮擔任黨委書記。其後自2021年12月至2023年9月在四川天華股份有限公司、瀘州航空發展投資集團有限公司、四川省古叙煤田開發股份有限公司、四川國檢檢測有限責任公司擔任監事會主席（其間自2022年11月至2023年9月在四川省川酒集團產業發展有限公司

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the supervisory committee of Sichuan Tianhua Co., Ltd., Luzhou Aviation Development Investment Group Co., Ltd., Sichuan Guxu Coalfield Development (Group) Co., Ltd., Sichuan Quality Inspection Co., Ltd. (四川國檢檢測有限責任公司) from December 2021 to September 2023 (during which he served as chairman of the supervisory committee of Sichuan Liquor Group Industry Development Co., Ltd. (四川省川酒集團產業發展有限公司) from November 2022 to September 2023). From September 2023 to March 2025, served as Director at Sichuan Rongtong Security Investment Group Co., Ltd., Sichuan New Torch Chemical Co., Ltd., Luzhou Urban Construction Investment Group Co., Ltd., Luzhou Lingang Investment Group Co., Ltd., and Luzhou Airport (Group) Co., Ltd. Additionally, held director positions at Sichuan Rongtong Security Investment Group Co., Ltd., Sichuan New Torch Chemical Co., Ltd., Luzhou Lingang Investment Group Co., Ltd., Luzhou Airport (Group) Co., Ltd., and Luzhou Liangjiang Holding Group Co., Ltd. from March 2025 to December 2025.

Mr. Xu studied at the Sichuan Radio and TV University* (四川廣播電視大學) majoring in finance and taxation from September 1997 to June 1999 and obtained a college diploma, and he studied in the correspondence college of the Party School of Sichuan Provincial Committee* (四川省委黨校函授學院) majoring in economic management from September 2000 to December 2002 and obtained a bachelor's degree. In November 2023, he qualified as an intermediate economist by the Ministry of Human Resources and Social Security of the People's Republic of China.

Ms. Zhang Guanghui (張光惠女士), aged 59. As of the date of this report, Ms. Zhang served as a non-executive Director and a member of the Nomination and Remuneration Committee. She also served as a director of Luzhou State-owned Capital Operation Co., Ltd.* (瀘州市國有資本運營管理有限責任公司).

擔任監事會主席)。自2023年9月至2025年3月於四川融通安防投資集團有限公司、四川新火炬化工有限責任公司、瀘州市城市建設投資集團有限公司、瀘州臨港投資集團有限公司、瀘州機場(集團)有限責任公司擔任董事，亦自2025年3月至2025年12月四川融通安防投資集團有限公司、四川新火炬化工有限責任公司、瀘州臨港投資集團有限公司、瀘州機場(集團)有限責任公司、瀘州兩江控股集團有限公司擔任董事。

徐先生自1997年9月至1999年6月在四川廣播電視大學學習財政稅收專業並取得專科學歷，自2000年9月至2002年12月在四川省委黨校函授學院學習經濟管理專業並取得本科學歷。於2023年11月獲中華人民共和國人力資源和社會保障部授予中級經濟師資格。

張光惠女士，59歲，截至本報告日期，擔任本公司非執行董事及提名薪酬委員會委員。彼同時任職於瀘州市國有資本管理服務有限公司。

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第六章 董事及高級管理層(續)

Ms. Zhang served as a staff of the Luxian Health and Epidemic Prevention Station from July 1992 to October 1992, and as the chief of the Epidemic Prevention Section of the Health Bureau of Longmatan District, Luzhou City from August 1997 to October 1998. She successively served as the deputy director, director of the Labour Union Commission, member of the Party Committee and Discipline Inspection Team Leader of the Health Bureau of Longmatan District, Luzhou City from October 1998 to December 2004. She successively served as the secretary of the Party Committee, deputy director and director of the Health Bureau of Longmatan District, Luzhou City from December 2004 to December 2014, and then as the secretary of the Party Committee and director of the Healthcare and Family Planning Bureau of Longmatan District, Luzhou City from December 2014 to April 2016, and as a director of the Economic Working Committee of CPPCC National Committee of Longmatan District, Luzhou City from April 2016 to September 2016, and as a member of the Party Committee and deputy general manager of Southwest Medical and Health Industry Investment Group Co., Ltd.* (西南醫療健康產業投資集團有限公司) from September 2016 to March 2023. She then acted as the chairman of the supervisory committees of Sichuan Rongtong Security Investment Group Co. Ltd., Sichuan New Torch Chemical Co., Ltd. (四川新火炬化工有限責任公司), Luzhou Lingang Investments Group Co., Ltd., Luzhou Yunlong Airport Development Company Limited and Luzhou High-tech Investment Group Co., Ltd. from July 2023 to September 2023. From September 2023 to December 2025, served as Director at Yingzhou Airport (Group) Co., Ltd., Luzhou Public Transport Group Co., Ltd., Digital Luzhou Industrial Investment Group Co., Ltd., and Sichuan National Inspection Testing Co., Ltd..

張女士自1992年7月至1992年10月在瀘縣衛生防疫站任工作人員，自1997年8月至1998年10月在瀘州市龍馬潭區衛生局擔任防疫股股長，自1998年10月至2004年12月在瀘州市龍馬潭區衛生局先後擔任副局長、工委主任、黨委委員、紀檢組長，自2004年12月至2014年12月在瀘州市龍馬潭區衛生局先後擔任黨委書記、副局長、局長，其後自2014年12月至2016年4月在瀘州市龍馬潭區衛生和計劃生育局擔任黨委書記、局長，自2016年4月至2016年9月在瀘州市龍馬潭區政協經工委擔任主任，自2016年9月至2023年3月在西南醫療健康產業投資集團有限公司擔任黨委委員、副總經理。其後自2023年7月至2023年9月在四川融通安防投資集團有限公司、四川新火炬化工有限責任公司、瀘州臨港投資集團有限公司、瀘州雲龍機場空港發展有限責任公司、瀘州市高新投資集團有限公司擔任監事會主席。自2023年9月至2025年12月於瀘州機場(集團)有限責任公司、瀘州市公共交通集團有限公司、數字瀘州產業投資集團有限公司、四川國檢檢測有限責任公司擔任董事。

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第六章 董事及高級管理層(續)

Ms. Zhang studied at the North China Coal Medical University* (華北煤炭醫學院) majoring in preventive medicine from September 1987 to July 1992 and obtained a bachelor's degree of medicine as an undergraduate. She attended the first training course for cadres at the Party School of the Luzhou Municipal Party Committee* (瀘州市委黨校) in May 1999. Through a part-time program, she studied at the correspondence college of the Party School of Sichuan Provincial Committee* (四川省委黨校函授學院) majoring in law from August 1996 to December 1998 and obtained a bachelor's degree. She attended a postgraduate course at the Southwest China Normal University* (西南師範大學) in November 2003, and attended the fourth training course for female cadres at the Party School of the Luzhou Municipal Party Committee in 2004.

Ms. Hu Fenfen (胡芬芳女士), aged 42, was a non-executive Director and a member of the Strategy Committee of the Company as of the date of this report. Ms. Hu has been the head of the Strategic Investment Development Center of Beijing Enterprises Water Group Limited (a company listed on the Main Board of the Hong Kong Stock Exchange, Stock Code: 0371) since May 2025. She currently serves as a director of Beijing Beishui Rongzhi Education Technology Co., Ltd., Hunan BG Well-point Environmental Science & Technology Co., Ltd., Beichuang Environmental Protection (Beijing) Co., Ltd., Beijing Beihua Qingchuang Environmental Engineering Co., Ltd., and Beijing Beihua QingChuang Environmental Technology Co., Ltd.; as a director and legal representative of Beijing Beichuang Green Private Equity Fund Management Co., Ltd.; as a supervisor of Guangdong Beijing Enterprises Shixi Technology Co., Ltd. and Beishui Pipeline Network (Beijing) Technology Co., Ltd.; and as the appointed representative of the executing partner of Beijing Beichuang Green Low-Carbon Technology Venture Capital Fund Center (Limited Partnership), Ningbo Fengtu Huizheng Investment Center (Limited Partnership), and Beijing Beifeng Chuangxin Huijing Management Consulting Center (Limited Partnership).

張女士自1987年9月至1992年7月在華北煤炭醫學院預防醫學專業學習並取得本科學歷及醫學學士學位，1999年5月在瀘州市委黨校第一期幹部培訓班學習，自1996年8月至1998年12月在四川省委黨校函授學院在職學習法律專業並取得本科學歷，2003年11月參加西南師範大學研究生課程班學習，2004年參加瀘州市委黨校第四期女幹部培訓班學習。

胡芬芳女士，42歲，截至本報告日期，擔任本公司非執行董事及戰略委員會委員。胡女士自2025年5月起擔任北控水務集團有限公司（一家於香港聯交所主板上市的公司，股份代號：0371）戰投發展中心負責人。彼現時亦擔任北京北水融智教育科技有限公司、湖南北控威保特環境科技股份有限公司、北創環保(北京)有限公司、北京北華清創環境工程有限公司、北京北華清創環境科技有限公司的董事，北京北創綠色私募基金管理有限公司董事及法定代表人，廣東北控石犀科技股份有限公司、北水管網(北京)科技有限公司的監事，北京北創綠色低碳科技創業投資基金中心(有限合夥)、寧波豐圖匯蒸投資中心(有限合夥)、北京北豐創新匯淨管理諮詢中心(有限合夥)的執行事務合夥人委派代表。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Ms. Hu has over 19 years of accounting and financial management experience. She was an auditor and an audit manager of Deloitte Touche Tohmatsu (Special General Partnership) from July 2006 to July 2011 and from July 2011 to December 2012, respectively. She was the finance manager, senior finance manager and deputy general manager of the Finance and Resources Center and deputy general manager of the Strategic Investment Development Center and Senior Professional Director of Beijing Enterprises Water Group Limited from December 2012 to January 2014, from January 2014 to March 2016, from March 2016 to May 2017, from May 2017 to March 2023 and from April 2023 to May 2025, respectively.

Ms. Hu received a bachelor's degree in accounting in 2004 and master's degree in finance in 2006 from Renmin University of China (中國人民大學) located in Beijing, the PRC.

胡女士擁有逾19年會計及財務管理經驗。彼自2006年7月至2011年7月及自2011年7月至2012年12月分別擔任德勤華永會計師事務所(特殊普通合夥)審計員及審計經理。彼自2012年12月至2014年1月、自2014年1月至2016年3月及自2016年3月至2017年5月及自2017年5月至2023年3月及自2023年4月至2025年5月曆任北控水務集團有限公司財金資源中心的財務經理、高級財務經理、副總經理及戰投發展中心副總經理、高級專業總監。

胡女士先後於2004年及2006年自中國北京市中國人民大學獲得會計學學士學位及金融學碩士學位。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

6.1.3 Independent Non-Executive Directors

Ms. Ma Hua (馬樺女士), aged 54, was an independent non-executive Director, the chairwoman of the Nomination and Remuneration Committee and a member of the Audit Committee of the Company as of the date of this report. She has been an associate professor of Southwest University of Finance and Economics since 2000, an arbitrator of the Chengdu Arbitration Commission since 2010 and the director of the Arbitration Law Research Center of Southwest University of Finance and Economics since 2018. She has also been an independent director of Troy Information Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, Stock Code: 300366) since January 2022 and an independent director of Chengdu Hi-Tech Development Co., Ltd (a company listed on the Shenzhen Stock Exchange, stock code: 000628) since July 2022.

Ms. Ma was a staff member of the Sichuan Provincial Finance Department from 1991 to 2000. She was an independent director of Sichuan Troy Information Technology Co., Ltd. (now known as Troy Information Technology Co., Ltd.) from 2008 to 2014, an independent director of Sichuan Guangyun Group Co., Ltd. from 2009 to 2015, an independent director of Chengdu West Petroleum Equipment Co., Ltd. from 2014 to 2017, and an independent director of Sunway Co., Ltd. (a company listed on the Shanghai Stock Exchange, Stock Code: 603333) from 2014 to 2020. She served as a member of the Institute of Securities Law of CLS from 2011 to 2016.

Ms. Ma graduated from Shandong University in Jinan, the PRC in 1991, majoring in economics, and received her Master's and Doctor's degrees in law from Renmin University of China, Beijing, the PRC in 1999 and 2009 respectively.

6.1.3 獨立非執行董事

馬樺女士，54歲，截至本報告日期，擔任本公司獨立非執行董事、提名薪酬委員會主席及審計委員會委員。彼自2000年起擔任西南財經大學副教授，自2010年起擔任成都仲裁委員會仲裁員，自2018年至今擔任西南財經大學仲裁法研究中心主任，彼亦自2022年1月起擔任創意信息技術股份有限公司（一家於深圳證券交易所上市的公司，股份代號：300366）獨立董事。自2022年7月起至今擔任成都高新發展股份有限公司（一家於深圳證券交易所上市的公司，股份代號：000628）獨立董事。

馬女士自1991年至2000年於四川省財政廳擔任科員。彼自2008年至2014年擔任四川創意信息技術股份有限公司（現稱創意信息技術股份有限公司）獨立董事，自2009年至2015年擔任四川廣運集團股份有限公司獨立董事，自2014年至2017年擔任成都西部石油裝備股份有限公司獨立董事，並自2014年至2020年擔任尚緯股份有限公司（一家於上海證券交易所上市的公司，股份代號：603333）獨立董事。彼亦自2011年至2016年擔任中國證券法研究會的理事。

馬女士於1991年畢業於中國濟南市山東大學經濟學專業，並先後於1999年及2009年自中國北京市中國人民大學獲得法學碩士及博士學位。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Mr. Fu Ji (傅驥先生), aged 59, was an independent non-executive Director and the chairman of the Audit Committee of the Company as of the date of this report. He has been the general manager and legal representative of Chongqing Xinrui Certified Public Accountants Co., Ltd. since February 2000.

Mr. Fu taught at Lishi Primary School, Jiangjin District, Chongqing from July 1984 to August 1989 and at Chongqing Technology and Business School from September 1989 to January 2000. He has been the general manager and legal representative of Chongqing Jiachuan Construction Engineering Consulting Co., Ltd. from October 2011 to January 2026.

Mr. Fu graduated from correspondence college of the Party School of CPC Central Committee in December 1999, majoring in economic management. Mr. Fu qualified as a certified public accountant in April 1995, a certified public valuer in December 1997, a certified real estate appraiser in August 2000, a certified land valuer in April 2001, a certified price appraiser in September 2001, a certified tax agent in October 2001, a certified Class-1 cost engineer (construction) in March 2004, a certified constructor in April 2007, a senior engineer in January 2015, as well as a certified Class-1 cost engineer (traffic engineering) in October 2020.

傅驥先生，59歲，截至本報告日期，擔任本公司獨立非執行董事及審計委員會主席。彼自2000年2月起擔任重慶新瑞會計師事務所有限責任公司的總經理及法定代表人。

傅先生自1984年7月至1989年8月於重慶市江津區李市小學任教，並自1989年9月至2000年1月於重慶工商學校任教。自2011年10月至2026年1月擔任重慶嘉川建設工程諮詢有限公司的總經理及法定代表人。

傅先生於1999年12月畢業於中共中央黨校函授學院，主修經濟管理專業。傅先生於1995年4月取得註冊會計師資格，於1997年12月取得註冊資產評估師資格，於2000年8月取得註冊房地產估價師資格，於2001年4月取得註冊土地估價師資格，於2001年9月取得價格鑒證師資格，於2001年10月取得註冊稅務師資格，於2004年3月取得註冊一級造價工程師（建築專業）資格，於2007年4月取得註冊一級建造師資格，於2015年1月取得高級工程師資格，並於2020年10月取得註冊一級造價工程師（交通工程專業）資格。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Mr. Liang Youguo (梁有國先生), aged 65, was an independent non-executive Director and a member of the Nomination and Remuneration Committee and the Audit Committee of the Company as of the date of this report. He is also secretary general of the Sichuan Urban Water Supply and Drainage Association.

Mr. Liang worked in the Department of Transportation of Sichuan Province from August 1982 to October 1988. He was an engineer, deputy director of the office of Sichuan Provincial Investment Group, a director, deputy general manager and general manager of a subsidiary, and chairman of a subsidiary from November 1988 to July 2006. Mr. Liang served as chairman of the supervisory committee and deputy chairman of the board of directors of Dazhou Chengdu Railway Co., Ltd. from October 1997 to December 2007, and general manager, chairman of the board of directors and Party secretary of Sichuan Chuantou Water Group Corporation Limited from August 2006 to June 2020.

Mr. Liang graduated from Chongqing Jianzhu College in Chongqing, the PRC in August 1982, majoring in harbour and waterway engineering. Mr. Liang was certified as senior engineer by the leading group for professional title evaluation of Sichuan Province in September 1997.

梁有國先生，65歲，截至本報告日期，擔任本公司獨立非執行董事、提名薪酬委員會委員及審計委員會委員。彼同時擔任四川省城鎮供水排水協會秘書長。

梁先生自1982年8月至1988年10月任職於四川省交通運輸廳。彼自1988年11月至2006年7月歷任四川省投資集團工程師、辦公室副主任、一家附屬公司的董事、副總經理、總經理及一家附屬公司的董事長。彼亦自1997年10月至2007年12月擔任達成鐵路有限公司監事會主席及副董事長，並自2006年8月至2020年6月擔任四川川投水務集團股份有限公司總經理、董事長及黨委書記。

梁先生於1982年8月畢業於中國重慶市重慶建築工程學院，主修水港專業。梁先生於1997年9月獲四川省職稱評定工作領導小組評為高級工程師。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

6.1.4 Secretary to the Board

Mr. Chen Yongzhong (陳永忠先生), aged 52, joined the Group in December 2012 and serves as our secretary to the Board and company secretary. Mr. Chen is primarily responsible for assisting the chairman of the Board to deal with daily operations of the Board and internal audit work, and is responsible for legal affairs, law-based corporate governance, and outbound investment.

Mr. Chen served in teaching position in Luzhou Finance and Economic School* (瀘州市財經學校) from August 1997 to May 2009. Mr. Chen served as a deputy manager of financial department of Xinglu Investment from August 2009 to December 2014, and he served as the chief financial officer of the Company from December 2012 to December 2017. He also served as the chief financial officer of Xinglu Wastewater Treatment from August 2012 to September 2016, the chairman of Weiyuan Qingxi Water and Weiyuan Installation Company from September 2018 to October 2019 and director of Xinglu Wastewater Treatment from March 2022 to December 2024.

Mr. Chen graduated from Chengdu Meteorological Institute* (成都氣象學院) in Chengdu, the PRC, with a bachelor's degree majoring in accounting in June 1997. Mr. Chen was accredited as a midlevel accountant by MoF in May 2002, has passed the All Required Subjects of The National Uniform CPA Examination of the PRC in December 2007, obtained the qualification for registered tax agent granted by Sichuan Province Professional Title Reforming Leading Group* (四川省職稱改革工作領導小組) in September 2009 and was registered as a member of Chartered Tax Agents Association of Sichuan Province* (四川省註冊稅務師協會) in November 2011, and accredited as senior accountant by Human Resources and Social Security of Sichuan Province* (四川省人力資源和社會保障廳) in June 2012, successively. Mr. Chen obtained the qualification as senior international finance manager granted by International Financial Management Association in February 2013.

6.1.4 董事會秘書

陳永忠先生，52歲，於2012年12月加入本集團，現擔任本公司董事會秘書及公司秘書。彼主要協助本公司董事長處理董事會日常運營事務和內部審計工作，並負責法律事務、依法治企、對外投資工作。

陳先生自1997年8月至2009年5月在瀘州市財經學校任教；於2009年8月至2014年12月，擔任興瀘投資財務部副經理；並於2012年12月至2017年12月擔任本公司財務總監。彼亦自2012年8月至2016年9月兼任興瀘污水處理財務總監；自2018年9月至2019年10月兼任威遠清溪水務、威遠安裝公司董事長。自2022年3月至2024年12月擔任興瀘污水處理董事。

陳先生於1997年6月畢業於中國成都市成都氣象學院，取得會計專業學士學位，並先後於2002年5月獲財政部認可為中級會計師，並於2007年12月通過中國註冊會計師全國統一考試所有必修科目，於2009年9月獲四川省職稱改革工作領導小組授予註冊稅務師資格，於2011年11月獲四川省註冊稅務師協會授予註冊會員，於2012年6月獲四川省人力資源和社會保障廳認可為高級會計師。陳先生於2013年2月獲國際財務管理協會授予高級國際財務管理師資格。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

6.1.5 Senior Management

Mr. Chen Qinan (陳棋楠先生), aged 47, has been the general manager of the Company since December 2023. For more details, please refer to “Mr. Chen Qinan, Executive Director” in this chapter.

Ms. Fan Wenjie (範文婕女士), aged 46, has served as deputy general manager of the Company since December 2023 and was responsible for general affairs, confidential and secrecy matters, quality system construction and material supply management.

Ms. Fan worked in the Luzhou Branch of China Agricultural Development Bank from July 2001 to December 2011. She served as a staff member of Longma Xingda Small-loan Co., Ltd.* (龍馬興達小額貸款股份有限公司) in Luzhou from December 2011 to August 2012, a staff member of the legal department and the head of legal affairs at Xinglu Investment from August 2012 to December 2014 (during which she also served as the risk director of Luzhou Jiangyang District Xinglu Hongyang Micro-Credit Co., Ltd. (瀘州市江陽區興瀘鴻陽小額貸款有限公司) from February 2013 to April 2014), and the deputy manager of the legal department of Xinglu Investment from December 2014 to June 2016. She served as the head of the human resources department of Xinglu Investment from June 2016 to August 2023.

Ms. Fan graduated from Chongqing University majoring in finance and economics in June 2001, and graduated from Sichuan University majoring in law in June 2004. She graduated from Changchun University of Technology with a master's degree majoring in business administration in June 2022. Ms. Fan qualified as a senior economist in July 2020.

6.1.5 高級管理人員

陳棋楠先生，47歲，於2023年12月加入本集團擔任總經理，相關詳情參見本章「執行董事之陳棋楠先生」。

範文婕女士，46歲，自2023年12月起擔任本公司副總經理，負責綜合事務、機要保密、質量體系建設和物資供應管理工作。

範女士自2001年7月至2011年12月在中國農業發展銀行瀘州市分行工作；自2011年12月至2012年8月在瀘州市龍馬興達小額貸款股份有限公司任職員；自2012年8月至2014年12月在興瀘投資先後擔任法務部職員及法律事務主辦（其間自2013年2月至2014年4月兼任瀘州市江陽區興瀘鴻陽小額貸款有限公司風險總監）；自2014年12月至2016年6月任興瀘投資法務部副經理；自2016年6月至2023年8月任興瀘投資人力資源部部長。

範女士於2001年6月畢業於重慶大學貿易經濟專業，於2004年6月畢業於四川大學，主修法律專業；並於2022年6月畢業於長春工業大學工商管理專業，取得碩士學位。範女士於2020年7月取得高級經濟師資格。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Mr. Liu Jinhua (劉勁樺先生), aged 51, has served as deputy general manager of the Company since December 2023 and was responsible for marketing services, production technology management, and cybersecurity management.

Mr. Liu worked as a designer in the Changfei Mechanics Division of AVIC II from August 1997 to April 2006. He worked in Sichuan Banda Chemical Co., Ltd.* (四川班達化工有限公司) from March 2011 to December 2012, and served as the assistant to the general manager and the head of the production department of Sichuan Banda Chemical Co., Ltd. from December 2012 to July 2014. He served as a staff member of Ruijia Technology Ceramics Industry (Sichuan) Co., Ltd.* (銳佳科技陶瓷(四川)有限公司) from July 2014 to April 2015, a staff member of the production safety department of Luzhou Xinglu Water (Group) Company Limited from April 2015 to October 2017. He served as the manager of Luzhou Xinglu Water (Group) Beijiao Water Co., Ltd. from October 2017 to April 2020 (during which he also served as the deputy manager of the production management department of Luzhou Xinglu Water (Group) Co., Ltd. from July 2018 to April 2020), the deputy manager of the production technology department of Luzhou Xinglu Water (Group) Co., Ltd. from April 2020 to July 2021, the manager of the production technology department of Luzhou Xinglu Water (Group) Co., Ltd. from July 2021 to March 2023, and the general manager of water production company from March 2022 to March 2023. He served as a supervisor of Luzhou Xinglu Wastewater Treatment Co., Ltd. from March 2022 to December 2023, and the general manager of Branch of Jiangyang Water Supply from March 2023 to February 2024.

Mr. Liu graduated from Nanchang University majoring in industrial electric automation in August 1997 and qualified as an electrical engineer in September 2002.

劉勁樺先生，51歲，自2023年12月起擔任本公司副總經理，負責營銷服務、生產技術管理和網絡安全管理工作。

劉先生自1997年8月至2006年4月在中航二集團昌飛機動處任設計員；自2011年3月至2012年12月在四川班達化工有限公司工作，自2012年12月至2014年7月任四川班達化工有限公司總經理助理及生產部部長；自2014年7月至2015年4月在銳佳科技陶瓷(四川)有限公司任職員；自2015年4月至2017年10月在瀘州市興瀘水務(集團)有限公司生安部任職員；自2017年10月至2020年4月擔任瀘州市興瀘水務(集團)北郊水業有限公司經理(其間自2018年7月至2020年4月兼任瀘州市興瀘水務(集團)股份有限公司生產管理部副經理)；自2020年4月至2021年7月擔任瀘州市興瀘水務(集團)股份有限公司生產技術部副經理；自2021年7月至2023年3月擔任瀘州市興瀘水務(集團)股份有限公司生產技術部經理；自2022年3月至2023年3月兼任制水公司總經理；自2022年3月至2023年12月擔任瀘州市興瀘污水處理有限公司監事；自2023年3月至2024年2月擔任江陽供水分公司總經理。

劉先生於1997年8月畢業於南昌大學工業電氣自動化專業，並於2002年9月取得電氣工程師資格。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Mr. Wang Jian, aged 45, as of the date of this annual report, serve as the deputy general manager of the Company, responsible for engineering construction management and safety and environmental protection duties.

Mr. Wang has 22 years of experience in corporate management, from July 2004 to October 2010, he held positions at Xinglu Wastewater, including staff member, Assistant to the Director of the Production and Technology Department, Deputy Director of the Production and Technology Department, and Deputy Director of the Equipment Maintenance Department (during which time, from November 2009 to September 2010, he was seconded to the Engineering Department of Xinglu Investment); from October 2010 to December 2021, he held positions at Xinglu Investment, successively serving as a staff member in the Engineering Department, a Senior Staff Member in the Engineering Department (during which time, from April 2013 to April 2014, he concurrently served as Manager of the General Affairs Department at Luzhou Xinglu Jutai Real Estate Co., Ltd.*), and Deputy Manager of the Engineering Department; From December 2021 to March 2025, served as a member of the Party Committee and Deputy General Manager of Luzhou Communications Investment Group Co., Ltd.; From June 2025 to March 2026, served as Manager of the Risk Control Department at Luzhou Xinglu Financial Leases Co., Ltd.*.

Mr. Wang studied Water Supply and Drainage Engineering in July 2004 at the School of Civil Engineering of Anhui University of Technology, where he earned a Bachelor of Engineering degree. In August 2009, he was certified as a Water Supply and Drainage Engineer by the Intermediate Professional Title Review Committee for Civil Engineering Technology under the Sichuan Provincial Department of Construction. In November 2013, he was certified as an Intermediate Economist (Construction) by the Sichuan Provincial Human Resources and Social Security Department.

王建先生，45歲，截至本年報日期，擔任本公司副總經理，負責工程建設管理和安全環保工作。

王先生擁有22年的企業管理經驗，彼自2004年7月至2010年10月在興瀘污水先後擔任職員、生產技術部部長助理、生產技術部副部長、設備保障部副部長（其間：自2009年11月至2010年9月借調至興瀘投資工程部工作）；自2010年10月至2021年12月在興瀘投資先後擔任工程部職員、工程部主辦（其間：自2013年4月至2014年4月兼任瀘州興瀘居泰房地產有限公司綜合部經理）、工程部副經理；自2021年12月至2025年3月擔任瀘州市交通投資集團有限責任公司黨委委員及副總經理；自2025年6月至2026年3月擔任瀘州市興瀘融資租賃有限公司風控部經理。

王先生於2004年7月畢業於安徽工業大學建築工程學院學習給排水工程專業，並獲得工學學士學位。於2009年8月獲四川省建設廳建築工程技術中級職務評審委員會授予給排水工程師；於2013年11月獲四川省人力資源和社會保障廳授予中級經濟師（建築）。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Mr. Ouyang Peng (歐陽鵬先生), aged 51, joined the Group in September 2013 and serves as the chief financial officer of the Company since November 2017, mainly responsible for financial management of the Company. He also concurrently serves as a supervisor of Luzhou Xingxin Water Environmental Governance Co., Ltd.

Mr. Ouyang worked in the integrated management section of the finance department of Lutianhua Group Inc.* (瀘天化(集團)有限責任公司) from July 1998 to February 2002. Then he served as deputy chief of the finance section of Lutianhua Huajian Company* (瀘天化化建公司) from February 2002 to January 2007, as deputy director of the finance department of Sichuan Lutianhua Hongxu Engineering Construction Co., Ltd.* (四川瀘天化弘旭工程建設有限公司) from February 2007 to September 2013 (during this period, he served as director of the finance department of Sichuan Lutianhua Jingzheng Technology Detection Co., Ltd.* (四川瀘天化精正技術檢測有限公司) from April 2009 to March 2012 concurrently and as deputy director of the finance department of Sichuan Chemical Holdings (Group) Chengdu Engineering Branch* (四川化工控股(集團)成都工程分公司) from February 2012 to August 2013). Thereafter, he served as assistant director of the finance department of Luzhou Xinglu Water Co., Ltd. from November 2013 to March 2014, as deputy director of the finance department of Luzhou Xinglu Water Co., Ltd. from March 2014 to July 2016. From July 2016 to February 2023, he concurrently served as finance manager. He also served as the chief of the finance section of Sitong Engineering from September 2013 to December 2017 and as deputy manager of Sitong Engineering from April 2014 to January 2018 concurrently. He served as chairman of Sitong Engineering from February 2018 to January 2019. He served as executive director of Sitong Engineering from 30 January 2019 to June 2022. He served as executive director of Naxi Water from February 2019 to April 2022.

歐陽鵬先生，51歲，於2013年9月加入本公司，自2017年11月起擔任本公司財務總監，主要負責本公司財務管理工作。彼同時兼任瀘州市興新水環境治理有限公司監事。

歐陽先生自1998年7月至2002年2月在瀘天化(集團)有限責任公司財務部綜合管理科工作；其後自2002年2月至2007年1月擔任瀘天化化建公司財務科副科長；自2007年2月至2013年9月擔任四川瀘天化弘旭工程建設有限公司財務部副部長(其間，自2009年4月至2012年3月兼任四川瀘天化精正技術檢測有限公司財務部部長；自2012年2月至2013年8月兼任四川化工控股(集團)成都工程分公司財務部副部長)。其後，彼自2013年11月至2014年3月擔任興瀘水務有限公司財務部部長助理，自2014年3月至2016年7月，擔任興瀘水務有限公司財務部副部長，2016年7月至2023年2月兼任財務部經理。自2013年9月至2017年12月擔任四通工程財務科科長，自2014年4月至2018年1月兼任四通工程副經理。2018年2月至2019年1月擔任四通工程董事長。2019年1月30日起至2022年6月擔任四通工程執行董事。2019年2月起至2022年4月擔任納溪水業執行董事。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Mr. Ouyang graduated from Sichuan Union University (now Sichuan University), majoring in economics in July 1998. He was qualified as senior accountant by Sichuan Provincial Human Resources and Social Security Department* (四川省人力資源和社會保障廳) in June 2011 and the tax agent by the China Certified Tax Agents Association in November 2023.

歐陽先生於1998年7月畢業於四川聯合大學(現四川大學)，主修經濟學，並於2011年6月獲四川省人力資源和社會保障廳授予高級會計師資格。於2023年11月取得中國註冊稅務師協會授予稅務師職業資格。

6.1.6 Company Secretary

Mr. Chen Yongzhong (陳永忠先生), aged 52, has served as the company secretary since August 2016. He concurrently served as the secretary to the Board. For his biographical details, please refer to “Secretary of the Board” in this section.

6.1.6 公司秘書

陳永忠先生，52歲，自2016年8月起擔任本公司的公司秘書，彼兼任董事會秘書。就其簡歷詳情，請參閱本章「董事會秘書」。

6.2.1 Changes in Directors

During the reporting period, Mr. Zhang Qi resigned as an executive director and the chairman of the Company due to work changes. The Board elected Mr. Chen Qinan, an executive director and the General Manager, as the chairman. For details, please refer to the announcement published by the Company on December 16, 2025.

6.2.1 董事變動情況

於報告期內，張歧先生因工作變動辭任本公司執行董事及董事長職務，董事會選舉執行董事兼總經理陳棋楠先生為董事長，有關詳情請參見本公司於2025年12月16日發佈的公告。

Except as disclosed in this report, there are no changes in the information of the Directors of the Company that are required to be disclosed under Rule 13.51B of the Listing Rules.

除本報告披露者外，概無根據上市規則第13.51B條須予披露的本公司董事的資料變動。

6.2.2 Changes in Senior Management

During the reporting period and up to the date of this report, Mr. Yang Xudong, a senior management member of the Company, ceased to serve as the deputy general manager due to company personnel arrangements.

6.2.2 高級管理人員變動情況

於報告期內及截至本報告日期，公司高級管理人員楊旭東先生因公司人事安排不再擔任副總經理職務。

As of the date of this report, the Board has appointed Mr. Wang Jian as the deputy general manager of the Company. For details, please refer to “Mr. Wang Jian – Senior Management” in this section.

截至本報告日期，董事會聘任王建先生擔任本公司副總經理，相關詳情參見本章「高級管理人員之王建先生」。

Except as disclosed in this report, there was no change in the Company’s senior management.

除本報告所披露者外，本公司高級管理人員無變動。

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

6.2.3 Basic Information on Directors and Senior Management

As of the date of this report, the basic information on the Directors and senior management of the Company are as follows:

6.2.3 董事及高級管理人員基本情況

截至本報告日期，本公司董事及高級管理人員基本情況如下：

Name 姓名	Gender 性別	Age 年齡	Position 職務
Chen Qinan 陳棋楠	Male 男	47	Executive Director, chairman of the Board and general manager 執行董事兼董事長兼總經理
Xu Guanghua 徐光華	Male 男	58	Executive Director (employee representative Director) 執行董事(職工代表董事)
Xu Fei 徐飛	Male 男	48	Non-executive Director 非執行董事
Zhang Guanghui 張光惠	Female 女	59	Non-executive Director 非執行董事
Hu Fenfen 胡芬芬	Female 女	42	Non-executive Director 非執行董事
Ma Hua 馬樺	Female 女	54	Independent non-executive Director 獨立非執行董事
Fu Ji 傅驥	Male 男	59	Independent non-executive Director 獨立非執行董事
Liang Youguo 梁有國	Male 男	65	Independent non-executive Director 獨立非執行董事
Chen Yongzhong 陳永忠	Male 男	52	Secretary to the Board and company secretary 董事會秘書兼公司秘書
Fan Wenjie 範文婕	Female 女	46	Deputy general manager 副總經理

Chapter VI Directors and Senior Management (Continued)

第六章 董事及高級管理層(續)

Name 姓名	Gender 性別	Age 年齡	Position 職務
Liu Jinhua 劉勁樺	Male 男	51 51	Deputy general manager 副總經理
Wang Jian 王建	Male 男	45 45	Deputy general manager 副總經理
Ouyang Peng 歐陽鵬	Male 男	51 51	Chief financial officer 財務總監

Chapter VII Directors' Report

第七章 董事會報告

7.1 PRINCIPAL BUSINESSES

The Group is an integrated operator primarily engaged in municipal water supply and wastewater treatment service. As at the end of the Reporting Period, the Group is a tap water supplier serving three districts and three counties of Luzhou, Weiyuan District of Neijiang and Leibo County and some townships of Liangshanzhou. It is also the only county-level domestic wastewater treatment service provider based in Luzhou serving cities and towns in three districts and four counties of the region, with domestic wastewater treatment services operating in Jingyan County of Leshan, European Industrial City in Qingbaijiang District, Chengdu and the industrial cluster of Dechang County in Liangshanzhou. We have secured from the relevant governments the exclusive concession rights to operate tap water supply service and wastewater treatment services covering the above areas.

7.2 RESULTS

The audited results of the Group during the Reporting Period are set out in consolidated income statement. The financial position of the Group at the end of the Reporting Period is set out in the consolidated balance sheet. The consolidated cash flows of the Group during the Reporting Period are set out in the consolidated statement of cash flows.

7.1 主要業務

本集團是一家主要從事市政供水及污水處理服務的綜合運營商。於報告期末，本集團為瀘州市三區三縣、內江市威遠地區、涼山州雷波縣縣城及部分鄉鎮的自來水供應商，是瀘州地區縣級唯一的城市和三區四縣鄉鎮生活污水處理服務供應商，並運營了樂山市井研縣、成都市青白江區歐洲產業城、涼山州德昌縣工業集中區的生活污水處理服務。我們已從有關政府部門獲授權在以上區域的獨家特許經營自來水供應服務及污水處理服務。

7.2 業績

本集團報告期間的經審計經營業績載於合併利潤表。本集團於報告期末的財務狀況載於合併資產負債表。本集團報告期間的合併現金流量載於合併現金流量表。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.3 DIVIDEND POLICY AND FINAL DIVIDENDS

The Board approved and adopted the following dividend policy. The dividend policy is targeted at providing a stable and sustainable return to the Shareholders and the Company will consider the following factors, among others, when deciding whether to recommend the payment of dividends and in determining the amount of dividends:

1. the operation conditions of the Group and market environment;
2. the general financial position of the Group;
3. the actual and future operation and liquidity status of the Group;
4. the profit after tax and distributable profits of the Company and the Group;
5. the development plan and expected working capital requirements of the Group;
6. the expectations of the Shareholders and investors of the Company and the industry practice;
7. the continuity and stability of the dividend distribution policy; and
8. any other factors that the Board considers appropriate.

7.3 股息政策及末期股息

董事會已批准及採納以下股息政策。股息政策以提供穩定及可持續回報予股東為目標，本公司在決定是否建議派發股息及在厘定股息金額時，將考慮以下因素(其中包括)：

1. 本集團的經營情況和市場環境；
2. 本集團的一般財務狀況；
3. 本集團實際和未來營運及流動資金狀況；
4. 本公司及本集團的稅後利潤及可供分配利潤；
5. 本集團發展計劃及預期營運資金需求；
6. 股東及本公司投資者的期望及行業的常規；
7. 股息分配政策的連續性和穩定性；及
8. 董事會認為適當的任何其他因素。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

The payment of the dividend by the Company is also subject to the Company Law of the People's Republic of China (the “**Company Law**”), the Listing Rules, the articles of association of the Company and any restrictions under any other applicable laws, rules and regulations. The Company shall seek and consider the opinions of the Shareholders, in particular, the minority Shareholders, and independent non-executive directors as sufficiently as possible, prioritise a reasonable return to the investors while giving full consideration to the sustainable development of the Company. The Board will review and examine the Dividend Policy as appropriate from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

The Board proposed to distribute final dividends of RMB0.04 per Share (tax inclusive) for the year ended 31 December 2025 (2024: RMB0.04 per Share (tax inclusive)) to Shareholders whose names appeared on the register of members of the Company on Wednesday, 15 July 2026 (the “**Record Date**”) (subject to the approval of Shareholders on the AGM to be held on Friday, 26 June 2026), with the total amount being approximately RMB34.39 million. Once approved, the final dividends are expected to be paid on or before Friday, 31 July 2026.

Such proposed dividends will be denominated in RMB. Dividends for domestic shares will be paid in RMB, while dividends for H shares will be paid in Hong Kong dollars. The relevant exchange rate for conversion shall be calculated by the average central parity rate of the relevant foreign exchange posted by China Foreign Exchange Trading Centre for one calendar week immediately preceding the date of declaration of such dividend at the AGM.

During the Reporting Period, the Company is not aware of any Shareholders who have waived or agreed to waive any dividend arrangements.

本公司宣派股息亦須遵守《中華人民共和國公司法》(「**公司法**」)、上市規則、公司章程及任何其他適用法律、規則及規例下的任何限制，並充分聽取並考慮股東特別是中小股東和獨立非執行董事的意見，重視投資者的合理回報，並兼顧本公司的可持續發展。董事會將不時對股息政策作出審閱及檢討，且不能保證將在任何既定期間建議或宣派股息。

董事會建議派發截至2025年12月31日止年度之末期股息為每股人民幣0.04元(含稅)(2024年：每股人民幣0.04元(含稅))予於2026年7月15日(星期三)(「**記錄日**」)名列本公司股東名冊的股東(惟須待股東於2026年6月26日(星期五)舉行的年度股東會上批准)，總金額約人民幣34.39百萬元。經批准後，末期股息預期將於2026年7月31日(星期五)或之前派付。

該等建議股息將以人民幣計值。內資股股息將以人民幣派付，而H股股息將以港元派付。相關兌換匯率應採用年度股東會上宣派該股息當日之前一個公歷星期中國外匯交易中心公佈的有關外匯中間價的平均值。

報告期內，本公司並不知悉任何股東已放棄或同意放棄任何股息安排。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.4 TAX RELIEF

Under the relevant tax rules and regulations of the PRC (collectively, the “**PRC Tax Law**”), the Company is required to withhold and pay enterprise income tax at the rate of 10% when distributing final dividends to non-resident enterprises (such term shall have the meaning as defined under the PRC Tax Law) whose names appear on the H Shares register of members of the Company.

In accordance with the PRC Tax Law, the Company is also required to withhold and pay individual income tax when distributing final dividends to individual Shareholders whose names appeared on the H Shares register of members of the Company on behalf of them. The Company will determine the country of domicile of the individual H Shareholders based on the registered addresses as recorded in the H Shares register of members of the Company on the Record Date with details as follows:

For individual H shareholders who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.

For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. If such individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the tax treaties.

7.4 稅項減免

根據中國相關稅務規則及法規（統稱「**中國稅法**」），本公司向名列本公司H股股東名冊的非居民企業（按中國稅法的涵義）派發末期股息，須代扣代繳10%的企業所得稅。

遵照中國稅法，本公司向名列本公司H股股東名冊的個人股東派發末期股息，須代扣代繳個人所得稅。本公司將根據記錄日本公司H股股東名冊所記錄登記地址，確定個人H股股東的居住國，詳情如下：

對於身為香港、澳門地區居民及居住國已和中國訂立稅務協議規定股息稅率為10%的個人H股股東，本公司將按10%稅率代扣代繳個人所得稅。

對於居住國已和中國訂立稅務協議規定股息稅率低於10%的個人H股股東，本公司將按10%稅率代扣代繳個人所得稅。如相關H股股東欲申請退還多繳的稅款，本公司可根據稅收協議代為提出享有稅收協議待遇的申請。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company will withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.

For individual H Shareholders who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax rate of 20% or more and other situations, the Company will withhold and pay the individual income tax at a tax rate of 20% on behalf of them.

Should individual H Shareholders have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax implications in Mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H Shares of the Company.

對於居住國已和中國訂立稅務協議規定股息稅率高於10%但低於20%的個人H股股東，本公司將按已協議的實際稅率代扣代繳個人所得稅。

對於居住國並無與中國訂立任何稅務協議，或與中國訂立稅務協議規定股息稅率為20%或以上及其他情況，本公司將按20%稅率代扣代繳個人所得稅。

如個人H股股東對上述安排有任何疑問，可向彼等的稅務顧問諮詢有關擁有及處置H股所涉及的中國、香港及其他國家(地區)稅務影響的意見。

7.5 ANNUAL GENERAL MEETING

We will convene the 2025 Annual General Meeting on Friday, 26 June 2026.

7.5 年度股東會

我們將於2026年6月26日(星期五)召開2025年年度股東會。

7.6 CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive), during which period no transfer of Shares will be effected. The record date for entitlement to attend and vote at the AGM is Tuesday, 23 June 2026. In order to be qualified to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shareholders), or to the Company's registered office in the PRC at 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC (in respect of Domestic Shareholders) no later than 4:30 p.m. on Monday, 22 June 2026.

7.6 暫停辦理過戶登記

為釐定出席年度股東會並於會上投票的資格，本公司將於2026年6月23日(星期二)至2026年6月26日(星期五)期間(包括首尾兩日)暫停辦理股份過戶登記手續，期間將不會登記任何本公司股份轉讓。有權出席年度股東會並於會上投票的股權登記日為2026年6月23日(星期二)。為符合資格出席年度股東會並於會上投票，所有過戶文件連同有關股票須在不遲於2026年6月22日(星期一)下午四時三十分前遞交至本公司的H股股份過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)(就H股股東而言)，或本公司於中國的註冊辦事處(地址為中國四川省瀘州市江陽區百子路16號)(就內資股股東而言)。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

In order to determine the list of Domestic Shareholders and H Shareholders who shall be entitled to obtain final dividends, subject to the approval of the Shareholders at the Annual General Meeting, the register of members of the Company will be closed from Saturday, 11 July 2026 to Wednesday, 15 July 2026 (both days inclusive), during which period no transfer of Shares of the Company will be effected. The Company will distribute final dividends to Domestic Shareholders and H Shareholders which are on the register of members of the Company on Wednesday, 15 July 2026. In order to be qualified to obtain final dividends, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shareholders), or to the Company's registered office in the PRC at 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC (in respect of Domestic Shareholders) no later than 4:30 p.m. on Friday, 10 July 2026.

為釐定有權獲派發末期股息的內資股股東及H股股東名單，惟須股東於年度股東會上批准，本公司將於2026年7月11日（星期六）至2026年7月15日（星期三）期間（包括首尾兩日）暫停辦理股份過戶登記手續，期間將不會登記任何本公司股份轉讓。本公司將向於2026年7月15日（星期三）名列本公司股東名冊的內資股股東及H股股東派發末期股息。為符合獲得末期股息，所有過戶文件連同有關股票須在不遲於2026年7月10日（星期五）下午四時三十分前遞交至本公司的H股股份過戶登記處香港中央證券登記有限公司（地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖）（就H股股東而言），或本公司於中國的註冊辦事處（地址為中國四川省瀘州市江陽區百子路16號）（就內資股股東而言）。

7.7 BUSINESS REVIEW

The Company's business review during the Reporting Period is set out in the sections of "Business Review" and "Financial Review" to the chapter headed "Management Discussion and Analysis" in this annual report. The "Financial Review" section also includes the analysis of the performance of relevant key financial indicators during the Reporting Period. The potential development of the Company's businesses is set out in the section "Future Prospect" to the chapter headed "Chairman's Statement" and the section "Development Strategy and Outlook" to the chapter headed "Management Discussion and Analysis" in this annual report.

7.7 業務回顧

本公司於報告期內的業務回顧載於本年報「管理層討論與分析」的「業務回顧」和「財務回顧」內，「財務回顧」亦包括本公司於本年度期間有關關鍵財務績效指標表現的分析。本公司業務的未來可能發展載於本年報「董事長致辭」的「未來展望」及「管理層討論與分析」的「發展策略及展望」內。

7.8 FINANCIAL SUMMARY

Consolidated results and consolidated assets and liabilities of the Company for the last five financial years are set out in the section headed "Financial Highlights" in this annual report.

7.8 財務概要

本公司於過往五個財政年度的合併業績及合併資產及負債載於本年報「財務概要」內。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.9 ENVIRONMENT POLICY AND PERFORMANCE

The Company complies with various national and local environmental protection laws in China, including the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Water Law of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China, the Law on the Prevention and Control of Environmental Noise Pollution of the People's Republic of China, the Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China, the Cleaner Production Promotion Law of the People's Republic of China, the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China, and the Law on Soil and Water Conservation of the People's Republic of China.

These laws and regulations are those that we must strictly abide by and execute in the course of operation, and have a significant normative effect on our operations and management, otherwise it will have a significant impact on the Company's operations.

The Company has taken relevant measures in its business operations to comply with the regulatory and industry standards of relevant central and local government departments and industry associations. Due to the rise of environmental protection requirements, the Company has increased the capital investment in compliance measures.

During the Reporting Period, the Company did not encounter any claims arising from the failure to comply with the relevant permit and environmental requirements. The Company's production was safe and environmentally-friendly, with no non-compliance records.

7.9 環境政策及表現

本公司遵守中國的各項全國性及地方性環境保護法規，包括《中華人民共和國環境保護法》《中華人民共和國環境影響評價法》《中華人民共和國水法》及《中華人民共和國水污染防治法》《中華人民共和國環境噪聲污染防治法》《中華人民共和國大氣污染防治法》《中華人民共和國清潔生產促進法》《中華人民共和國固體廢物污染環境防治法》以及《中華人民共和國水土保持法》等。

這些法律法規是我們在運營過程中須嚴格遵守及執行的規定，對運營及管理有重大的規範性作用。如有不當，會對本公司運營造成重大影響。

本公司在業務運營中已採取相關措施，旨在遵循相關中央及地方政府部門及行業協會的監管及行業標準。因環保要求的提高，本公司增加了合規性措施方面的資金投入。

於報告期內，本公司並無遭遇因未能遵守有關許可證及環保要求發出的任何索賠。本公司生產達到安全且環保，無不合規記錄。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.10 COMPLIANCE WITH LAWS AND REGULATIONS

The Board regards the compliance with laws and regulations as the cornerstone of a business and attaches considerable importance to it. To the best knowledge of the Board, during the Reporting Period, the Company has complied with all applicable laws and regulations in the PRC in all material respects, and has also complied with the Listing Rules and the SFO.

7.11 MAJOR RISK FACTORS

The major risks the Company is faced with are as follows:

7.11.1 Market Expansion and Investment Risks

In terms of business expansion, the actual circumstances, such as adjustments to water supply and drainage tariffs, PPP project policies, the cancellation of engineering construction and guaranteed minimum tariffs, and increased local government fiscal pressures leading to a rise in accounts receivable balances for sewage treatment fees, will extend the investment recovery period and weaken the our cash realization and debt repayment capacity, potentially adversely affecting the Company's market expansion and profitability growth if we fail to promptly optimize investment layout and business model.

We will adopt the following measures: enhancing strategic collaboration between government and enterprises, closely monitoring policy trends, dynamically adjusting investment strategies to address market changes, and maintaining the corporate leadership and competitiveness through technological innovation, improved management standards, innovative cooperation models, and industrial chain extension, so as to ensure sustained growth in the Company's market share.

7.10 遵守法律法規

董事會認為遵守法律及法規乃企業的基石，故十分關注其重要性。據董事會所深知，於報告期間，本公司已於所有重大方面遵守中國適用法律法規，且亦遵守上市規則和證券及期貨條例約束。

7.11 主要風險因素

本公司業務面臨的主要風險如下：

7.11.1 市場擴張及投資風險

業務拓展方面，有關供排水收費、PPP項目政策的調整至工程建設及保底收費取消，地方財政支付壓力增大致污水處理費應收賬款餘額增加等實際情況將拉長投資回收周期，弱化企業獲現和償債能力，如果我們未能及時優化投資佈局與業務模式，將對公司市場擴張和盈利能力增長造成不良影響。

我們將採取以下措施：加強政企戰略協作，密切關注政策趨勢，動態調整投資策略應對市場變化，並通過技術革新、管理水平提升、合作模式創新、產業鏈延伸等方式保持企業的領先性和競爭力，確保公司市場份額持續增長。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.11.2 Operation and Management Risks

Our operating performance and financial condition are, to a certain extent, constrained by regional socioeconomic conditions and policy adjustments, such as a persistent socioeconomic downturn leading to a sluggish real estate market on which we rely, and local government fiscal payment difficulties resulting in elevated accounts receivable for sewage treatment fees, and the failure of the Company to secure sufficient funding and corresponding remedial measures may adversely impact our operational management and financial position.

We will implement the following countermeasures: ensuring sufficient management, operational, human, and financial resources to sustain our development, strengthening risk prevention mechanisms, controlling expenditures to effectively reduce costs, and enhancing the core competitiveness and profitability of the enterprise.

7.11.3 Cost Control Risks

In recent years, the standards of energy, labour, raw materials and environmental quality have improved. In particular, according to the requirements of environmental protection, the increase in standard and capacity of wastewater treatment facilities will lead to a certain increase in the direct operating costs, which may adversely affect the financial condition of the Company.

We will take the following countermeasures: combine the construction of internal supervision system, further improve the operation management system and business processes; strengthen the management and construction of subordinate enterprises and continue to promote our refined management system; pay attention to employee training and improve their professional skills; and continue to explore core technologies through strengthening cost control for cost reduction and efficiency increase.

7.11.2 經營管理風險

我們的經營業績及財務狀況在一定程度上受到地區的社會經濟和政策調整制約，如社會經濟持續下行致我們依賴的房地產市場不景氣、地方政府財政支付困難致污水處理費應收賬款高企等，而企業未能取得充足資金及相應的補救措施，可能對我們的經營管理及財務狀況造成不利影響。

我們將採取如下應對措施：確保有足夠的管理、營運、人力及財務資源維護我們的可持續發展，健全風險防範機制，控制支出有效降低成本，提升企業核心競爭力和盈利能力。

7.11.3 成本控制風險

近年來，能源、人工、原材料、環境標準質量提升。特別是根據環保要求，污水處理設施的提標擴能，將導致運行直接成本有一定增加，可能會對本公司的財務狀況造成不利影響。

我們將採取如下應對措施：結合內部監管制度建設工作，進一步完善運營管理體系和業務流程；加強對下屬企業的管理和建設，繼續推進我們的精細化管理體系；注重員工培訓，提高其專業技能；及繼續探索核心技術，通過強化成本管控，達到降本增效。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.11.4 Safety and Environmental Protection Risks

Contamination of our raw water for tap water supply, improper operations or equipment failures in the production process, substandard sewage treatment discharge, or improper sludge disposal may lead to incidents affecting water supply quality or causing secondary environmental pollution. In addition, factors such as facility or equipment malfunctions, human negligence, or operational errors could result in personnel injuries, fatalities, or property losses.

We will take the following countermeasures: deeply study the changes of laws and regulations and national safety and environmental protection policies, improve the safety and environmental protection system, strengthen the safety and environmental protection training of operating personnel, improve the emergency response capacity of safety and environmental protection accidents, strengthen tracking and supervision, implement responsibilities at all levels, and put an end to potential safety hazards.

During the Reporting Period, there were no safety and environmental protection incidents.

7.11.5 Network Security Risks

If the network and information systems are attacked and causes the interruption of the information system, the network interruptions and the data corruption, changes, leakage, and loss may adversely affect the Company's operations.

We will take the following countermeasures: improve the internal management system, improve the operation and maintenance management supervision system; strengthen the comprehensive technical prevention and emergency protection measures; and enhance the technical staff's network security risk awareness and compliance operation level.

7.11.4 安全環保風險

我們的自來水原水受到污染，或生產環節操作不當及設備故障，污水處理未達標排放、污泥處置不當，可能導致供水水質安全、二次環境污染等事件。此外，設施設備故障、或人為疏忽、操作錯誤等因素，可能引發人員傷亡、財產損失。

我們將採取如下應對措施：深入研究法律法規及國家安全環保政策的變化，健全安全環保制度，加強運行操作人員安全環保培訓，提升安全環保事故應急處置能力，強化跟蹤監督，層層落實責任，杜絕安全隱患。

於報告期內，本公司未發生安全環保事件。

7.11.5 網絡安全風險

網絡和信息系統受到攻擊而導致信息系統停運，網絡的中斷和數據的破壞、更改、泄漏、丟失可能會對本公司的運營造成不利影響。

我們將採取如下應對措施：健全內部管理制度，完善運維管理監管體系；強化綜合技術防範和應急保障措施；及提升技術人員網絡安全風險意識和合規操作水平。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

During the Reporting Period, there were no cybersecurity risk incidents in the Company's network and information systems.

於報告期內，本公司網絡和信息系統未發生網絡安全風險事件。

7.11.6 Data Fraud and Theft

With the deepening application of information systems, various information may be scammed and stolen, and the leakage and loss of data may adversely affect the Company's reputation.

We will take the following countermeasures: strengthen business system management and control; improve network system security; and strengthen security risk awareness education, and control the safe and compliant use of various business data of the Company through systems, business training and technical protection measures.

During the Reporting Period, the Company did not have any data fraud and theft.

7.11.6 資料詐騙及盜竊

隨著信息系統的深入應用，各種資料有被詐騙及盜竊的可能，數據的泄漏和丟失會對本公司的聲譽造成不利影響。

我們將採取如下應對措施：加強業務系統管控；提升網絡系統安全；及加強安全風險意識教育，通過制度、業務培訓和技術防護措施來管控公司各種業務數據的安全合規使用。

於報告期內，本公司未發生資料詐騙及盜竊事件。

7.11.7 Policy Risks

Adjustments to the charges for secondary water supply in relevant laws and policies will result in a decrease in the Company's business revenue, which will in turn affect the Company's operating income.

We will take the following countermeasures: strive for water price policy adjustment, accelerate the expansion of external investment, extend the upstream and downstream industry chain and seek new profit growth to offset the adverse impact caused by the adjustment of laws and policies.

During the Reporting Period, the revenue from the sale of tap water business of the Company decreased by RMB5.22 million due to price policy adjustments.

7.11.7 政策風險

相關法律政策對二次供水收費的調整，將導致本公司業務收入的減少，進而影響本公司的經營收益。

我們將採取如下應對措施：爭取水價調整政策加快對外投資拓展；延伸上下游產業鏈尋求新的利潤增長彌補法律政策調整造成的不利影響。

於報告期內，本公司由於價費政策的調整，銷售自來水業務收入減少5.22百萬元。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.12 KEY RELATIONSHIPS

7.12.1 Relationship with Employees

As at the end of the Reporting Period, the Company had 844 employees (as at the end of 2024: 867 employees) in total. We believe that employees are valuable resources for our success, so the Group attaches great importance to the development of career paths of its staff and provides more comprehensive career training and development plan for all employees. During the Reporting Period, the staff skill rating was carried out and linked to the salary, which fully encouraged employees to upgrade their skills. We will provide new employees with training corresponding to their expected duties.

The details of the employee remuneration are set out in the section headed "Management Discussion and Analysis" of this annual report.

Pursuant to the Labour Law of the PRC, the Labour Contract Law of the PRC, the Social Insurance Law of the PRC and relevant national and local government regulations, we maintain a number of social security funds for our employees, including funds for basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity leave insurance and housing provident fund.

Our union represents our employees' interests and closely communicates with our management on labour matters. During the Reporting Period, we did not experience disruptions in operations due to major labour disputes. None of the employees and third-party suppliers has submitted major claims to us and there are no penalties imposed by the relevant government authorities.

7.12 重要關係

7.12.1 與員工的關係

於報告期末，本公司共有844名僱員（2024年末有867名僱員）。我們認為僱員是我們獲得成功的寶貴資源，本集團十分重視員工職業生涯的發展，向所有員工提供更全面的職業培訓及發展規劃，本公司開展了員工技能等級評定工作，並與其薪酬掛鉤，充分鼓勵員工提升技能。新進的員工會接受與預期職責相對應的培訓。

僱員薪酬之詳情載於本年報之「管理層討論與分析」內。

我們亦根據《中華人民共和國勞動法》《中華人民共和國勞動合同法》《中華人民共和國社會保險法》和相關國家及地方政府規定，為僱員設有多個社會保障基金，包括基本養老保險、基本醫療保險、失業保險、工傷保險、生育保險和住房公積金。

我們的工會代表僱員利益，就有關勞工事宜與我們的管理層密切溝通。於報告期內，我們並無因重大勞動糾紛引致的運營中斷，概無僱員及第三方向我們提出重大索賠，亦無有關政府當局施加的處罰。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.12.2 Relationship with Customers

In tap water supply, our customers are mainly urban and rural residents, industrial and commercial users and other institutions in three districts and three counties of Luzhou, Weiyuan County and Leibo County. In wastewater treatment service, our customers are mainly local governments in three districts and four counties in Luzhou, Jingyan County of Leshan, Qingbaijiang District of Chengdu, and Dechang County of Liangshan Yi Autonomous Prefecture.

The Group adheres to the service philosophy of "Refreshing the customer experience with true feelings and interpreting the harmony between human and water with actions" and maintaining a good relationship with its customers is very important to the long-term development of the Group. Therefore, the Group has always been committed to providing high-quality services to its customers.

During the Reporting Period, the total sales to the five largest customers of the Group was RMB563.26 million, accounting for below 44.22% of the total revenue, and the total sales to the largest customer was RMB420.45 million, accounting for 33.01% of the total revenue for the Reporting Period.

Our top five customers are independent third-parties. During the Reporting Period, none of the Directors and the Supervisors, and their respective close associates, or any Shareholder (which to the knowledge of the Directors and Supervisors own more than 5% of the Company's equity) held any interest in our top five customers. There is no such situation in the Company that our major customers are our suppliers at the same time.

7.12.2 與客戶的關係

我們的自來水供應的客戶主要是瀘州三區三縣及威遠縣、雷波縣的城鄉居民、工商業用戶及其他機構。我們的污水處理服務的客戶主要是瀘州地區三區四縣及樂山市井研縣、成都市青白江區、涼山州德昌縣的地方政府。

本集團秉承「真情刷新客戶體驗，行動詮釋人水和諧」的服務理念，與客戶維持良好的關係對於本集團的長遠發展十分重要，因此，本集團一直致力於向客戶提供高質量的服務。

於報告期內本集團向前五大客戶的銷售總額為人民幣563.26百萬元，佔報告期間收入總額的低於44.22%；而向最大客戶的銷售總額為人民幣420.45百萬元，佔報告期間收入總額的33.01%。

我們的前五大客戶均為獨立第三方，且於報告期內，概無董事、監事及其緊密聯繫人或任何股東（就董事及監事所知，持有本公司5%或以上股權者）持有我們的前五大客戶的權益，我們並無主要客戶同時為我們的供應商的情況。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.12.3 Relationship with Suppliers

Our main suppliers are power suppliers (providing power for our facilities), construction contractors (designing and building our facilities) and raw material suppliers (supplying chemicals for tap water production and wastewater treatment, and other equipment maintenance consumables).

In addition to the public service providers, we have developed a centralized procurement policy for our suppliers. According to this policy, the Group needs to solicit bids from different suppliers and select suppliers based on the price, quality and timeliness of their products. All supply contracts are subject to review and approval by the headquarters and are regularly tested by the headquarters to check the quality of the delivered product.

During the Reporting Period, the total amount of procurement from the five largest suppliers of the Group was RMB196.78 million, accounting for 46.7% of the total amount of procurement for the Reporting Period. The purchase from the largest supplier was RMB66.90 million, accounting for 15.88% of the total amount of procurement for the Reporting Period. Our top five suppliers are independent third-party suppliers. During the Reporting Period, none of the Directors and their respective close associates, or any Shareholder (who to the knowledge of the Directors, own more than 5% of the Company's equity) held any interest in our top five suppliers.

7.12.3 與供貨商的關係

我們的主要供貨商為電力供貨商(為我們的設施供電)、工程承包商(設計並建造我們的設施)及原材料供貨商(供應包括自來水生產及污水處理化學品,以及其他設備維護消耗物品)。

除公共服務供貨商以外,我們對已合作的供貨商制定集中採購政策。根據該政策,本集團需向不同的供貨商招標,並基於其產品的價格、質量及交貨及時性選擇供貨商。所有供應合約需經總部審查及批准,總部會對其進行定期測試以檢查交付產品的質量。

於報告期內,本集團向前五大供貨商的採購總額為人民幣196.78百萬元,佔報告期間採購總額的46.7%;而向最大供貨商的採購總額為人民幣66.90百萬元,佔報告期間採購總額的15.88%。前五大供貨商均為獨立第三方,且報告期內,概無董事及其緊密聯繫人或任何股東(就董事所知,持有本公司5%或以上股權者)持有我們前五大供貨商的權益。

7.13 SHARE CAPITAL

As at the end of the Reporting Period, the total number of the Company's Shares was 859.71 million shares and the total share capital was RMB859.71 million, with RMB1.00 per share, of which, RMB644.77 million for Domestic Shares and RMB214.94 million for H Shares.

7.13 股本

於報告期末,本公司總股數為859.71百萬股,每股人民幣1.00元,總股本為人民幣859.71百萬元,其中內資股股本為人民幣644.77百萬元,H股股本為人民幣214.94百萬元。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.14 BOND ISSUANCE

During the Reporting Period and up to the date of this report, the Company did not have any publicly issued bonds.

7.14 債券發行

於報告期內及截至本報告日期，本公司無任何公開發行債券。

7.15 PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, none of the Company or any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares as defined under the Listing Rules) of the Company. As at 31 December 2025, the Company did not hold any treasury shares.

7.15 購買、出售或贖回本公司的上市證券

於報告期內，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券（包括出售具上市規則定義的庫存股份）。於2025年12月31日，本公司並無持有任何庫存股份。

7.16 PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the PRC laws, the Company is not subject to any requirement on pre-emptive rights.

7.16 優先購買權

根據《公司章程》及中國法律，本公司並無任何有關優先購買權的規定。

7.17 DISTRIBUTABLE RESERVES OF THE COMPANY

Details of the changes in the Company's reserves during the Reporting Period are set out in the consolidated statement of changes in shareholders' equity, of which the reserves distributable to the Shareholders are also set out in the consolidated statement of changes in shareholders' equity.

7.17 可供分配予股東的儲備

於報告期內，本公司儲備變動的詳情載於合併股東權益變動表，其中可供分派予股東儲備的詳情亦載於合併股東權益變動表。

7.18 PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Group during the Reporting Period are set out in Note V. 12 to the consolidated financial statements in this annual report.

7.18 物業、廠房及設備

於報告期內，本集團物業、廠房及設備變動的詳情載於本年度報告中合併財務報表附註五.12。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.19 BANK BORROWINGS AND OTHER BORROWINGS

Details of the Group's bank borrowings and other borrowings as at the end of the Reporting Period are set out in Note V. 28 to the consolidated financial statements in this annual report.

7.19 銀行借款及其他借款

本集團於報告期末的銀行借款及其他借款的詳情載於本年度報告中合併財務報表附註五.28。

7.20 DONATIONS

During the Reporting Period, the Group donated cash or materials totaling RMB30,000 to the Weiyuan County Red Cross and other organizations, primarily for the recipients to carry out the "5.8 Humanitarian Public Welfare Day" activities.

7.20 捐贈

於報告期內，本集團向威遠縣紅十字會等捐贈錢款或物資共計人民幣3萬元，主要用於受贈單位開展「5.8人道公益日」活動。

7.21 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

7.21 董事及高級管理層

7.21.1 Directors

As of the date of this Report, the Board comprised eight Directors, including two executive Directors (including one employee representative Director), three non-executive Directors and three independent non-executive Directors. Save for employee representative Directors, Directors are appointed by Shareholders of the Company, with a term of three years or until a new Board takes office (whichever is later) and is eligible for re-election.

The details of status of Directors are set out in "Directors and Senior Management" in this annual report.

7.21.1 董事

截至本報告日期，本公司董事會由8名董事組成，其中包括2名執行董事（含一名職工代表董事）、3名非執行董事以及3名獨立非執行董事。除職工代表董事外，董事由本公司股東委任，任期三年或直至新一屆董事會履職（以較晚者為準），此後可連選連任。

本公司董事情況的詳情載於本年報的「董事及高級管理層」內。

7.21.2 Senior Management

The Company has one general manager, several deputy general managers, one chief financial officer and one secretary to the Board, all appointed or dismissed by the Board. They have a term of three years and are eligible for re-election.

The details of status of senior management of the Company during the Reporting Period and as of the date of this report are set out in "Directors and Senior Management" in this annual report.

7.21.2 高級管理層

本公司設總經理一名，副總經理若干名，財務總監一名，董事會秘書一名，均由董事會聘任或解聘。任期三年，此後可連聘連任。

本公司報告期內及截至本報告日期高級管理人員情況的詳情載於本年報的「董事及高級管理層」內。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.21.3 Changes in the Information of Directors and Chief Executives

Changes in the information of Directors and chief executives of the Company during the Reporting Period are set out in the section headed "Directors and Senior Management" of this annual report.

7.21.4 Biographies of the Directors and Senior Management

The biographical details of Directors and senior management of the Company are set out in the section headed "Directors and Senior Management" of this annual report.

7.21.5 Service Contract of the Directors

The Company has entered into a service contract with each of the Directors and senior management containing terms relating to, among other things, compliance with relevant laws and regulations, observation of the Articles of Association and provision on arbitration. The service contracts may be renewed in accordance with their terms, the Articles of Association and applicable rules.

During the Reporting Period, none of the Directors has entered into any service contract with the Company which does not expire or is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

7.21.6 Remuneration of Directors

The details of the remuneration of Directors of the Company are set out in Note XI(2).4 to the consolidated financial statements of this report.

7.21.3 董事及最高行政人員資料變動

於報告期內本公司董事及最高行政人員資料變動載於本年報的「董事及高級管理層」章節內。

7.21.4 董事及高級管理層簡歷

本公司董事及高級管理層簡歷的詳情載於本年報的「董事及高級管理層」章節內。

7.21.5 董事服務合約

本公司已與各位董事及高級管理層訂立服務合約，其中載有有關(其中包括)遵守相關法律及法規、遵守《公司章程》及仲裁條文的條款。該等服務合約可根據《公司章程》及適用法例予以重續。

於報告期內，概無董事與本公司訂立不可於一年內屆滿或由本公司在毋需支付補償金(惟法定補償除外)的情況下終止的任何服務合約。

7.21.6 董事薪酬

本公司董事的薪酬詳情載於本報告合併財務報表附註十一(二).4。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.21.7 Determination of and Basis for Determination of Remuneration of Directors and Senior Management

The Company offers executive Directors, employee representative Directors and senior management members, who are also employees of the Company, emolument in the form of basic salary, performance-based bonus and other benefits. We adopt a market and incentive based employee emolument structure and implement a multi-layered evaluation system which focuses on performance and management goals. Independent non-executive Directors are entitled to emolument offered by the Company. Non-executive Directors who do not assume any management positions in the Company will not receive any emolument from the Company.

7.21.8 Directors' Rights to Acquire Shares or Bonds

During the Reporting Period, the Company did not grant any rights to acquire benefits by means of the acquisition of Shares or bonds of the Company or any of its subsidiaries to any Directors or their respective spouses or minor children under 18, and none of them has exercised such rights.

7.21.9 Directors' Interests in Transactions, Agreements or Contracts

During the Reporting Period, none of Directors or entities connected with any of them directly or indirectly held material interest in subsisting and significant transactions, arrangements or contracts of the Group.

7.21.10 Directors' Interests in Competing Business

During the Reporting Period, to the knowledge of the Board, none of the Directors or their respective associates has any business or interest that competes or may compete with the business of the Group or has or may have any other conflict of interest with the Group.

7.21.7 董事及高級管理層薪酬厘定及厘定標準

本公司以其薪金、績效薪金和其他福利的形式向執行董事、職工代表董事及高級管理層成員(亦為本公司僱員)支付薪酬,採用市場化的激勵式薪酬架構,實施以業績和管理層目標為核心的多層次考核體系。我們的獨立非執行董事在本公司領取酬金。未在公司擔任管理職務的非執行董事,不在本公司領取薪酬。

7.21.8 董事購買股份或債券之權利

於報告期內,概無任何董事或彼等各自的配偶或十八歲以下的子女獲本公司授予任何權利以認購本公司或其他任何附屬公司的股份或債券,彼等亦無行使任何該等權利。

7.21.9 董事於交易、安排或合約中的權益

於報告期內,概無任何董事或與其有關的實體在本集團仍然存續且屬重大的重要交易、安排或合約中直接或間接擁有重大權益。

7.21.10 董事於競爭性業務中的權益

於報告期內,董事會概不知悉董事及彼等各自聯繫人的任何業務或權益,對本集團業務構成或可能構成競爭,或對本集團造成或可能造成任何其他利益衝突。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.21.11 Interests and Short Positions of Directors and Chief Executives in the Shares, Underlying Shares and Debentures

As at the end of the Reporting Period, none of the Directors or chief executives of the Company had any interests and/or short positions in the Shares, and (in respect of positions held pursuant to equity derivatives) underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which should be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or was required, pursuant to the Model Code to be notified to the Company and Hong Kong Stock Exchange.

7.21.11 董事和最高行政人員於股份、相關股份及債權證的權益及淡倉

於報告期末，本公司董事及最高行政人員概無與本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份（屬資本衍生工具）或債權證中，擁有根據《證券及期貨條例》第XV部第7及8分部須知會本公司及香港聯交所的任何權益及／或淡倉，或根據《證券及期貨條例》第352條將須載於本公司登記名冊的任何權益及／或淡倉，或根據標準守則須另行知會本公司及香港聯交所的任何權益及／或淡倉。

7.22 INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES

To the best knowledge of the Company, as at the end of the Reporting Period, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares and/or debentures of the Company which were required to be notified to the Company or the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required by Section 336 of the SFO to be recorded in the register specified in the section, or owned interest and short positions in more than 5% of any class of issued shares of the Company.

7.22 主要股東於股份中的權益及淡倉

據本公司所深知，於報告期末，下列人士（本公司的董事及最高行政人員除外）於本公司股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部第2及3分部須向本公司披露權益或淡倉或根據《證券及期貨條例》第336條須存置在本公司登記冊中記錄的權益或淡倉，擁有佔本公司類別已發行股本5%以上的權益及淡倉。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

Name of Shareholder	Shareholding capacity	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage in class of Shares issued 佔已發行類別股份的概約百分比	Approximate percentage in total Shares issued 佔已發行總股份的概約百分比
股東名稱	持股份	股份類別	股份數目 ⁽¹⁾		
Xinglu Investment ⁽²⁾	Interest in a controlled corporation	Domestic Shares	574,363,690(L)	89.08%	66.81%
興瀘投資 ⁽²⁾	受控法團權益	內資股			
Xinglu Assets ⁽²⁾	Beneficial owner	Domestic Shares	511,654,127(L)	79.35%	59.51%
興瀘資產 ⁽²⁾	實益擁有人	內資股			
Luzhou Laojiao	Beneficial owner	Domestic Shares	70,406,310(L)	10.92%	8.19%
瀘州老窖	實益擁有人	內資股			
Luzhou Infrastructure ⁽²⁾	Beneficial owner	Domestic Shares	62,709,563(L)	9.73%	7.29%
瀘州基建 ⁽²⁾	實益擁有人	內資股			
Beijing Enterprises Water Group Limited ⁽³⁾	Beneficial owner	H Shares	72,409,000(L)	33.69%	8.42%
北控水務集團有限公司 ⁽³⁾	實益擁有人	H股			
Beijing Enterprises Environmental Construction Limited ⁽³⁾	Interest in a controlled corporation	H Shares	72,409,000(L)	33.69%	8.42%
北控環境建設有限公司 ⁽³⁾	受控法團權益	H股			
Beijing Enterprises Holdings Limited ⁽³⁾	Interest in a controlled corporation	H Shares	72,409,000(L)	33.69%	8.42%
北京控股有限公司 ⁽³⁾	受控法團權益	H股			
Beijing Enterprises Group (BVI) Company Limited ⁽³⁾	Interest in a controlled corporation	H Shares	72,409,000(L)	33.69%	8.42%
北京控股集團(BVI)有限公司 ⁽³⁾	受控法團權益	H股			
Beijing Enterprises Group Company Limited ⁽³⁾	Interest in a controlled corporation	H Shares	72,409,000(L)	33.69%	8.42%
北京控股集團有限公司 ⁽³⁾	受控法團權益	H股			
Beijing Enterprises Investments Limited	Interest in a controlled corporation	H Shares	72,409,000(L)	33.69%	8.42%
Beijing Enterprises Investments Limited	受控法團權益	H股			
Modern Orient Limited	Interest in a controlled corporation	H Shares	72,409,000(L)	33.69%	8.42%
Modern Orient Limited	受控法團權益	H股			
Suntront Intelligence (Hong Kong) Co., Ltd. ⁽⁴⁾	Beneficial owner	H Shares	21,169,000(L)	9.85%	2.46%
新天智能(香港)有限公司 ⁽⁴⁾	實益擁有人	H股			

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

Name of Shareholder	Shareholding capacity	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage in class of Shares issued 佔已發行類別股份的概約百分比	Approximate percentage in total Shares issued 佔已發行總股份的概約百分比
股東名稱	持股身份	股份類別	股份數目 ⁽¹⁾	概約百分比	概約百分比
Suntront Tech Co., Ltd. ⁽⁴⁾	Interest in a controlled corporation	H Shares	21,169,000(L)	9.85%	2.46%
新天科技股份有限公司 ⁽⁴⁾	受控法團權益	H股			
Fei Zhanbo ⁽⁴⁾	Interest in a controlled corporation	H Shares	21,169,000(L)	9.85%	2.46%
費戰波 ⁽⁴⁾	受控法團權益	H股			
Sichuan Sans Venture Capital Co., Ltd. ⁽⁵⁾⁽⁷⁾	Beneficial owner	H Shares	19,247,000(L)	8.95%	2.24%
四川三新創業投資有限責任公司 ⁽⁵⁾⁽⁷⁾	實益擁有人	H股			
Sichuan Development Holding Co., Ltd. ⁽⁵⁾	Interest in a controlled corporation	H Shares	19,247,000(L)	8.95%	2.24%
四川發展(控股)有限責任公司 ⁽⁵⁾	受控法團權益	H股			
Luzhou Xiangyang Real Estate Development Co., Ltd. ⁽⁶⁾⁽⁷⁾	Beneficial owner	H Shares	10,727,000(L)	4.99%	1.25%
瀘州向陽房地產開發有限公司 ⁽⁶⁾⁽⁷⁾	實益擁有人	H股			
Luzhou Xiangyang Enterprise Group Co., Ltd. ⁽⁶⁾	Interest in a controlled corporation	H Shares	10,727,000(L)	4.99%	1.25%
瀘州向陽企業集團有限公司 ⁽⁶⁾	受控法團權益	H股			
Yang Lunfen ⁽⁷⁾	Beneficial owner	H Shares	10,336,000(L)	4.80%	1.20%
楊倫芬 ⁽⁷⁾	實益擁有人	H股			
Wang Xiumei ⁽⁷⁾	Beneficial owner	H Shares	9,790,000(L)	4.55%	1.14%
王秀梅 ⁽⁷⁾	實益擁有人	H股			
Yang Bin ⁽⁷⁾	Beneficial owner	H Shares	10,544,000(L)	4.91%	1.23%
楊彬 ⁽⁷⁾	實益擁有人	H股			
Hwabao Trust Co., Ltd. ⁽⁷⁾	Trustee	H Shares	60,644,000(L)	28.21%	7.05%
華寶信託有限責任公司 ⁽⁷⁾	信託受托人	H股			
Hwabao • Overseas Market Investment II (37-1 QDII Single Fund Trust) ⁽⁷⁾	Trustee	H Shares	19,247,000(L)	8.95%	2.24%
華寶•境外市場投資2號系列37-1期QDII單一資 金信託 ⁽⁷⁾	信託受托人	H股			
Hwabao • Overseas Market Investment II (20-14 QDII Single Fund Trust) ⁽⁷⁾	Trustee	H Shares	10,727,000(L)	4.99%	1.25%
華寶•境外市場投資2號系列20-14期QDII單一 資金信託 ⁽⁷⁾	信託受托人	H股			

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

Name of Shareholder	Shareholding capacity	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage in class of Shares issued 佔已發行類別股份的概約百分比	Approximate percentage in total Shares issued 佔已發行總股份的概約百分比
股東名稱	持股身份	股份類別	股份數目 ⁽¹⁾	概約百分比	概約百分比
Hwabao • Overseas Market Investment II (37-3 QDII Single Fund Trust) ⁽⁷⁾	Trustee	H Shares	10,336,000(L)	4.80%	1.20%
華寶•境外市場投資2號系列37-3期QDII單一資 金信託 ⁽⁷⁾		H股			
Hwabao • Overseas Market Investment II (37-4 QDII Single Fund Trust) ⁽⁷⁾	Trustee	H Shares	9,790,000(L)	4.55%	1.14%
華寶•境外市場投資2號系列37-4期QDII單一資 金信託 ⁽⁷⁾		H股			
Hwabao • Overseas Market Investment II (20-15 QDII Single Fund Trust) ⁽⁷⁾	Trustee	H Shares	10,544,000(L)	4.91%	1.23%
華寶•境外市場投資2號系列20-15期QDII單一 資金信託 ⁽⁷⁾		H股			

(1) As at the end of the Reporting Period, the Company had issued totally 859,710,000 Shares, including 644,770,000 Domestic Shares and 214,940,000 H Shares. (L) represents long position.

(2) Xinglu Investment has 100% interests in Xinglu Assets and 61.70% interests in Luzhou Infrastructure. Therefore, pursuant to the SFO, Xinglu Investment is deemed to be interested in the Domestic Shares held by Xinglu Assets and Luzhou Infrastructure.

(3) Beijing Enterprises Water Group Limited is held by Beijing Enterprises Environmental Construction Limited as to 41.13%, which is in turn wholly-owned by Beijing Enterprises Holdings Limited, which is held as to 41.13% by Beijing Enterprises Group (BVI) Company Limited, which is held as to 100% by Beijing Enterprises Group Company Limited. Therefore, pursuant to the SFO, all of Beijing Enterprises Environmental Construction Limited, Beijing Enterprises Holdings Limited, Beijing Enterprises Group (BVI) Company Limited and Beijing Enterprises Group Company Limited are deemed to be interested in H Shares held by Beijing Enterprises Water Group Limited.

(1) 於報告期末，本公司已發行股份共859,710,000股，其中包括644,770,000股內資股及214,940,000股H股。(L)代表好倉。

(2) 興瀘投資持有興瀘資產100%的權益及持有瀘州基建61.70%的權益。因此，根據《證券及期貨條例》，興瀘投資被視為於興瀘資產及瀘州基建持有的內資股中擁有權益。

(3) 北控環境建設有限公司持有北控水務集團有限公司41.13%權益，北京控股有限公司持有北控環境建設有限公司100%的權益，北京控股集團(BVI)有限公司持有北京控股有限公司41.13%的權益，北京控股集團有限公司持有北京控股集團(BVI)有限公司100%的權益。因此，根據《證券及期貨條例》，北控環境建設有限公司、北京控股有限公司、北京控股集團(BVI)有限公司及北京控股集團有限公司均被視為於北控水務集團有限公司持有的H股中擁有權益。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

- (4) Suntront Tech Co., Ltd. has 100% interests in Suntront Intelligence (Hong Kong) Co., Ltd.. Fei Zhanbo has 35.68% interests in Suntront Tech Co., Ltd.. Therefore, pursuant to the SFO, Suntront Tech Co., Ltd. and Fei Zhanbo are deemed to be interested in H Shares held by Suntront Intelligence (Hong Kong) Co., Ltd..
- (5) Sichuan Development Holding Co., Ltd. has 100% interests in Sichuan Development Asset Management Investment Management Co., Ltd., and Sichuan Development Asset Management Investment Management Co., Ltd. has 100% interests in Sichuan Sans Venture Capital Co., Ltd.. Therefore, pursuant to the SFO, Sichuan Development Holding Co., Ltd. is deemed to be interested in H Shares held by Sichuan Sans Venture Capital Co., Ltd..
- (6) Luzhou Xiangyang Enterprise Group Co., Ltd. has 55% interests in Luzhou Xiangyang Real Estate Development Co., Ltd.. Therefore, pursuant to the SFO, Luzhou Xiangyang Enterprises Group Limited is deemed to be interested in H Shares held by Luzhou Xiangyang Real Estate Development Co., Ltd..
- (7) Sichuan Sans Venture Capital Co., Ltd. holds a total of 19,247,000 H Shares through a trust named "Hwabao • Overseas Market Investment II (37-1 QDII Single Fund Trust)" managed by Hwabao Trust Co., Ltd.; Luzhou Xiangyang Real Estate Development Co., Ltd. holds a total of 10,727,000 H Shares through a trust named "Hwabao • Overseas Market Investment II (20-14 QDII Single Fund Trust)" managed by Hwabao Trust Co., Ltd.; Yang Lunfen holds a total of 10,336,000 H Shares through a trust named "Hwabao • Overseas Market Investment II (37-3 QDII Single Fund Trust)" managed by Hwabao Trust Co., Ltd.; Wang Xiumei holds a total of 9,790,000 H Shares through a trust named "Hwabao • Overseas Market Investment II (37-4 QDII Single Fund Trust)" managed by Hwabao Trust Co., Ltd.; and Yang Bin holds a total of 10,544,000 H Shares through a trust named "Hwabao • Overseas Market Investment II (20-15 QDII Single Fund Trust)" managed by Hwabao Trust Co., Ltd.. Pursuant to the SFO, Hwabao Trust Co., Ltd., acting as the trustee for the above-mentioned trusts, is deemed to be interested in the aggregate 60,644,000 H Shares with interests owned by such trusts. None of the Hwabao • Overseas Market Investment II (37-1 QDII Single Fund Trust), Hwabao • Overseas Market Investment II (20-14 QDII Single Fund Trust), Hwabao • Overseas Market Investment II (37-3 QDII Single Fund Trust), Hwabao • Overseas Market Investment II (37-4 QDII Single Fund Trust) and Hwabao • Overseas Market Investment II (20-15 QDII Single Fund Trust) has any interests and/or short positions in the Company which are required to be notified to the Company or the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.
- (4) 新天科技股份有限公司持有新天智能(香港)有限公司100%的權益。費戰波持有新天科技股份有限公司35.68%的權益。因此，根據《證券及期貨條例》，新天科技股份有限公司及費戰波被視為於新天智能(香港)有限公司持有的H股中擁有權益。
- (5) 四川發展(控股)有限責任公司持有四川發展資產經營投資管理有限公司100%的權益，四川發展資產經營投資管理有限公司持有四川三新創業投資有限責任公司100%的權益。因此，根據《證券及期貨條例》，四川發展(控股)有限責任公司被視為於四川三新創業投資有限責任公司持有的H股中擁有權益。
- (6) 瀘州向陽企業集團有限公司持有瀘州向陽房地產開發有限公司55%的權益。因此，根據《證券及期貨條例》，瀘州向陽企業集團有限公司被視為於瀘州向陽房地產開發有限公司持有的H股中擁有權益。
- (7) 四川三新創業投資有限責任公司透過華寶信託有限責任公司所管理名為「華寶•境外市場投資2號系列37-1期QDII單一資金信託」的信託持有合共19,247,000股H股；瀘州向陽房地產開發有限公司透過華寶信託有限責任公司所管理名為「華寶•境外市場投資2號系列20-14期QDII單一資金信託」的信託持有合共10,727,000股H股；楊倫芬透過華寶信託有限責任公司所管理名為「華寶•境外市場投資2號系列37-3期QDII單一資金信託」的信託持有合共10,336,000股H股；王秀梅透過華寶信託有限責任公司所管理名為「華寶•境外市場投資2號系列37-4期QDII單一資金信託」的信託持有合共9,790,000股H股；楊彬透過華寶信託有限責任公司所管理名為「華寶•境外市場投資2號系列20-15期QDII單一資金信託」的信託持有合共10,544,000股H股。根據《證券及期貨條例》，華寶信託有限責任公司(作為前述信託的受托人)被視為於前述信託擁有權益的合共60,644,000股H股中擁有權益。華寶•境外市場投資2號系列37-1期QDII單一資金信託、華寶•境外市場投資2號系列20-14期QDII單一資金信託、華寶•境外市場投資2號系列37-3期QDII單一資金信託、華寶•境外市場投資2號系列37-4期QDII單一資金信託、華寶•境外市場投資2號系列20-15期QDII單一資金信託本身並無於本公司擁有須根據《證券及期貨條例》第XV部第2及3分部的條文須知會本公司或香港聯交所的權益及／或淡倉。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

Save as disclosed above, to the best knowledge of the Company, as at the end of the Reporting Period, no person (other than the Directors and chief executives of the Company) informed the Company that they had interests and/or short positions in the Shares and (in respect of positions held pursuant to equity derivatives) underlying Shares and/or debentures of the Company which were required to be notified to the Company or the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required by Section 336 of the SFO to be recorded in the register specified in the section.

除上文披露者外，據本公司所深知，於報告期末，本公司並無獲任何人士（本公司董事或最高行政人員除外）告知，彼於本公司股份及（屬資本衍生工具）相關股份及／或本公司債權證中擁有根據《證券及期貨條例》第XV部第2及3分部須知會本公司或香港聯交所或根據《證券及期貨條例》第336條將須記錄於該節所指的登記冊的權益及／或淡倉。

7.23 SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and to the knowledge of the Board, the Company has maintained the public float requirements under the Listing Rules, i.e., at least 25% of the total issued share capital of the Company are held in public hands during the Reporting Period and as of the date of this report.

7.23 公眾持股量的足夠性

根據本公司的公開可得資料及據董事所知，於報告期內及截至本報告日期，本公司一直維持上市規則所規定的公眾持股量，即本公司已發行股本中至少25%由公眾人士持有。

7.24 EQUITY-LINKED AGREEMENT

During the Reporting Period, the Company has not entered into any equity-linked agreement.

7.24 股票掛鉤協議

於報告期內，本公司並未訂立任何股票掛鉤協議。

7.25 MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business was entered into or existed during the Reporting Period (other than service contracts related to Directors and all staff of the Group).

7.25 管理合約

於報告期內，本集團並無就有關全部或任何重大部分業務的管理及行政工作簽訂或存在任何合約（與本集團董事、監事及全體僱員的服務合約除外）。

7.26 MATERIAL CONTRACTS

During the Reporting Period, the Company or any of its subsidiaries have not entered into any material contracts with the Controlling Shareholder or any of its subsidiaries, or did not have any material contracts in relation to provision of services by the Controlling Shareholder or any of its subsidiaries.

7.26 重大合約

於報告期內，本公司或其任何附屬公司並無與任何控股股東或其任何附屬公司訂立任何重大合約，亦無就由任何控股股東或其任何附屬公司提供服務而訂立之任何重大合約。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.27 CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Reporting Period, the Group had transactions with connected entities, including but not limited to tap water supply, property management, canteen outsourcing, landscaping and cleaning, sewage treatment operation services and other services. These transactions are conducted in the ordinary course of the Group's business on normal commercial terms or better comparable to those with other unconnected entities. Besides, the Group has established its pricing strategy and approval process for purchase and sales of goods, investments and service. Such pricing strategy and approval process are applied regardless of the counterparties are connected entities or not. Having due regard to the substance of the relationships, the Directors are of the opinion that, as set out in "Related Parties and Related Party Transactions" in Note XI to the consolidated financial statements of this report, none of these transactions are connected transactions that require separate disclosure under the Listing Rules except for the transactions with the controlling shareholders of the Company (which is also controlled by the PRC government) and its subsidiaries (controlled or significantly affected by the same controlling shareholder).

7.27.1 Provision of Tap Water Supply Services

The Group has been providing tap water supply services in its ordinary and usual course of business to the public within each tap water business supply area, which also includes the connected persons of the Company (including the Controlling Shareholder and its subsidiaries). During the Reporting Period, the provision of tap water supply services by the Group to the connected persons constituted continuing connected transactions under Chapter 14A of the Listing Rules.

7.27 持續關連交易與關連交易

報告期內，本集團和關連實體的交易包括但不限於自來水供應、物業管理、食堂外包及綠化保潔污水處理營運服務及其他服務。該等交易以本集團日常業務中按一般或更佳商務條款進行，條款與其他非關連實體可資比較。此外，本集團已就購買及銷售產品／投資及服務制訂其定價策略及審批程序。不論交易對手是否為關連實體。該等定價策略審批程序均適用。經適當考慮有關關係的實質後，董事認為，列載於本報告合併財務報表附註十一之「關聯方及關聯方交易」中，除和本公司控股股東（亦受中國政府控制）及其附屬公司（受同一控股股東控制或重大影響）的交易外，概無該等交易為按上市規則項下需進行獨立披露的關連交易。

7.27.1 提供自來水供應服務

本集團一直在日常及一般業務過程中向各自來水業務供區範圍內公眾提供自來水供應服務，當中亦包括本公司關連人士（包括控股股東及其附屬公司）。於報告期內，本集團向關連人士提供的自來水供應服務構成上市規則第14A章項下持續關連交易。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

The tap water supply services provided by Group to its connected persons are conducted in the ordinary and usual course of the Group's business and on normal commercial terms that are identical or no more favorable than those offered to independent third-party manufacturers. Therefore, these continuing connected transactions, namely selling of consumer goods and services under Chapter 14A.97 of the Listing Rules, will be fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

7.27.2 Property Management, Canteen Outsourcing and Landscaping and Cleaning Service

During the Reporting Period, the Company and its subsidiaries continued or entered into following agreements with Luzhou Xinglu Property Management Co., Ltd. ("**Xinglu Property Management**"):

On 27 March 2024, Xinghe Water Environment, a non-wholly owned subsidiary of the Company, entered into a property and cleaning service agreement with Xinglu Property Management, pursuant to which, Xinglu Property Management provided property management services and other related services to Hejiang Wastewater Plant, for a term of two years from the date of contract signing (i.e. from 27 March 2024 to 26 March 2026). The transaction amount is RMB0.529 million.

On 16 August 2024, Xinglu Wastewater Treatment, a non-wholly owned subsidiary of the Company, entered into a property and cleaning service contract with Xinglu Property Management, pursuant to which, Xinglu Property Management provided property management services (including order maintenance, cleaning and janitorial services, landscaping maintenance and canteen services) to eight wastewater treatment plants of Xinglu Wastewater Treatment, for a term commencing from 26 August 2024 to 25 August 2025. The transaction amount is RMB3.73 million.

本集團向其關連人士提供的自來水供應服務在本集團日常及一般業務過程中按與獨立第三方相同或不優於向獨立第三方提供的一般商業條款進行。因此，該等持續關連交易（即上市規則第14A.97條下銷售消費品及服務）將獲完全豁免上市規則第14A章項下股東批准、年度審閱及所有披露規定。

7.27.2 物業管理、食堂外包及綠化保潔服務

於報告期內，本公司及附屬公司與瀘州興瀘物業管理有限公司（「**興瀘物業管理**」）存續或訂立如下協議：

2024年3月27日，本公司非全資附屬公司興合水環境與興瀘物業管理訂立物業及清潔服務協議，興瀘物業管理據此向合江污水處理廠提供物業管理服務及其他相關服務，交易金額52.9萬元，服務期限自合同簽訂之日起兩年（即2024年3月27日至2026年3月26日）。

2024年8月16日，本公司非全資附屬公司興瀘污水處理與興瀘物業管理訂立物業及清潔服務合同，興瀘物業管據此向興瀘污水處理的八座污水處理廠提供物業管理服務（包括秩序維護、清掃保潔、綠化維護及食堂服務），交易金額為人民幣3.73百萬元，服務期限自2024年8月26日起至2025年8月25日。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

On 16 August 2024, the Company entered into a canteen business outsourcing service contract with Xinglu Property Management, pursuant to which, Xinglu Property Management provided the Company with canteen management services (including the provision of special technical and service personnel required for the catering of the Group's canteens to carry out labor services), for a term commencing from 16 August 2024 to 15 August 2025. The transaction amount is RMB0.38 million.

On 31 October 2024, the Company entered into a property management service contract with Xinglu Property Management, pursuant to which, Xinglu Property Management provided property management services to the Group's office premises, its affiliated water supply plants and other water supply facilities, for a term commencing from 31 October 2024 to 30 October 2025. The transaction amount is RMB1.46 million.

As the above-mentioned contracts or agreements expired during the Reporting Period, on 29 August 2025, Xinglu Wastewater Treatment, a non-wholly owned subsidiary of the Company, entered into a property and cleaning service contract with Xinglu Property Management, pursuant to which, Xinglu Property Management provided property management services (including order maintenance, cleaning and janitorial services, landscaping maintenance and canteen services) to eight wastewater treatment plants of Xinglu Wastewater Treatment, for a term commencing from 29 August 2025 to 28 August 2028. The transaction amount is RMB3.30 million per annum.

On 29 August 2025, the Company entered into a canteen business outsourcing service contract with Xinglu Property Management, pursuant to which, Xinglu Property Management provided the Company with canteen management services (including the provision of special technical and service personnel required for the catering of the Group's canteens to carry out labor services), for a term commencing from 29 August 2025 to 28 August 2027. The transaction amount is RMB0.36 million per annum.

2024年8月16日，本公司與興瀘物業管理訂立食堂業務外包服務合同，興瀘物業管理據此向本公司提供食堂管理服務（包括提供集團食堂餐飲所需的專用技術人員和服務人員，開展勞務服務），交易金額為人民幣0.38百萬元，服務期限自2024年8月16日起至2025年8月15日。

2024年10月31日，本公司與興瀘物業管理訂立物業管理服務合同，興瀘物業管理據此向本集團辦公場所、所屬供水廠及其他供水設施場所提供物業管理服務，交易金額為1.46百萬元，服務期限自2024年10月31日起至2025年10月30日。

由於上述合同或協議於報告期內到期，2025年8月29日，本公司非全資附屬公司興瀘污水處理與興瀘物業管理訂立物業及清潔服務合同，興瀘物業管理據此向興瀘污水處理的八座污水處理廠提供物業管理服務（包括秩序維護、清掃保潔、綠化維護及食堂服務），交易金額為人民幣3.30百萬元／年，服務期限自2025年8月29日起至2028年8月28日。

2025年8月29日，本公司與興瀘物業管理訂立食堂業務外包服務合同，興瀘物業管理據此向本公司提供食堂管理服務（包括提供集團食堂餐飲所需的專用技術人員和服務人員，開展勞務服務），交易金額為人民幣0.36百萬元／年，服務期限自2025年8月29日起至2027年8月28日。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

On 31 October 2025, the Company entered into a landscaping and cleaning service contract with Xinglu Property Management, pursuant to which, Xinglu Property Management provided the landscaping and cleaning services to the Company's office premises, the Group's water supply plants and other water supply facilities, for a term commencing from 31 October 2025 to 30 October 2027. The transaction amount is RMB1.4223 million per annum.

As Xinglu Property Management is a wholly-owned subsidiary of Xinglu Assets, it is regarded as a connected person of the Company under Chapter 14A of the Listing Rules and therefore, the transactions under the property and cleaning service contract, property management service contract, canteen business outsourcing service contract, and landscaping and cleaning service contract between Xinglu Wastewater Treatment and Xinglu Property Management constitute continuing connected transactions. The Company has also complied with the relevant requirements under Chapter 14A of the Listing Rules. Xinglu Property Management is specialized in property management and has been providing efficient property management service to the Group since April 2011. As a result of the long-term business relationship, Xinglu Property Management is familiar with the requirements and the specifications for the property management services required by the Group. The Directors are of the view that entering into the Service Contract is beneficial for the long-term business relationship with Xinglu Property Management. For details, please refer to the announcements of the Company dated 27 March, 16 August and 31 October 2024, and 29 August and 31 October 2025, respectively.

2025年10月31日，本公司與興瀘物業管理訂立綠化保潔服務合同，興瀘物業管理據此向本公司辦公場所、本集團所屬供水廠及其他供水設施場所提供綠化保潔服務，交易金額為142.23萬元／年，服務期限自2025年10月31日起至2027年10月30日。

興瀘物業管理為興瀘資產的全資附屬公司，根據上市規則第14A章，故興瀘物業管理被視為本公司關連人士，興瀘污水處理與其訂立物業及清潔服務合同、物業管理服務合同、食堂外包服務合同及綠化保潔服務合同項下進行的交易構成持續關連交易，本公司亦遵守了上市規則第14A章下的相關要求。興瀘物業管理專門從事物業管理，且自2011年4月起向本集團提供高效物業管理服務。鑒於擁有長期業務關係，興瀘物業管理對本集團所需物業管理服務的要求及規格較為熟悉。董事認為，訂立服務合同對於興瀘物業管理之間的長期業務關係有利。相關詳情請見本公司日期分別為2024年3月27日、8月16日、10月31日及2025年8月29日、10月31日的公告。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.27.3 Sludge Disposal

On 16 May 2024, Xinglu Wastewater Treatment, a non-wholly owned subsidiary of the Company, entered into a sludge disposal service contract (the “**Service Contract**”) with Luzhou Xinglu Environmental Protection Development Co., Ltd. (“**Xinglu Environmental Protection**”), pursuant to which, Xinglu Environmental Protection agreed to provide sludge disposal services to Xinglu Wastewater Treatment, for a term of 1 year from the date of contract signing and becoming effective (i.e. from 28 June 2024 to 27 June 2025).

As the above-mentioned contract expired during the Reporting Period, on 7 May 2025, Xinglu Wastewater Treatment, a non-wholly owned subsidiary of the Company, entered into a sludge disposal service contract with Xinglu Environmental Protection, pursuant to which, Xinglu Environmental Protection agreed to provide sludge disposal services to Xinglu Wastewater Treatment, for a term of 1 year from the date of contract signing and becoming effective (i.e. from 28 June 2025 to 27 June 2026). The transaction amount shall not exceed RMB33 million/year. As at the date of contract signing, Xinglu Environmental Protection is a wholly-owned subsidiary of Luzhou Xinglu Environment. Luzhou Xinglu Environment is directly held as to 38.35% by Xinglu Investment and indirectly held as to 36.65% through Tianhong Partnership. Xinglu Environmental Protection is a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Service Contract constitute continuing connected transactions of the Company.

7.27.3 污泥處置

2024年5月16日，本公司非全資附屬公司興瀘污水處理與瀘州市興瀘環保發展有限公司（「**興瀘環保**」）訂立污泥處置服務合同（「**服務合同**」），興瀘環保據此同意向興瀘污水處理提供污泥處置服務，交易金額為不超過人民幣3,300萬元／年。服務期限自合同簽訂並生效之日起1年（即2024年6月28日至2025年6月27日）。

由於上述合同與報告期內到期，2025年5月7日，本公司非全資附屬公司興瀘污水處理與興瀘環保訂立污泥處置服務合同，興瀘環保據此同意向興瀘污水處理提供污泥處置服務，交易金額為不超過人民幣3,300萬元／年。服務期限自合同簽訂並生效之日起1年（即2025年6月28日至2026年6月27日）。於合同簽訂日期，興瀘環保為興瀘環境的全資附屬公司，而興瀘環境則由興瀘投資直接持有38.35%及透過天泓合夥間接持有36.65%的權益，根據上市規則第14A章，興瀘環保為本公司關連人士，服務合同項下擬進行的交易構成本公司的持續關連交易。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

As at the date of contract signing, as the highest applicable percentage ratio (on an annual basis) in respect of the transactions under the Service Contract is more than 5% but less than 25% and the absolute amount exceeds HK\$10 million, pursuant to the Listing Rules, the transactions are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements. The Company has also complied with the relevant requirements and was approved by the independent shareholders on 28 June 2024 and 27 June 2025. Xinglu Environmental Protection is currently the only organisation in the Luzhou region that can implement incineration method for sludge disposal. According to the relevant requirements of Luzhou City on implementing the ecological environment protection in Sichuan Province, Xinglu Wastewater Treatment's entrustment of sludge disposal to Xinglu Environmental Protection will more effectively prevent the safety and environmental protection risks of Xinglu Wastewater Treatment in the production and operation process. For details, please refer to the announcements of the Company dated 16 May, 7 June and 28 June 2024, and 7 May, 27 May and 27 June 2025.

7.27.4 Confirmation from Independent Non-Executive Directors and Auditors of the Company

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that such transactions were:

- (1) entered into in the ordinary and usual course of business of the Group;
- (2) carried out on normal commercial terms or better; and
- (3) carried out according to the relevant transaction agreements, the terms of which are fair and reasonable, and in the interests of the Shareholders as a whole.

於合同簽訂日期，服務合同項下進行的交易的最高適用百分比率（按年度基準）超過5%但低於25%，且絕對金額超過1000萬港元，故根據上市規則，該等交易須遵守申報、公告、年度審閱、通函及獨立股東批准規定，本公司亦遵守了相關規定，並於2024年6月28日及2025年6月27日獲得獨立股東批准。興瀘環保是目前瀘州地區唯一可實施焚燒方式處置污泥的機構，根據瀘州市貫徹落實四川省保護生態環境的相關要求，興瀘污水處理將污泥交由興瀘環保處置將更加有效防範興瀘污水處理在生產運營過程中的安全環保風險。相關詳情請見本公司於2024年5月16日、6月7日、6月28日及2025年5月7日、5月27日、6月27日的公告。

7.27.4 本公司獨立非執行董事及核數師的確認

本公司獨立非執行董事審閱及確認根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- (1) 乃本集團日常業務中訂立；
- (2) 按一般或更佳商務條款進行；及
- (3) 乃根據相關交易的協議進行，條款公平合理，並符合股東的整體利益。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

The Company's auditor was engaged to conduct audit work in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Pursuant to Rule 14A.56 of the Listing Rules, the auditor has issued a letter to the Board of the Company that nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed by the Group:

- (1) have not been approved by the Company's Board of Directors;
- (2) these involved transactions in relation to the Group's provision of products and services, which were not executed in accordance with pricing policies of the Company in all material aspects;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) have exceeded the annual caps set by the Company.

本公司核數師已獲聘根據香港會計師公會發出的香港審驗服務準則第3000號「審核及審閱歷史財務數據以外的審驗服務」，及參照香港會計師公會的執行指引第740號「關於香港上市規則所述持續關連交易的核數師函件」執行審核工作，根據上市規則14A.56條，核數師已向本公司的董事會發出函件確認沒有注意到任何事項可使他們認為本集團上述披露的持續關連交易：

- (1) 並未獲本公司董事會批准；
- (2) 涉及本集團提供商品和服務的交易，該等交易在所有重大方面沒有按照本公司的定價政策執行；
- (3) 在各重大方面沒有根據有關交易的協議進行；及
- (4) 超逾本公司訂定之年度上限。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.28 COMPLIANCE WITH NON-COMPETITION AGREEMENT

The then Controlling Shareholder Xinglu Investment (now the actual controller) signed a non-competition agreement (the “**Non-competition Agreement**”) on 10 March 2017, in favour of the Company. Pursuant to the Non-competition Agreement, Xinglu Investment has irrevocably undertaken to the Company that it would not, and would procure that its subsidiaries would not, directly or indirectly, engage in any relevant business that may be in competition with the Company. Non-competition business refers to all business lines of the Company operated currently and to be operated from time to time in the future, which includes but not limited to tap water supply and wastewater treatment services. For details, please refer to the section headed “Relationship with our Controlling Shareholder” in the Prospectus of the Company.

Xinglu Investment has confirmed in writing to the Company that it has fully complied with the non-competitive commitments during the Reporting Period.

The independent non-executive Directors have reviewed the information provided by Xinglu Investment regarding compliance with the Non-competition Agreement and determined that Xinglu Investment had fully complied with and was not in breach of the Non-competition Agreement during the Reporting Period.

7.29 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interest of Shareholders and enhancing corporate value. The Board believes that good corporate governance is one of the important factors leading to the success of the Company and balancing the interests of the Shareholders, customers and employees of the Group. The Company has adopted all the applicable code provisions in the Corporate Governance Code, built and improved the corporate governance structure in accordance with relevant requirements, and established a series of corporate governance systems, except as disclosed below in relation to deviations from the CG Code.

7.28 遵守不競爭協議

2017年3月10日，時任控股股東興瀘投資（現為實控人）簽署以本公司為受益人的不競爭協議（「**不競爭協議**」）。根據協議約定，興瀘投資已向本公司作出不可撤銷的承諾，彼將不會並將促使其附屬企業不會直接或間接在相關業務方面與本公司競爭，不競爭業務指本公司目前營運及將來不時營運的所有業務線，包括但不限於自來水供應及污水處理服務。具體詳情參見招股章程「與控股股東的關係」章節。

興瀘投資已以書面形式向本公司確認，於報告期內，已全面遵守不競爭承諾。

獨立非執行董事已審閱興瀘投資就遵守不競爭協議提供的一切必須資料，並確定於報告期內，興瀘投資已完全遵守且並無違反不競爭協議。

7.29 遵守企業管治守則

本公司致力維持高水平的企業管治，務求維護股東利益及提升企業價值。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員之間利益關係的因素之一。本公司已採納上市規則附錄C1所載的企業管治守則中的所有適用守則條文，根據相關要求建設和完善企業管治架構，建立了一系列企業管治制度，惟下文披露之偏離企業管治守則之情況除外。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

In accordance with Code Provision B.2.2 of the CG Code, every Director (including Directors appointed for a specific term) should be subject to retirement by rotation at least once every three years. Pursuant to the Articles of Association of the Company, the term of office of Directors (including non-executive Directors and independent non-executive Directors) is three years, and they are eligible for re-election upon expiry of their term. The term of office of the second session of the Board expired in March 2025. As (among other reasons) the nomination process for certain Directors proposed by the Shareholders remains incomplete and candidates for the succession of some Directors are still under consideration, the Company was unable to complete the transition before the expiry of the term of the second Board. Until the transition is completed, the current Directors shall continue to perform their respective duties.

On 16 December 2025, Mr. Zhang Qi resigned as executive Director, chairman of the Board, member and chairman of the Strategy Committee and the authorised representative of the Company as required under Rule 3.05 of the Listing Rules due to work reassignment. The Board elected Mr. Chen Qinan (**"Mr. Chen"**), an executive Director and general manager of the Company, as Chairman of the Board, member and chairman of the Strategy Committee and authorised representative of the Company. As Mr. Chen concurrently serves as both chairman of the Board and general manager, this deviates from Code Provision C.2.1 of the CG Code. However, this arrangement is intended to be temporary. The Company considers that entrusting both the roles of chairman and general manager to Mr. Chen will not affect the implementation of the Group's business strategies or its operational efficiency. Accordingly, the Board is of the view that the deviation from Code Provision C.2.1 under the current circumstances is appropriate. In addition, the Board comprises two executive Directors, three non-executive Directors and three independent non-executive Directors, with an appropriately structured and balanced composition that provides sufficient checks and balances to safeguard the interests of the Company and the Shareholders. The Company will continue to identify a suitable candidate to succeed the role of general manager in order to comply with the CG Code.

As of the date of this report, save for the deviations from Code Provisions B.2.2 and C.2.1 of the CG Code, the Company has complied with all other applicable Code Provisions set out in the CG Code. The Board will continue to review the Company's corporate governance practices from time to time to ensure compliance with the relevant requirements of the Listing Rules.

根據企業管治守則之守則條文第B.2.2條的規定，每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。根據公司章程，董事（包括非執行董事及獨立非執行董事）任期三年，任期屆滿可連選連任。本公司第二屆董事會的任期已於2025年3月屆滿。由於（其中包括）部分董事由股東提名，提名程序尚未完成且部分董事的繼任人選尚在甄選中，本公司未能在第二屆董事會屆滿前完成換屆工作，在完成換屆工作前，現任董事將繼續履行相應職責。

2025年12月16日，張歧先生因工作變動辭任本公司執行董事、董事長、戰略委員會成員及主席及上市規則第3.05條所規定之本公司授權代表職務，並由董事會選舉本公司執行董事兼總經理陳棋楠先生（「陳先生」）為本公司董事長、戰略委員會成員及主席及授權代表。由於陳先生同時兼任董事長及總經理偏離企業管治守則之守則條文第C.2.1條。但是該做法僅為本公司短暫安排，且本公司相信，將董事長及總經理的角色交由陳先生兼任，不會影響本集團業務策略的執行及其營運效益。因此，董事會認為在此情況下偏離企業管治守則之守則條文第C.2.1條乃屬適當。此外，董事會由兩名執行董事、三名非執行董事及三名獨立非執行董事組成，董事會架構適當，權力均衡，能夠提供足夠的制衡以保障本公司及本公司股東的利益。本公司將持續物色合適的人選繼任總經理，以遵守企業管治守則之規定。

截至本報告日期，除企業管治守則之守則條文第B.2.2條、第C.2.1條外，本公司一直遵守企業管治守則中所載的所有適用守則條文。董事會將不時審查本公司的企業管治常規運作，以符合上市規則相關規定。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.30 PERMITTED INDEMNITY PROVISIONS

During the Reporting Period, the Company has purchased and maintained a collective liability insurance covering, but not limited to, all Directors.

7.30 獲准許的彌償條文

於報告期內，本公司已為（包括但不限於）董事購買及維持一項集體責任保險。

7.31 SIGNIFICANT LEGAL PROCEEDINGS

To the best knowledge of the Directors, there was not any legal proceedings or claims of material importance pending or threatened against the Company during the Reporting Period and as of the date of this report.

7.31 重大訴訟

就董事所知，於報告期內及截至本報告日期，本公司並無任何尚未了結或可能面臨的重大法律訴訟或索賠。

7.32 AUDIT COMMITTEE

As of the date of this report, the audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. Fu Ji, Mr. Liang Youguo and Ms. Ma Hua, with Mr. Fu Ji serving as the chairman of the committee. The primary responsibilities of the Audit Committee are to supervise our internal control, risk management, financial information disclosure and financial reporting matters. The terms of reference of the Audit Committee are available for inspection on the Company's website and the website of the Hong Kong Stock Exchange. The Audit Committee has reviewed the consolidated financial statements of the Group for the Reporting Period and has discussed with the senior management on the accounting policies and practices adopted by the Company as well as matters relating to internal control.

7.32 審計委員會

截至本報告日期，本公司審計委員會（「**審計委員會**」）由三名獨立非執行董事傅驥先生、梁有國先生及馬樺女士組成，並由傅驥先生擔任審計委員會主席。審計委員會的主要職責為監督我們的內部控制、風險管理、財務數據披露及財務報告事宜。審計委員會的職權範圍可於本公司網站及香港聯交所網站查閱。審計委員會已審閱本集團於報告期間之合併財務報表並就有關本公司所採納的會計政策及常規以及內部監控事宜與高級管理層進行討論。

Chapter VII Directors' Report (Continued)

第七章 董事會報告(續)

7.33 AUDITOR

ShineWing Certified Public Accountants LLP is recognized by the Ministry of Finance of the People's Republic of China and the China Securities Regulatory Commission and is qualified to serve as the reporting accountant for mainland incorporated companies listed in Hong Kong. Upon approval at the 2024 Annual General Meeting of the Company, ShineWing Certified Public Accountants LLP became the sole auditor of the Company auditing the consolidated financial statements of the Group prepared in accordance with CASBE, and also undertook the role of international auditor of the Company.

ShineWing Certified Public Accountants LLP will retire at the end of the forthcoming annual general meeting of the Company. The Company will propose a resolution at the forthcoming annual general meeting to re-appoint the Company's auditor for the next year.

During the past three fiscal years, the Company did not change its auditor.

7.33 核數師

信永中和會計師事務所(特殊普通合夥)為獲中華人民共和國財政部及中國證券監督管理委員會認可並有資格擔任在香港上市的內地註冊成立公司的申報會計師。經本公司2024年股東周年大會批准後，信永中和會計師事務所(特殊普通合夥)成為本公司按照中國企業會計準則的規定審核本集團合併財務報表的唯一核數師，並承擔本公司國際核數師的職責。

信永中和會計師事務所(特殊普通合夥)將於本公司應屆年度股東會結束時退任。本公司將於應屆年度股東會上提呈一項決議案，續聘本公司下一年度核數師。

過往三個會計年度內，本公司並無更換核數師。

Chapter VIII Corporate Governance Report

第八章 企業管治報告

8.1 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Adhering to the core values of the corporate culture of “Innovation and Excellence, Human-Water Harmony” and the business philosophy of “Win-win, Consensus, Sharing, Co-action and Resonance”, with the enterprise mission of “Fulfilling Responsibility, Creating Values, and Serving the Masses” and maintaining the work direction of “Transforming Work Style, Improving Efficiency, Enhancing Execution, Ensuring Quality”, the Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interest of Shareholders and enhancing corporate value. The Board believes that good corporate governance is one of the important factors leading to the success of the Company and balancing the interests of the Shareholders, customers and employees.

The Company has adopted all the code provisions in the Corporate Governance Code, built and improved the corporate governance structure in accordance with relevant requirements, and established a series of corporate governance systems, except as disclosed below in relation to deviations from the CG Code.

According to provision B.2.2 of the Corporate Governance Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to the Articles of Association, the terms of Directors (including non-executive Directors and independent non-executive Directors) are three years, but extendible by election. The term of the second session of the Board has expired in March 2025. As (among others) some of the Directors were required to be nominated by the Shareholders, while the nomination procedure has not been completed and some of the Director candidates are still under consideration, the Company was unable to complete the transition before the end of the second session. Before the completion of transition, the existing Directors of the Company will continue to perform their duties.

8.1 遵守企業管治守則

本公司秉承企業文化「創新卓越、人水和諧」的核心價值觀，堅持「共贏、共識、共享、共行、共鳴」的經營哲學，以「履行責任、創造價值、幸福百姓」為企業使命，堅持「轉作風、提效率、抓執行、保質量」的工作方向，致力維持高水平的企業管治，務求維護股東利益及提升企業價值。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員之間利益關係之因素之一。

本公司已採納企業管治守則中的所有守則條文，根據相關要求建設和完善企業管治架構，建立了一系列企業管治制度，惟下文披露之偏離企業管治守則之情況除外。

根據企業管治守則條文第B.2.2條，每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。根據公司章程，董事（包括非執行董事及獨立非執行董事）任期三年，任期屆滿可連選連任。本公司第二屆董事會的任期已於2025年3月屆滿。由於（其中包括）部分董事由股東提名，提名程序尚未完成且部分董事的繼任人選尚在甄選中，本公司未能在第二屆董事會屆滿前完成換屆工作，在完成換屆工作前，現任董事將繼續履行相應職責。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

On 16 December 2025, Mr. Zhang Qi resigned as executive Director, chairman of the Board, member and chairman of the Strategy Committee and the authorised representative of the Company as required under Rule 3.05 of the Listing Rules due to work reassignment. The Board elected Mr. Chen Qinan (“**Mr. Chen**”), an executive Director and general manager of the Company, as Chairman of the Board, member and chairman of the Strategy Committee and authorised representative of the Company. As Mr. Chen concurrently serves as both chairman of the Board and general manager, this deviates from Code Provision C.2.1 of the CG Code. However, this arrangement is intended to be temporary. The Company considers that entrusting both the roles of chairman and general manager to Mr. Chen will not affect the implementation of the Group’s business strategies or its operational efficiency. Accordingly, the Board is of the view that the deviation from Code Provision C.2.1 under the current circumstances is appropriate. In addition, the Board comprises two executive Directors, three non-executive Directors and three independent non-executive Directors, with an appropriately structured and balanced composition that provides sufficient checks and balances to safeguard the interests of the Company and the Shareholders. The Company will continue to identify a suitable candidate to succeed the role of general manager in order to comply with the CG Code.

As of the date of this report, save for code provision B.2.2 and C.2.1, the Company has complied with all applicable code provisions under the Corporate Governance Code. The Board will review the corporate governance practices and operations of the Company from time to time for the purpose of complying with the relevant requirements under the Listing Rules.

2025年12月16日，張歧先生因工作變動辭任本公司執行董事、董事長、戰略委員會成員及主席及上市規則第3.05條所規定之本公司授權代表職務，並由董事會選舉本公司執行董事兼總經理陳棋楠先生（「**陳先生**」）為本公司董事長、戰略委員會成員及主席及授權代表。由於陳先生同時兼任董事長及總經理偏離企業管治守則之守則條文第C.2.1條。但是該做法僅為本公司短暫安排，且本公司相信，將董事長及總經理的角色交由陳先生兼任，不會影響本集團業務策略的執行及其營運效益。因此，董事會認為在此情況下偏離企業管治守則之守則條文第C.2.1條乃屬適當。此外，董事會由兩名執行董事、三名非執行董事及三名獨立非執行董事組成，董事會架構適當，權力均衡，能夠提供足夠的制衡以保障本公司及本公司股東的利益。本公司將持續物色合適的人選繼任總經理，以遵守企業管治守則之規定。

截至本報告日期，除守則條文第B.2.2條、第C.2.1條外，本公司一直遵守企業管治守則中所載的所有守則條文。董事會將不時審查本公司的企業管治常規運作，以符合上市規則相關規定。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.2 MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions of the Company by the Directors and employees of the Group who, by reason of their office or employment, may have inside information about the Group or the Company's securities. The Company has made specific inquiries to all Directors, and all Directors have confirmed that they have fully complied with the requirements set out in the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance with the Model Code by the relevant employees during the Reporting Period.

8.3 BOARD OF DIRECTORS

Composition of the Board

As of the date of this report, the Board of the Company comprises eight Directors, including two executive Directors (including one employee representative Director), three non-executive Directors and three independent non-executive Directors.

We entered into written contracts with all Directors in relation to, inter alia, compliance with laws and regulations, the Articles of Association of the Company and arbitration clauses. We have not signed and do not intend to sign any written service contract with any Directors that is not determinable by the employer within one year without paying any compensation (other than statutory compensation).

There is no relationship between the Directors and senior management of the Company, including financial, business, family or other material connections. Details of the Directors are set out in the "Directors' Report" of this annual report.

8.2 董事進行證券交易的標準守則

本公司已採納標準守則作為本公司董事及本集團僱員(彼等因有關職位或受僱工作而可能擁有有關本集團或本公司證券之內幕消息)進行證券交易的行為守則。本公司已向全體董事作出具體查詢,全體董事均確認其於報告期內嚴格遵守標準守則所訂之標準,此外,本公司未獲悉相關僱員於報告期內有任何不遵守標準守則之情況。

8.3 董事會

董事會組成

截至本報告日期,本公司董事會由8名董事組成,其中包括2名執行董事(含一名職工代表董事)、3名非執行董事以及3名獨立非執行董事。

我們與各董事就(其中包括)符合相關法律法規、遵守公司章程及仲裁條款訂立書面合約。我們並無且不擬與我們的任何董事以彼等各自董事身份訂立任何服務合同(於一年內屆滿或由僱主於一年內終止而毋須賠償(法定賠償除外)的合約除外)。

本公司董事及高級管理層彼此間概無財務、業務、家族等關連或其他重大關係。本公司董事情況詳情載於本年報之「董事會報告」內。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.4 DUTIES AND POWERS OF THE BOARD

The Board reports to the general meeting and is responsible for implementation of resolutions of the general meeting. The functions and powers of the Board are set out in the Articles of Association, which include: to convene general meetings, to implement the resolutions of the general meeting, to decide on the business plans and investment plans of the Company, to formulate the plans for annual financial budgets and final accounts, profit distribution plans and plan for the increase or reduction of the registered capital, to decide on the appointment or removal of the general manager, the deputy general manager and other members of senior management, to formulate the basic management systems of the Company and to decide on the establishment of the Company's internal management organisation.

8.5 CORPORATE GOVERNANCE FUNCTIONS OF THE BOARD

The Board is responsible for formulating corporate governance policies and fulfilling corporate governance obligations, which include, among others: (1) to develop and review the Company's corporate governance system and practices and to make recommendations accordingly; (2) to review and monitor the training and continuous professional development of Directors and senior management; (3) to review and monitor the policies and practices of the Company on compliance with legal and regulatory requirements; (4) to review and supervise the compliance of the Directors and employees of the Company and its subsidiaries with the required standards as set out in the Model Code; and (5) to review the compliance with the Corporate Governance Code of the Company and disclose in the corporate governance report prepared in accordance with requirements of the Listing Rules.

Before the publication of this annual report, the Board reviewed the corporate governance report, and considered that this part of the annual report meets the relevant requirements of the Listing Rules.

8.4 董事會職責及職權

董事會對股東會負責並向其報告工作，負責執行股東會決議。董事會職權已在公司章程中有明確規定，其主要職權如下：負責召集股東會、執行股東會決議，決定公司的經營計劃和投資方案，制訂年度財務預算方案、決算方案、利潤分配方案、增減資方案等，決定聘任或者解聘總經理、副總經理等高級管理人員，制定公司基本管理制度以及決定公司內部管理機構的設置等。

8.5 董事會企業管治功能

董事會負責制訂企業管治政策及履行企業管治責任。其中包括：(1)發展並檢討本公司的企業管治制度及慣例，並依此提出建議；(2)審核及監察董事及高級管理人員的培訓及持續專業發展；(3)審閱並監督有關本公司遵守法律法規相關要求的制度及慣例；(4)審閱並監督本公司及其附屬公司的董事及僱員遵守標準守則所載的規定標準；及(5)檢討本公司遵守企業管治守則之守則條文規定的情況，並將其披露於按照上市規則規定籌備的企業管治報告中。

董事會在本年度報告公佈前，對本年報的企業管治報告進行了審閱，認為該部分內容符合上市規則中的相關要求。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.6 DUTIES AND POWERS OF THE MANAGEMENT

The Board has authorised the management to be in charge of day-to-day business operation and management, and the management is responsible for implementation of resolutions of the Board and the day-to-day operation and management of the Company. According to the Articles of Association, the functions and powers of the management include: to draft the business plans and investment plans of the Company, to draft plans for the establishment of internal management organisation, to draft basic management system of the Company and to formulate specific rules of the Company. The management team reports to the Board on a regular basis and communicates with the Board when necessary.

8.7 INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company complies with the requirement of the Listing Rules, which states that there shall be at least three independent non-executive Directors (accounting for at least one third of the Board) and that at least one independent non-executive Director has appropriate professional qualification or expertise of accounting or relevant financial management.

Each of independent non-executive Directors has entered into the letter of appointment with the Company, with a term of three years, but subject to retirement by rotation and re-election in accordance with the Articles of Association.

The Company has received annual confirmation of independence from each of independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Company is of the opinion that all independent non-executive Directors are independent persons, and believes that they are able to provide independent advice on the business strategy, operating results and management of the Company, therefore protecting the interests of the Company and its Shareholders.

8.6 管理層職責及職權

董事會已將日常業務及經營職責轉授本公司管理層，管理層負責具體執行董事會決議及公司日常經營管理。根據《公司章程》規定，管理層主要職權如下：擬定本公司經營計劃和投資方案，擬定內部管理機構設置方案，擬定本公司基本管理制度及制定公司具體規章等。管理層團隊定期向董事會匯報，並在需要時與董事會保持溝通。

8.7 獨立非執行董事

本公司符合上市規則所載擁有至少三名獨立非執行董事（佔董事會至少三分之一）的規定，且其中至少一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專業知識。

全體獨立非執行董事均已與本公司訂立為期三年之委任書，但須根據《公司章程》輪值退任及膺選連任。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出有關其獨立性之年度確認書。本公司認為，全體獨立非執行董事均為獨立人士，並認為獨立非執行董事可為本公司之業務策略、業績及管理提供獨立的意見，以保障本公司及其股東之利益。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.8 CHAIRMAN OF THE BOARD AND GENERAL MANAGER

The duties of the chairman of the Board and the general manager are separate, and have been clearly defined in the Articles of Association.

The chairman of the Board is mainly responsible for the overall operation of the Board, the Company's strategies, development plans, and the making of material decisions. The chairman of the Board is elected by more than a half of all Directors. As of the date of this report, the chairman of the Company is executive Director Mr. Chen Qinan.

The chairman of the Board places great emphasis on the communication with independent non-executive Directors and meets with independent non-executive Directors at least once a year in the absence of other Directors to discuss about the Company's development strategies, corporate governance, and operation management.

The chairman of the Board encourages open and active discussions. Directors may speak freely at the Board meetings and actively participate in the discussions of significant decision-makings of the Company.

The general manager is responsible for the day-to-day business management of the Company, and is nominated and appointed by the Board. As of the date of this report, the general manager of the Company is concurrently held by Mr. Chen Qinan, the executive Director and chairman of the Board.

8.8 董事長及總經理

董事長及總經理的職責有所區分，且於《公司章程》明確界定。

董事長主要負責董事會的整體運作、公司戰略、發展規劃，以及重大決策制定等工作，董事長由全體董事過半數選舉產生。截至本報告日期，本公司董事長由執行董事陳棋楠先生擔任。

董事長注重與獨立非執行董事的溝通，並每年至少一次與獨立非執行董事在其他董事不在場的情況下單獨會面，溝通本公司發展戰略、公司治理、經營管理等情況。

董事長提倡公開、積極討論的文化，董事在董事會會議上暢所欲言，就公司重大決策事項積極充分討論。

總經理負責公司業務的日常運營和管理，總經理由董事會提名並聘任。截至本報告日期，本公司總經理由執行董事及董事長陳棋楠先生兼任。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.9 NOMINATION, APPOINTMENT AND REMOVAL OF DIRECTORS

According to the Articles of Association, Directors shall be elected at the Shareholders' general meeting for a term of three years. At the expiry of a Director's term, the Director may stand for re-election and reappointment for further term. Subject to the compliance of the relevant laws and administrative regulations, the general meeting of the Shareholders may remove by ordinary resolution any Directors of whom the term of office has not expired (the claim for compensation under any contracts shall however not be affected).

The term of each independent non-executive Director is the same as that of other Directors. At the expiration of their terms, they may continue to serve if re-elected, but they may not serve more than six years in succession.

The procedures for the appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination and Remuneration Committee of the Board carefully considers the qualifications and experience of director candidates and recommends them to the Board for consideration. After the Board passes the nomination resolution in relation to the candidate, it is proposed to the general meeting to elect the relevant candidates for approval. The new Directors and independent non-executive Directors have the same term of office as the other Directors of the Company. When the current Board expires, the other members of the Board will take over the re-election of the Shareholders' meeting, and will not be individually arranged to accept the Shareholders' election at the first general meeting after the appointment.

8.9 董事的提名及任免

根據《公司章程》，董事由股東會選舉或更換，任期三年，任期屆滿可連選連任。股東會在遵守相關法律和行政法規規定的前提下，可以普通決議的方式在任何董事任期屆滿前將其免職（但此類免職並不影響該董事依據任何合約提出的損害賠償申索）。

獨立非執行董事的每屆任期與公司其他董事相同，任期屆滿連選可以連任，但是連任時間不得超過六年。

本公司委任、重選及罷免董事的程序已載列於《公司章程》。董事會提名薪酬委員會對董事候選人的資格及經驗做審慎考慮，並向董事會推薦以待考慮。董事會通過有關候選人的提名決議案後，向股東會建議選舉有關候選人，提交股東會決議批准。新任董事及獨立非執行董事每屆任期與公司其他董事相同，於當屆董事會到期時跟隨董事會其他成員一併接受股東會的重新選舉，而不會個別被安排在委任後的首次股東會上接受股東選舉。

Chapter VIII Corporate Governance Report (Continued)

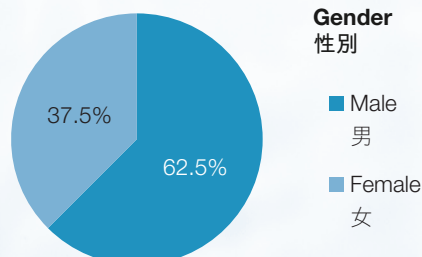
第八章 企業管治報告(續)

8.10 BOARD DIVERSITY POLICY

Pursuant to Rule 13.92 of the Listing Rules, the Board has adopted a board diversity policy. It sets out the ways to achieve and maintain the diversity of the Board in order to optimise the composition of the Board. The Company recognises and embraces the benefits of diversity of Board members, and the Company will ensure that the Board strikes a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. All Board appointments will continue to be made on a merit basis, and selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience, skills, knowledge and office term. The decision is ultimately based on the strengths of the personnel and the contributions that can be made to the Board.

8.10.1 Gender

As of the date of this report, among the Board members, there are 3 female members and 5 male members, accounting for approximately 37.5% and 62.5% of the total number respectively. In the future, we will continue to give due consideration to gender in the identification and development of nominees on the basis that there is at least one female member in the Board. The Nomination and Remuneration Committee and the Company's Human Resources Center will also focus on maintaining and enhancing the identification, selection and cultivation of female talents with high potential, and to nominate and recommend competent and qualified candidates for directors when needed.



8.10 董事多元化政策

董事會根據上市規則第13.92條採納董事會多元化政策，其中載列了達致和維持董事會多元化的方法，以提升優化董事會的人員結構。本公司肯定及接受董事會成員多元化的益處，並確保董事會在切合本公司業務所需的技能、經驗和多元化方面取得平衡。董事會所有委任均以用人唯才為原則，在甄選候選人時以一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、經驗、技能知識及服務任期。最終將按人員的長處及可為董事會提供的貢獻而做決定。

8.10.1 性別

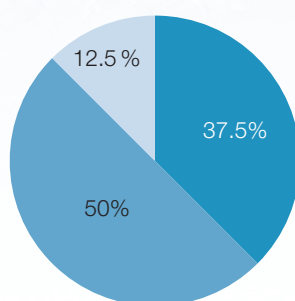
截至本報告日期，董事會成員中，有女性3名，約佔總人數的37.5%；有男性5名，約佔總人數的62.5%。未來將在維持至少一名董事會成員為女性的基礎上，在物色和培養提名人士時持續充分考量性別因素。提名薪酬委員會和公司人力資源中心也會注意保持和加快對女性高潛人才的關注，選拔和培養，在需要時為董事提名和推薦有能力和合資格的候選人。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.10.2 Age

As of the date of this report, among the Board members, there are three members aged 41 to 50, four members aged 51 to 60 and one member aged over 60, accounting for approximately 37.5%, 50.0% and 12.5% of the total number respectively.



8.10.2 年齡

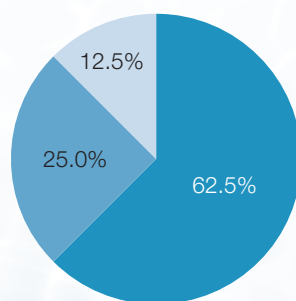
截至本報告日期，董事會成員中，年齡介乎41至50歲有3人，約佔總人數的37.5%；年齡介乎51至60歲有4人，約佔總人數的50.0%；年齡超過60歲有1人，約佔總人數的12.5%。

Age 年齡

- 41-50 (歲)
- 51-60 (歲)
- >60 (歲)

8.10.3 Cultural and Educational Background

As of the date of this report, among the Board members, there are 5 members holding bachelor's degree, 2 members holding master's degree and 1 member holding doctor's degree, accounting for 62.5%, 25.0% and 12.5% of the total number respectively.



8.10.3 文化及教育背景

截至本報告日期，董事會成員中，學歷為大學本科有5人，約佔總人數的62.5%；碩士有2人，約佔總人數的25.0%；博士有1人，約佔總人數的12.5%。

Age 年齡

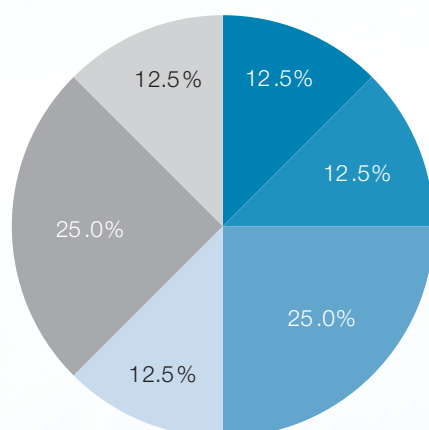
- Bachelor degree
本科
- Master degree
碩士
- Doctor degree
博士

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.10.4 Major

As of the date of this report, among the Board members, there are 2 members majoring in economic management, 1 member majoring in financial management, 2 members majoring in law, 1 member majoring in harbour and waterway engineering, 1 member majoring in plant pathology and 1 member majoring in mechanical manufacturing equipment and automation, accounting for 25.0%, 12.5%, 25.0%, 12.5%, 12.5% and 12.5% of the total number respectively.



8.10.4 專業

截至本報告日期，董事會成員中，經濟管理專業有2人，約佔總人數的25.0%；金融管理專業有1人，約佔總人數的12.5%；法律專業有2人，約佔總人數的25.0%；水港專業有1人，約佔總人數的12.5%；植物病理學專業有1人，約佔總人數的12.5%；機械設備製造及自動化專業有1人，約佔總人數的12.5%。

Major 專業

- Plant pathology
植物病理學
- Mechanical manufacturing
equipment and automation
機械設備製造及自動化
- Economic management
經濟管理
- Financial management
金融管理
- Law
法律
- Harbour and waterway engineering
水港

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.10.5 Management Experience

As of the date of this report, the Board members have rich experience in wastewater treatment and tap water supply services, municipal infrastructure planning, investment, construction and management, corporate management, financial management, teaching and research, engineering, business, and finance and accounting management.

8.10.5 管理經驗

截至本報告日期，董事會成員在污水處理及自來水供應服務、市政基礎設施規劃、投資、建設和管理、企業管理、財務管理、教學和研究、工程領域、商業、金融及會計管理方面經驗豐富。



8.11 OPERATION OF THE BOARD

The Company has established mechanisms to ensure independent views and input are available to the Board:

- (i) All Directors express their views in an open and frank manner at Board/committee meetings;
- (ii) The Chairman holds meetings annually with the independent non-executive Directors without the presence of the executive Directors;
- (iii) If any Director has an interest in a matter under consideration, he/she shall recuse himself/herself from the consideration and abstain from voting on that matter;

8.11 董事會的運作

本公司已設立機制，以確保董事會獲得獨立的意見及建議：

- (一) 所有董事於董事會／委員會會議上公開及坦率的表達意見；
- (二) 董事長在並無執行董事列席的情況下，每年與獨立非執行董事舉行會議；
- (三) 若任何董事對於正在審議的事項擁有利益，則其應迴避審議並對該事項放棄表決；

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

- (iv) The Nomination and Remuneration Committee assesses the independence of the independent non-executive Directors on an annual basis to confirm their respective independence and the independence of their immediate family members, so as to meet the requirements set out in Rule 3.13 of the Listing Rules.

During the Reporting Period, all Directors exercised due diligence, made independent judgment and always acted prudently in the interests of the Company. The Board reviews the implementation and effectiveness of the mechanism annually.

In accordance with the Corporate Governance Code, Board meetings shall be held at least four times per financial year. The meeting shall be convened by the chairman of the Board. According to the Articles of Association, Shareholders representing more than one tenth of the voting rights more than one third of the Directors and the Audit Committee may propose the convening of an extraordinary meeting of the Board, the chairman of the Board shall convene the Board meeting within 10 days after receiving the proposal.

The Board holds regular meetings and extraordinary meetings. The office of the Board shall, fourteen days prior to the regular meeting and five days before the extraordinary meeting, send the written notice of the meeting sealed by the office of the Board to all Directors, the general manager and the secretary to the Board by hand, by mail or by fax. If the notice is sent by non-direct means, a confirmation should be obtained by telephone and be recorded accordingly. If an interim meeting of the Board needs to be held as soon as possible due to urgent circumstances, a meeting notice may be given at any time by telephone or other oral method, provided that the convener gives an explanation thereof at the meeting and the same is included in the meeting minutes.

- (四) 提名薪酬委員會每年對獨立非執行董事的獨立性進行評估，以確認其各自及彼等之直系親屬的獨立性，以符合上市規則第3.13條所載列的要求。

報告期內，所有董事均勤勉盡責，保持獨立的判斷，且始終以本公司利益為出發點謹慎行事。董事會每年檢討有關機制的實行情況及有效性。

根據企業管治守則，董事會會議每財政年度召開至少四次，會議由董事長召集。根據公司章程，代表十分之一以上表決權的股東、三分之一以上董事或審計委員會可以提議召開董事會臨時會議，董事長應當自接到提議後10日內召集董事會臨時會議。

董事會召開定期會議和臨時會議，董事會辦公室應當分別於定期會議召開14日以前和臨時會議召開5日以前將蓋有董事會辦公室印章的書面會議通知，通過專人送達、郵件或傳真的方式送交全體董事及總經理和董事會秘書。非直接送達的，還應當通過電話進行確認並做相應記錄。情況緊急，需要盡快召開董事會臨時會議的，可以隨時通過電話或者其他口頭方式發出會議通知，但召集人應當在會議上作出說明並記載於會議記錄。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.12 ATTENDANCE OF DIRECTORS
AT BOARD MEETINGS AND THE
GENERAL MEETINGS

During the Reporting Period, the Board held 6 Board meetings, and the attendance of Directors are as follow:

8.12 董事出席董事會及股東大會情況

報告期內，本公司董事會共召開了6次董事會會議，董事出席會議的情況如下：

Name	Name	Meetings attended/eligible for attending 出席／應參加 會議次數	Attendance rate
姓名	職位		出席率
Mr. Zhang Qi ⁽¹⁾ 張歧先生	Executive Director and chairman of the Board 執行董事兼董事長	5/5	100%
Mr. Chen Qinan 陳棋楠先生	Executive Director, chairman of the Board and general manager 執行董事、董事長兼總經理	6/6	100%
Mr. Xu Guanghua 徐光華先生	Executive Director (employee representative Director) 執行董事（職工代表董事）	4/6	66.7%
Mr. Xu Fei 徐飛先生	Non-executive Director 非執行董事	6/6	100%
Ms. Zhang Guanghui 張光惠女士	Non-executive Director 非執行董事	6/6	100%
Ms. Hu Fenfen 胡芬芬女士	Non-executive Director 非執行董事	6/6	100%
Ms. Ma Hua 馬樺女士	Independent non-executive Director 獨立非執行董事	6/6	100%
Mr. Fu Ji 傅驥先生	Independent non-executive Director 獨立非執行董事	6/6	100%
Mr. Liang Youguo 梁有國先生	Independent non-executive Director 獨立非執行董事	6/6	100%

Note:

(1) Mr. Zhang Qi resigned as an executive Director and the chairman of the Company due to work changes, effective from 16 December 2025.

附註:

(1) 張歧先生因工作變動辭任本公司執行董事及董事長職務,自2025年12月16日起生效。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

During the Reporting Period, the Company held 2 general meetings in total, and the attendance of Directors are as follows:

報告期內，本公司共召開了2次股東大會，董事出席會議的情況如下：

Name	Position	Meetings attended/eligible for attending 出席／應參加 會議次數	Attendance rate 出席率
姓名	職位		
Mr. Zhang Qi 張歧先生	Executive Director and chairman of the Board 執行董事兼董事長	2/2	100%
Mr. Chen Qinan 陳棋楠先生	Executive Director, chairman of the Board and general manager 執行董事、董事長兼總經理	2/2	100%
Mr. Xu Guanghua 徐光華先生	Executive Director (employee representative Director) 執行董事(職工代表董事)	2/2	100%
Mr. Xu Fei 徐飛先生	Non-executive Director 非執行董事	2/2	100%
Ms. Zhang Guanghui 張光惠女士	Non-executive Director 非執行董事	2/2	100%
Ms. Hu Fenfen 胡芬芬女士	Non-executive Director 非執行董事	2/2	100%
Ms. Ma Hua 馬樺女士	Independent non-executive Director 獨立非執行董事	2/2	100%
Mr. Fu Ji 傅驥先生	Independent non-executive Director 獨立非執行董事	2/2	100%
Mr. Liang Youguo 梁有國先生	Independent non-executive Director 獨立非執行董事	2/2	100%

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.13 PROVISION AND USE OF INFORMATION ABOUT THE BOARD MEETING

The agenda of the regular meeting of the Board and the relevant meeting documents shall be sent to all Directors three days before the date of the meeting so that the Directors can make a decision in the light of the relevant information. All Directors have the right to access the Board meeting documents and related information. The information provided by the management shall be complete and reliable. The Directors may make further inquiries if needed, and the Board and individual Directors shall have independent access to the senior management.

8.14 TRAINING OF DIRECTORS

The Directors are able to make appropriate contributions to the Board by participating in the training programs to improve and upgrade their own knowledge and skills. During the Reporting Period, the Company arranged for the Directors, Supervisors and relevant senior management to attend the lecture on "Compliance Obligations of Listed Companies in Hong Kong" regarding directors' integrity responsibility, directors' duty performance with diligence and prudence set out in the Listing Rules, and disciplinary sanctions imposed by the Stock Exchange and the SFC, chaired by the overseas lawyers of the Company, thereby enhancing its management's understanding on the continuing obligations for listed companies. Directors including Mr. Chen Qinan, Mr. Xu Guanghua, Mr. Xu Fei, Ms. Zhang Guanghui, Ms. Hu Fenfen, Ms. Ma Hua, Mr. Fu Ji and Mr. Liang Youguo have participated in such training and provided relevant records to the Company.

8.15 COMMITTEES UNDER THE BOARD

The Board has delegated a number of functions to corresponding committees. The Company has set up three special Board committees, namely, the Strategy Committee, the Nomination and Remuneration Committee and the Audit Committee.

8.13 董事會會議資料提供及使用

董事會定期會議的議程及相關會議文件須於會議日期的三天前送交全體董事，以使董事能夠在掌握有關資料的情況下作出決定。所有董事均有權查閱董事會文件及相關資料，管理層所提供的資料應完整可靠，若董事需要可作進一步查詢，董事會及個別董事應有自行接觸高級管理人員的獨立途徑。

8.14 董事培訓

董事透過參與培訓課程發展及提升自身知識及技能，從而保證自己可為董事會做出合適的貢獻。於報告期內，本公司已安排董事、監事及相關高級管理人員參加由本公司境外律師主持有關「香港上市公司合規義務」的講座，主要涉及《上市規則》中對董事的誠信責任要求、董事的勤勉謹慎履職義務、聯交所及證監會的紀律制裁等內容。籍此提高本公司管理層對上市公司持續責任的認知。陳棋楠先生、徐光華先生、徐飛先生、張光惠女士、胡芬芬女士、馬樺女士、傅驥先生和梁有國先生已參與有關培訓，並已向本公司提供相關記錄。

8.15 董事會委員會

董事會已將部分職責轉授予多個委員會。本公司已設立三個董事會委員會，即戰略委員會、提名薪酬委員會及審計委員會。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.15.1 Strategy Committee

The primary responsibilities of Strategy Committee are to formulate the operation goals and long-term development strategies of the Company, make proposals on major events and supervise the implementation of annual operating plans and proposals.

As of the date of the Report, the Strategy Committee of the second session of the Board consists of an executive Director Mr. Chen Qinan, and non-executive Directors Mr. Xu Fei and Ms. Hu Fenfen, with Mr. Chen Qinan serving as the chairperson of the Strategy Committee.

During the Reporting Period, the Strategy Committee of the second session of the Board held two meetings, considering and approving resolutions in relation to the annual investment plan, the annual business plan, the annual financing plan and the implementation.

During the Reporting Period, attendance of members of the Committee is recorded as follows:

8.15.1 戰略委員會

戰略委員會主要負責制定本公司經營目標及長期發展策略，為主要事項作出建議，並監督實行年度經營計劃和提案。

截至本報告日期，第二屆董事會戰略委員會由執行董事陳棋楠先生、非執行董事徐飛先生及胡芬芬女士組成，並由陳棋楠先生擔任戰略委員會主席。

於報告期內，第二屆董事會戰略委員會共舉行了2次會議。審議並通過了關於本公司年度投資計劃、年度經營計劃、年度融資計劃及執行情況的議案。

於報告期內，委員會之成員出席記錄如下：

Name	Position	Meetings attended/eligible for attending	Attendance rate
		出席／應參加 會議次數	
姓名	職位		出席率
Mr. Zhang Qi 張歧先生	Chairman 主席	2/2	100%
Mr. Xu Fei 徐飛先生	Member 委員	2/2	100%
Ms. Hu Fenfen 胡芬芬女士	Member 委員	2/2	100%

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

During the Reporting Period, Mr. Zhang Qi resigned as a member and chairman of the Strategy Committee due to work changes. The Board elected Mr. Chen Qinan, an executive Director, chairman of the Board, and general manager, as a member of the Strategy Committee and to serve as the chairman of the committee.

於報告期內，張歧先生因工作變動辭任戰略委員會委員及主席職務，由董事會選舉執行董事兼董事長及總經理陳棋楠先生為戰略委員會委員，並擔任委員會主席。

8.15.2 Nomination and Remuneration Committee

The primary responsibilities of the Nomination and Remuneration Committee are to make recommendations to the Board on the appointment and removal of the directors and senior management of the Company, establish remuneration policies for the overall remuneration policy and structure of directors and senior management and for the establishment of formal and transparent procedures, provide recommendations to the Board, review the corporate policies and objectives set by the Board and approve management's compensation proposals, assess the performance of executive directors and approve the terms of service contract of executive directors and provide recommendations to the Board on employee benefit arrangements, provide recommendations to Board on the remuneration packages of individual executive directors and senior management as well as review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

As of the date of the Report, the Nomination and Remuneration Committee of the second session of the Board consists of Ms. Ma Hua, an independent non-executive Director, Ms. Zhang Guanghui, a non-executive Director and Mr. Liang Youguo, an independent non-executive Director, with Ms. Ma Hua, serving as the chairperson of the committee.

8.15.2 提名薪酬委員會

提名薪酬委員會的主要職責為就委任及罷免董事及高級管理層向董事會提供推薦建議，就董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制定薪酬政策，向董事會提供建議，檢討董事會所訂企業方針及目標及批准管理層的薪酬建議，評估執行董事表現及批准執行董事服務合約條款，並就僱員福利安排向董事會提供推薦建議，同時亦就個別執行董事及高級管理人員的薪酬待遇向董事會提供建議，以及根據上市規則第17章檢討及批准有關股份計劃的事宜。

截至本報告日期，第二屆董事會提名薪酬委員會由獨立非執行董事馬樺女士、非執行董事張光惠女士及獨立非執行董事梁有國先生組成，並由馬樺女士擔任提名薪酬委員會主席。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

During the Reporting Period, the Nomination and Remuneration Committee held three meetings in total, considering and approving the resolutions in relation to the independence of independent non-executive Directors, organising discussions on the Company's policy on remuneration of Directors and senior management and the structure of the Board of Directors, the Company's remuneration management system and enhancement proposals.

於報告期內，提名薪酬委員會共舉行了3次會議，審議並通過了獨立非執行董事獨立性、組織討論了本公司董事及高級管理人員薪酬政策及董事會架構、公司薪酬管理制度及優化方案。

During the Reporting Period, attendance of members of the Committee is recorded as follows:

於報告期內，委員會之成員出席記錄如下：

Name	Position	Meetings attended/eligible for attending 出席／應參加 會議次數	Attendance rate
姓名	職位		出席率
Ms. Ma Hua 馬樺女士	Chairman 主席	3/3	100%
Ms. Zhang Guanghui 張光惠女士	Member 委員	3/3	100%
Mr. Liang Youguo 梁有國先生	Member 委員	3/3	100%

During the Reporting Period, there was no change on the members of the Nomination and Remuneration Committee.

於報告期內，提名薪酬委員會人員無變動。

8.15.3 Audit Committee

The primary responsibilities of the Audit Committee are to supervise our internal control, risk management, financial information disclosure and financial reporting matters.

8.15.3 審計委員會

審計委員會的主要職責為監督我們的內部控制、風險管理、財務數據披露及財務報告事宜。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

During the Reporting Period, the Audit Committee of the second session of the Board consists of three independent non-executive Directors, namely Mr. Fu Ji (certified public accountant), Ms. Ma Hua and Mr. Liang Youguo, with Mr. Fu Ji serving as the chairperson of the committee. They have the appropriate professional qualifications or relevant financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

During the Reporting Period, the Audit Committee of the second session of the Board held four meetings, in which, the Auditor's Report for 2024, the Interim Review Plan for 2025 and the Review Report were heard; and the Auditor's Report, Annual Results, the Annual Report for 2024, Auditor's Interim Report, the Interim Consolidated Financial Statements, the Interim Results announcement and the Interim Report for 2025, the Company's Risk Management and the Internal Control Report were considered and adopted, concerns about possible improprieties in financial reporting, internal control or other matters were raised, the audit work during the Reporting Period and audit plan for 2026 were arranged.

During the Reporting Period, attendance of members of the Committee is recorded as follows:

於報告期內，第二屆董事會審計委員會由獨立非執行董事傅驥先生、馬樺女士及梁有國先生組成，並由傅驥先生（註冊會計師）擔任審計委員會主席，彼具備《上市規則》第3.10(2)條和第3.21條所要求的適當專業資格或相關財務管理專長。

於報告期內，第二屆董事會審計委員會共舉行了4次會議，聽取了核數師關於2024年度審計工作情況報告、2025年中期審閱工作計劃及審閱工作情況報告，並審議通過了2024年度核數師報告、業績公告、年度報告及2025年中期核數師報告、中期綜合財務報表、中期業績公告及中期報告、本公司風險管理及內部監控系統報告、就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注安排及本報告期內財務審計工作相關安排及2026年度審計工作計劃等事項。

於報告期內，委員會之成員出席記錄如下：

Name	Position	Meetings attended/eligible for attending	Attendance rate
		出席／應參加 會議次數	
姓名	職位		出席率
Mr. Fu Ji 傅驥先生	Chairman 主席	4/4	100%
Mr. Liang Youguo 梁有國先生	Member 委員	4/4	100%
Ms. Ma Hua 馬樺女士	Member 委員	4/4	100%

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

During the Reporting Period, there was no change on the members of the Audit Committee.

於報告期內，審計委員會人員無變動。

8.16 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established formal and transparent procedures for the formulation of the remuneration policy for the senior management of the Group. Details of the remuneration of Directors during the Reporting Period are set out in Note XI(2).4 to the consolidated financial statements.

In accordance with Code Provision E.1.5 of the Corporate Governance Code, the following table sets out the remuneration paid to senior management of the Company (excluding Directors) categorised by range during the Reporting Period in this annual report:

Remuneration range (RMB'000) 薪酬區間(人民幣千元)	Number of persons 人數
500 – 600	1
400 – 500	4

8.16 董事及高級管理人員的薪酬

本公司已就制訂本集團高級管理人員的薪酬政策建立正式及具透明度的程序。報告期內各董事薪酬的詳情載於合併財務報表附註十一(二)、4。

根據企業管治守則條文第E.1.5條，下表載列於報告期內按區間劃分支付予本公司高級管理人員(不包括董事)的薪酬：

8.17 DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company has not encountered any significant and uncertain events and circumstances that might produce significant doubts on the Company's capability to operate as a going concern. The Directors confirm that they are aware of the responsibility for the preparation of the consolidated financial statements of the Company for the year ended 31 December 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

8.17 董事對財務報表承擔之責任

本公司並無面臨可能對本公司持續經營業務能力產生重大疑慮的重大不確定事件和情況。董事確認其承擔編製本公司截至2025年12月31日止年度的合併財務報表之責任。

董事會須負責就年度及中期報告、內幕消息公佈及根據上市規則及其他法律及監管規定而須發表之其他披露呈報作出平衡、清晰及可理解之評估。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's consolidated financial statements, which are put to the Shareholders for approval.

管理層已向董事會提供必要的解釋及數據，讓董事會可就提交予股東批准的本公司合併財務報表作出知情評審。

8.18 EMPLOYEE DIVERSIFICATION POLICY

The Company values employee diversification and is committed to establishing and maintaining a diverse and inclusive working environment. It values, respects, and treats every employee fairly, ensuring equal opportunities in recruitment, training, promotion, career development, and compensation. The Company firmly opposes any form of discrimination, bias, or unfair treatment. The Nomination and Remuneration Committee under the Board reviews the implementation of the employee diversification policy annually to ensure its effectiveness, and makes recommendations to the Board on appropriate amendments (if any) to the policy.

8.18 員工多元化政策

公司重視員工多元化，致力於建立和維持多元共融的工作環境，重視、尊重及公平對待每一名員工，保障員工在招聘、培訓、晉升、職業發展及薪酬等方面有平等機會，堅決反對任何形式的歧視、偏見及不公平待遇。本公司董事會下轄提名薪酬委員會每年檢討員工多元化政策執行情況，以確保其有效性，並就政策的適當修訂（如有）向董事會提出建議。

8.19 RIGHTS OF SHAREHOLDERS

According to the Articles of Association, shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting in writing. The board of directors shall, pursuant to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the written proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

8.19 股東的權利

根據公司章程相關規定，單獨或者合計持有公司百分之十以上股份的股東有權以書面形式向董事會提出請求召開臨時股東會。董事會應當根據法律、行政法規、公司股票上市地證券監管規則和《公司章程》的規定，在收到請求後十日內提出同意或者不同意召開臨時股東會的書面反饋意見。

董事會同意召開臨時股東會的，應當在作出董事會決議後的五日內發出召開股東會的通知，通知中對原請求的變更，應當徵得相關股東的同意。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

If the board of directors does not agree to hold the extraordinary general meeting, or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above shares shall be entitled to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of the relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice for the general meeting within the term stipulated, the Audit Committee shall be deemed as failing to convene and preside over the general meeting. The shareholder(s) severally or jointly holding 10% or above shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

Shareholders have the right to submit extempore motions to the general meeting. According to the Articles of Association, when a general meeting is convened by the Company, Shareholders who individually or collectively hold more than 1% (inclusive) of voting shares of the Company shall be entitled to propose extempore motions to the Company in writing 10 days before the date of the general meeting. The content of the extempore motions shall fall within the terms of reference of the general meeting. The convenor shall issue a supplementary notice of the general meeting within two days of receipt of the motions and submit the extempore motions to the general meeting for consideration.

董事會不同意召開臨時股東會，或者在收到請求後十日內未作出反饋的，單獨或者合計持有公司百分之十以上股份的股東向審計委員會提議召開臨時股東會，應當以書面形式向審計委員會提出請求。

審計委員會同意召開臨時股東會的，應在收到請求後五日內發出召開股東會的通知，通知中對原請求的變更，應當徵得相關股東的同意。

審計委員會未在規定期限內發出股東會通知的，視為審計委員會不召集和主持股東會，連續九十日以上單獨或者合計持有公司百分之十以上股份的股東可以自行召集和主持。

股東有權向本公司提出股東會臨時提案。根據《公司章程》，本公司召開股東會，單獨或者合計持有本公司有表決權的股份1%以上(含1%)股東，有權在股東會召開十日以前以書面形式向公司提出臨時提案。臨時提案的內容應屬於股東會職權範圍的事項，召集人應當在收到提案兩日內發出股東會補充通知，並將臨時提案提交股東會審議。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

Shareholders have the right to put inquiries. The Company now lists the following communication information to facilitate inquiries on matters about which Shareholders are concerned, and the Company will respond to these inquiries in an appropriate way and in a timely manner:

Address: No. 16, Baizi Road, Jiangyang District, Luzhou Sichuan Province, the PRC

Telephone number: +86 830 319 4768

Company website: www.lzss.com

E-mail address: lxlwaterstock@lzss.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written request, notice or statement, or enquiry (as the case may be) to the above address and provide its (their) full name(s), contact detail(s) and identification(s) for the Company to reply. Shareholders' information may be disclosed as required by the law.

股東享有的查詢權。本公司現載列下列通訊資料，以便股東就需要關注的問題進行查詢，本公司會及時以適當的方式處理股東查詢：

地址：中國四川省瀘州市江陽區百子路16號

電話號碼：+86 830 319 4768

公司網站：www.lzss.com

電郵地址：lxlwaterstock@lzss.com

為免存疑，股東須將妥為簽署之書面要求、通知或聲明、或查詢(視情況而定)之正本存置於及寄送至上述地址，並提供彼等的全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.20 COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/ INVESTOR RELATIONS

The Company believes that it is vital to maintain effective communication with the Shareholders as a way to promote investor relations and deepen the investors' understanding on the Group's business performance and strategy. The Company also understands the importance of maintaining the transparency of and providing timely disclosure of the Company's information, which will enable the Shareholders and investors to make the best investment decisions.

The Group's investor relations efforts in 2025 were led and supported by the Board and the operating management through the Group's published telephone, website and email addresses.

The Board has reviewed and concluded that the Company's shareholder communication policy was implemented and effective for the Reporting Period.

The general meeting of the Company provides a platform for direct dialogue between the Board and the Shareholders.

8.20 與股東及投資者的溝通／投資者關係

本公司認為，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及戰略的了解至為重要。本公司亦明白保持公司資料透明度及適時披露公司資料的重要性，此舉將使股東及投資者作出最佳投資決定。

2025年本集團的投資者關係工作在董事會及經營管理層領導和支持下，通過本集團公佈的電話、網站和郵件地址開展。

董事會經檢討後認為本公司股東通訊政策於報告期內已適當實施且有效。

本公司股東會為董事會與股東提供直接對話的平台。

8.21 RISK MANAGEMENT AND INTERNAL CONTROL

The Board believes that it is its responsibility to develop, maintain and evaluate a sound and effective risk management and internal control system. The Group has established an enterprise risk management structure to effectively implement risk management and internal control.

The Company's risk management and internal control systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and may only make reasonable, but not absolute assurances that there will be no material misstatement or losses.

8.21 風險管理與內部監控

董事會深知其有責任制定、維持及評核一個健全而有效的風險管理及內部監控系統。本集團已制定企業風險管理架構，以有效執行風險管理及內部監控。

本公司的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，並只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

Effective risk management exists at all levels of the Group. The Group's risk management structure includes the Board, the Audit Committee, the management, the internal audit department and employees. The Board is responsible for the risk management and internal control systems and is responsible for maintaining the effectiveness of these systems to protect Shareholders' investments and the Company's assets.

The Board also reviews the effectiveness of the Company's finance, compliance, risk management and internal controls through the Audit Committee, including the adequacy of the Company's resources and the staff qualifications and experience in the accounting and financial internal audit functions, and the training courses accepted by staff and the budget and environmental, social and governance risks.

Employees in different business units shall identify and manage risks in their daily operations, while the management is responsible for identifying and assessing risks and formulating appropriate measures at the policy level.

The internal audit department is the most important department of risk management and internal control, which is guided by problems and risks and implements internal audit supervision, and tracks the implementation of rectification of problems found in audits.

Risk management procedures include defining risk coverage, identifying risks, assessing identified risks, developing relevant measures to mitigate risks, reviewing implementation and changes, and continually improving. The Company also establishes internal and third-party inspection procedures using the quality management system to identify, assess and manage significant risks through annual review of processes, systems implementation and staffing in the Company's operations, finance and production processes and review the effectiveness of risk management and internal control systems through third-party inspections to effectively control the risks within the effective range.

有效風險管理存在於本集團所有層面。本集團的風險管理架構包括董事會、審計委員會、管理層、內部審計部門及員工。董事會對風險管理及內部監控系統負責，並負責維持該等制度的有效性，以保障股東投資及本公司的資產。

董事會也透過審計委員會檢討本公司財務、合規、風險管理及內部監控的效能，包括本公司在會計及財務內部審計職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足以及環境、社會及管治風險。

不同業務單位的員工於日常運營中識別和管理風險，而管理層則負責在策略層識別、評估風險並就此制定相應措施。

內部審計部門是風險管理與內部監控最重要部門，以問題和風險為導向，實施內部審計監督，並跟踪審計發現問題整改落實情況。

風險管理程序包括界定風險涵蓋範圍、識別風險、評估所識別的風險、制訂相關措施減輕風險、檢查實施情況及變化，並持續改進。本公司還應用質量管理體系建立了內部及第三方檢查程序，通過每年對本公司運營、財務、生產環節中在流程、制度執行、人員配置等方面的檢討，來識別、評估及管理重大風險，並透過第三方的檢查用以檢討風險管理及內部監控系統的有效性，切實將風險控制在有效範圍內。

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

The Board conducts a review on the effectiveness of the Company's risk management and internal control systems at least once annually. The internal audit department has conducted an independent review of the Company's 2025 annual risk management and internal control systems to assess its effectiveness. The report of the internal control review has been submitted to the Audit Committee for confirmation. For the year ended 31 December 2025, the Audit Committee and the Board were not aware of any material internal control deficiencies and were satisfied that the Group's risk management and internal monitoring systems were effective and adequate.

The Company has formulated an inside information policy, pursuant to which, the Company shall conduct a review at least once a year to ensure the policy complied with the latest regulatory requirements. According to this policy, the Group shall disclose inside information to the public as soon as reasonably practicable, unless such information is within the scope of safe harbor as provided in the SFO. The Group will ensure that it will keep relevant information strictly confidential before fully disclosing such information to the public.

董事會每年至少對本公司風險管理與內部監控系統的有效性進行一次檢討。內部審計部門已對本公司2025年度風險管理及內部監控系統進行獨立檢討以評估其有效性。內部監控檢討的報告已呈交予審計委員會確認。截至2025年12月31日止年度，審計委員會及董事會並不知悉任何重大內部監控缺失，並信納本集團之風險管理及內部監察體系有效而足夠。

本公司制定內幕消息政策，並至少每年檢討一次，以確保其更新符合最新監管規定。根據該政策，本集團在合理切實可行之情況下，會盡快向公眾披露內幕消息，除非有關消息屬《證券及期貨條例》所規定屬於任何安全港範圍內。本集團在向公眾全面披露有關消息前，會確保有關消息絕對保密。

8.22 AUDITOR AND REMUNERATION OF AUDITOR

A statement by the auditor of the Company regarding its reporting obligations under the consolidated financial statements is set out in the "Independent Auditor's Report" of this annual report.

The following table sets out the remuneration paid/payable to the Company's auditor during the Reporting Period:

8.22 核數師及核數師酬金

本公司核數師有關其就合併財務報表須承擔的申報責任的聲明載於本年報的「獨立核數師報告」內。

下表載列本報告期內支付／應付予本公司核數師的薪酬：

Auditor 核數師	Annual auditor services 年度核數師服務	Interim financial review services 中期財務審閱服務	Others 其他	Total costs (RMB'000) 費用總額(人民幣/千元)
ShineWing 信永•中和	126	32	2.8	160.8

Chapter VIII Corporate Governance Report (Continued)

第八章 企業管治報告(續)

8.23 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, in accordance with national laws and regulations, the regulatory requirements of the relevant regulatory authorities, and the Company's actual circumstances, the Company abolished the Supervisory Committee and amended its Articles of Association according to the relevant arrangements. For further details, please refer to the announcements published by the Company on 31 October 2025 and 13 November 2025, respectively.

8.23 公司章程的修改

於報告期內，根據國家法律法規及監管機構的監管要求及本公司實際情況，本公司取消監事會並根據有關安排修訂公司章程，有關詳情請參見本公司分別於2025年10月31日及11月13日發佈的公告。

8.24 TRAININGS FOR COMPANY SECRETARY

During the Reporting Period, Mr. Chen Yongzhong was the company secretary of the Company. Mr. Chen participated in training not less than 15 hours during the Reporting Period to ensure compliance with Rule 3.29 of the Listing Rules.

8.24 公司秘書的培訓

於報告期內，陳永忠先生為本公司的公司秘書。陳先生於報告期內參加了不少於15小時的相關專業培訓，確保其符合上市規則第3.29條的規定。

8.25 REGULATORY REVIEW

The Company was not subject to material administrative penalties for violating national administrative regulations during the Reporting Period.

8.25 監管部門審查

本公司於報告期內未因違反國家行政法規而受到重大行政處罰。

8.26 LITIGATION AND ARBITRATION

During the Reporting Period, information on the Group's relevant litigation is set out in the "Directors' Report" section of this annual report.

8.26 訴訟與仲裁

報告期內，本集團有關訴訟載於本年報的「董事會報告」內。

Chapter IX Environmental, Social and Governance Report

第九章 環境、社會及管治報告

ABOUT THE ESG REPORT

The Company has compiled this report to facilitate various stakeholders, including shareholders, investors, regulatory authorities, customers, employees, partners, and communities, in gaining a comprehensive understanding of the Group's Environmental, Social, and Governance (ESG) information. The scope of this report encompasses the core businesses of the Company and its subsidiaries.

Reporting Period

This report is an annual report, and the report time range is from January 1 to December 31, 2025. Some contents may exceed the above time range due to elaboration.

Preparation Basis

This report has been prepared in accordance with Appendix C2, "Environmental, Social and Governance Reporting Code" (the "ESG Reporting Code") of the Listing Rules, and with reference to standards such as "The sustainability reporting standards issued by the Global Reporting Initiative" (GRI Standards).

About the Information

This report covers Luzhou Xinglu Water (Group) Co., Ltd. and its subsidiaries, and the scope of the report is consistent with the Company's annual report.

ESG報告說明

本公司為各利益相關方(包括股東與投資者、監管機構、客戶、員工、合作夥伴、社區等)了解本集團的環境、社會及管治(「ESG」)方面的信息,編制了本報告。本報告的匯報範圍涵蓋本公司及其附屬公司的核心業務。

報告期

本報告為年度報告,報告時間範圍為2025年1月1日至2025年12月31日,部分內容或因闡述需要超出上述時間範圍。

編制依據

本報告遵循上市規則附錄C2《環境、社會及管治報告守則》(「ESG報告守則」)、參考全球報告倡議組織發佈的《可持續發展報告標準》(GRI Standards)等標準要求編寫。

資料說明

本報告內容涵蓋瀘州市興瀘水務(集團)股份有限公司及其下屬企業,報告範圍與公司年報保持一致。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

BOARD ESG STATEMENT

The Board of the Group attaches great importance to the ESG-related work of the Group. The Board assumes full responsibility for ESG strategies and reports, and is responsible for assessing and identifying the ESG risks of the Group and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. This report discloses in detail the progress and effectiveness of the Group's ESG work in 2025, and was reviewed and approved by the Board on March 27, 2026. The Board and all directors guarantee that there are no false records, misleading statements, or major omissions in this report, and assume individual and joint responsibility for the authenticity, accuracy, and completeness of its content.

In order to improve the level of ESG governance, we have established an ESG management system in which the Board has the highest responsibility as the decision-maker for ESG matters. The Board is responsible for reviewing and approving the annual ESG resolution; identifying, assessing, and managing material ESG-related issues, including risks to the Group's business; and developing strategies around the risk reduction of environmental impact, products and services, employees, procurement, and so on. We integrate ESG-related work into the Group's daily operations and establish an ESG working group. We clarify the implementation of ESG management and target responsibilities, and assign dedicated personnel to carry out ESG-related communication, data collection, and report preparation. At the annual board meeting, the management submits and reports resolutions on ESG reporting, which are reviewed by all directors.

Under the leadership of the Board, we review material ESG issues and objectives based on the external environment and the Group's development strategy, so as to clarify the focus of future work. In 2025, the Group focused on reviewing and supervising the implementation of ESG issues, such as those mentioned in the 2025 annual work report on safety, environmental protection and occupational health, and the proposal on corporate governance functions.

董事會ESG聲明

本集團董事會高度重視本集團的ESG相關工作，董事會對ESG策略及報告承擔全部責任，負責評估及確定本集團ESG方面的風險、並確保本集團設立合適及有效的ESG風險管理及內部監控系統。本報告詳盡披露本集團2025年ESG工作的進展與成效，並於2026年3月27日經由董事會審議通過。董事會及全體董事保證本報告內容不存在任何虛假記載、誤導性陳述或重大遺漏，並對其內容的真實性、準確性和完整性承擔個別及連帶責任。

為提高ESG管治水平，我們建立以董事會為ESG事宜的最高負責及決策者的ESG管理體系，董事會負責審閱並通過年度ESG議案；識別、評估及管理重要的ESG相關事宜（包括對公司業務的風險）的過程；圍繞環境影響、產品及服務、員工、採購等風險降低制定的策略。我們將ESG相關工作融入到本集團的日常運營中，並建立ESG工作小組，明確ESG管理和目標的責任落實，由專職人員進行ESG相關的事務溝通、數據收集和報告籌備編制等工作，在年度董事會上，由管理層提請、匯報關於ESG報告的議案，並經各董事審議。

基於外部環境和本集團發展戰略，在董事會領導下，我們對ESG重要性議題和目標進行審視，以此明確未來工作重點。2025年，本集團審議了2025年度安全環保職業健康工作報告、審議了企業管治職能的相關議案等ESG議題作為核心工作進行重點審視並監督執行。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

We have recognized the opportunities and challenges brought by the trend of green, safe, and sustainable development to the industry and the Group's operations. In the future, we will continue to adjust the sustainable development management strategy and promotion method according to the expectations of stakeholders and the actual operation of the Group, so as to continuously improve the level of sustainable development.

ESG MANAGEMENT

Vision and Mission

With a long history of nearly seven decades, Luzhou Xinglu Water (Group) Co., Ltd. has always adhered to the core values of "Innovation and Excellence, Human-Water Harmony". We actively take measures to improve the health of the water system, tackle various water-related problems for customers, and provide them with high-quality, safe and reliable tap water. We respect, trust, support and empower employees, regard them as a valuable asset of the Group, and seek for outcomes that are beneficial to both employees and the Group. While cherishing and making good use of the limited water resources, we continuously improve the sewage collection and treatment capacity, bravely assume the corporate mission of "Fulfilling Responsibility, Creating Values, and Serving the Masses", and strive to realize the grand vision of "Empowering Life, Restoring Ecology".

ESG Management Structure

The Group has consistently adhered to the concept of sustainable development and practiced ESG management. The Group has long been committed to the continuous improvement of ESG management, and put in place an ESG management mechanism that coordinates efforts across all levels. We actively communicate with stakeholders, carry out key management on ESG material issues of concern to all parties, and continuously improve the effectiveness of sustainable development.

我們已認識到綠色安全可持續發展趨勢給行業和本集團的經營帶來的機遇和挑戰。未來，我們將持續根據利益相關方期望和本集團運營實際調整可持續發展管理策略及推進方式，不斷提升可持續發展水平。

ESG管理

願景與使命

興瀘水務擁有近70年悠久歷史，我們始終堅持「創新卓越人水和諧」的核心價值觀，主動採取改善水系統健康的舉措，解決服務對象用水各類問題，為服務對象提供優質、安全、放心的自來水。我們尊重員工、信任員工、關心員工、發展員工，視員工為企業的財富，致力於員工與企業共贏，並在珍惜利用好有限的水資源的同時，不斷提升污水收集處理能力，勇擔「履行責任創造價值幸福百姓」的企業使命，實現「讓生活前行，讓生態回歸」的美好願景。

ESG管治架構

本集團一貫堅持可持續發展理念，落實ESG管理實踐。一直以來，本集團不斷完善ESG管理，建立上下聯動的ESG管理機制，積極與利益相關方溝通，針對各方關注的ESG重要性議題開展重點管理，不斷提高可持續發展成效。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

The Board of the Group attaches great importance to the ESG-related work across the Group. In order to promote ESG-related work, the Group has established an ESG working group for ESG management and the delivery of ESG objectives. Dedicated personnel are responsible for ESG-related affairs communication, data collection, and report preparation, including assessing and identifying the Group's ESG risks to ensure that the Group has established effective ESG risk management and internal monitoring systems. The ESG working group regularly reviews the Group's performance, examines the information disclosed in the Group's ESG report, and reports to the Executive Committee on a regular basis.

本集團董事會高度重視本集團的ESG相關工作，為推動ESG相關工作，本集團建立ESG工作小組，明確ESG管理和目標的責任落實，並由專職人員進行ESG相關的事務溝通、數據收集和報告籌備編制等工作，包括評估及釐定本集團有關ESG的風險，確保本集團設立有效的環境、社會及管治風險管理和內部監控系統。定期檢討本集團的表現，並審議本集團環境、社會及管治報告內的披露數據，並定期向執行委員會匯報。

Board of Directors The Board assumes full responsibility for ESG strategies and reports, and is responsible for assessing and identifying the ESG risks of the Group, ensuring that the Group has established appropriate and effective ESG risk management and internal control systems, and reviewing and approving ESG reports.

董事會 對ESG策略及報告承擔全部責任，負責評估及確定本集團ESG方面的風險、並確保本集團設立合適及有效的ESG風險管理及內部監控系統，審批ESG報告。

Strategy Committee The Strategy Committee conducts research on integrating ESG principles into the Company's business objectives, management structure and development strategies, and provides corresponding suggestions. It also identifies and assesses ESG-related risks, supervises the implementation of ESG initiatives and the ESG reports, and provides corresponding suggestions.

戰略委員會 將ESG理念與公司經營目標、管理架構、發展策略等進行研究並提出建議，識別並評估ESG相關風險，對ESG工作執行情況和ESG報告進行監督並提出建議。

Office of the Board The Office of the Board is primarily responsible for the daily liaison and meeting organization between the Strategy Committee and the ESG working group, coordinating and advancing the management and implementation of ESG issues, and overseeing ESG-related information disclosure.

董事會辦公室 主要負責戰略委員會及ESG工作組之間的日常聯絡及會議組織，負責統籌推進ESG議題管理與實施，以及統籌ESG相關信息披露工作。

ESG Working Group As the implementation body for ESG work, the ESG working group consists of responsible persons of all relevant functional departments. It is mainly responsible for promoting and monitoring the implementation of ESG issues, and regularly collecting, sorting and reporting the progress, performance and cases of ESG issues under the management of each responsible department.

ESG工作小組 ESG工作小組為ESG工作的具體落地執行機構，由各相關職能部門負責人員組成，主要負責推動ESG議題的實施與落地，監測ESG議題實施情況，定期收集、整理、報送各責任部門歸口管理ESG議題的進展績效及案例等。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

The primary responsibilities of the Nomination and Remuneration Committee are to make recommendations to the Board on the appointment and removal of the directors and senior management members of the Company, to formulate and review the remuneration policy and structure for directors and senior management, and to make recommendations to the Board on employee welfare arrangements. The main responsibilities of the Audit Committee are to oversee our internal control, risk management, financial data disclosure and financial reporting matters. Various departments are responsible for the delivery of ESG objectives based on the material ESG issues identified by the Company, including issues related to standardizing corporate governance, promoting green transformation, safeguarding employees' rights, and empowering supplier development.

提名薪酬委員會的主要職責為就委任及罷免董事及高級管理層向董事會提供推薦建議，訂立及審查董事及高級管理層的薪酬政策及架構，並就僱員福利安排向董事會提供推薦建議。審計委員會的主要職責為監督我們的內部控制、風險管理、財務數據披露及財務報告事宜。各部門根據公司識別的重要性ESG議題，負責具體落實ESG目標，包括規範企業治理、推動綠色轉型、保護員工權益、賦能供應商發展等相關議題。

ESG Reporting Principles

Materiality: The materiality of our ESG matters is determined by the Board. The process of communicating with stakeholders and identifying material issues and the matrix of material issues are disclosed in this report.

Quantification: The statistical standards, methods, assumptions, and/or calculation tools of the quantitative key performance indicators in this report, as well as the sources of conversion factors, are explained in the report interpretation.

Balance: This report presents the Group's performance during the Reporting Period in an unbiased manner, avoiding choices, omissions, or presentation formats that may inappropriately affect the decision-making or judgment of the report readers.

Consistency: The statistical methods used for the information disclosed in this report are consistent with those used in previous years.

ESG匯報原則

重要性：我們的ESG事宜重要性由董事會擬定，利益相關方溝通及重要性議題識別的過程及重要性議題矩陣均在本報告中進行披露。

量化：本報告中定量關鍵績效指標的統計標準、方法、假設及／或計算工具，以及轉換因素的來源，均在報告釋義中進行說明。

平衡：本報告不偏不倚地呈報本集團報告期內的表現，避免可能會不恰當地影響報告讀者決策或判斷的選擇、遺漏或呈報格式。

一致性：本報告披露數據所使用的統計方法均與往年保持一致。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Stakeholder Communications

We understand the importance of interaction and communication with stakeholders. Maintaining an open and continuous dialog with stakeholders and responding to their concerns are the Group's top priorities. Therefore, the Group continues to maintain communication with stakeholders and establish diversified communication channels, to continuously learn about the expectations and demands of stakeholders, responds to the opinions of stakeholders in a timely manner, and deepens the participation of stakeholders in the Group's ESG management. We strive to perform social responsibilities and create value for stakeholders while operating in accordance with laws and regulations.

利益相關方溝通

我們深明與利益相關方互動及溝通的重要性，與利益相關方保持開放且持續的對話並對他們的關注點做出回應，是本集團的首要任務。因此，本集團持續保持與利益相關方的溝通，建立多元化溝通渠道，持續聆聽利益相關方期望與要求，並對利益相關方的意見及時做出回應，加深利益相關方對於本集團ESG管理的參與程度，在依法合規運營的同時，履行社會責任，為利益相關方創造價值。

Stakeholders 利益相關方	Issues focused 關注議題	Communication channels 溝通渠道	Response measures 回應措施
Shareholders and investors	- Continuous creation of value return - Corporate governance and risk management - Exercise of the right to know and participate in decision-making - ESG responsibility concept - ESG responsibility governance framework - Board of Directors statement on Board engagement responsibility management	- Shareholders' meeting - Regular disclosure of investor communication meetings - Results conference - Teleconference	- Stable operations - Timely and effective information disclosure - Investment management
股東與投資者	- 持續創造價值回報 - 企業管治與風險管理 - 行使知情權和參與決策權 - ESG責任理念 - ESG責任管治架構 - 董事會聲明董事會參與責任管理	- 股東會 - 定期披露投資者溝通會議 - 業績發佈會 - 電話會議	- 穩健經營 - 及時有效信息披露 - 投資管理

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Stakeholders 利益相關方	Issues focused 關注議題	Communication channels 溝通渠道	Response measures 回應措施
Government	- Compliance operation - Tax compliance - Anti-corruption management - Energy conservation and consumption reduction - Support for economic development	- Daily communication - Information announcement - On-site visit - Government-enterprise cooperation - Government censorship	- Compliance management - Compliance with law and discipline - Tax compliance - Technological innovation
政府	- 合規運營 - 依法納稅 - 反貪污管理 - 節能降耗 - 支持經濟發展	- 日常溝通 - 信息公告 - 現場考察 - 政企合作 - 政府審查	- 合規管理 - 遵紀守法 - 依法納稅 - 科技創新
Customers	- Product quality and service - Protection of consumers' rights and interests - Customer satisfaction	- Daily service communication - Portal website, WeChat official account, etc. - Customer service hotline - Customer symposium - Satisfaction survey	- Quality control - Technological innovation
客戶	- 產品質量及服務 - 消費者權益保障 - 客戶滿意度	- 日常服務溝通 - 門戶網站、微信公眾號等 - 客戶服務熱線 - 客戶座談會 - 滿意度調查	- 質量管理 - 技術創新
Employees	- Equal and diverse employment - Reasonable salary and benefits - Smooth development - Safe and healthy work environment - Prevention of child labor and forced labor - Employee satisfaction	- Labor contract - Employee activities - Workers' congress - Email, website, and other communication platforms	- Equal employment - Diversified recruitment - Career advancement channel - Training system - Occupational health management - Employee care activities
員工	- 平等、多元化僱傭 - 合理的薪酬與福利 - 通暢的發展管道 - 安全健康的工作環境 - 防止童工及強制勞動 - 員工滿意度	- 勞動合同 - 員工活動 - 職工代表大會 - 郵件、網站等溝通平台	- 平等僱傭 - 多元化招聘 - 職業晉升通道 - 培訓體系 - 職業健康管理 - 員工關愛活動

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Stakeholders 利益相關方	Issues focused 關注議題	Communication channels 溝通渠道	Response measures 回應措施
Suppliers and partners	• Transparent procurement • Cooperation and mutual benefits • Commitment • Supply chain risk management • Green procurement	• Open bidding • Project cooperation • Partner conference • Supplier site visit • Online service platform	• Supply chain responsibilities management • Open and fair procurement • Green procurement
供應商及合作夥伴	• 透明採購 • 合作共贏 • 信守承諾 • 供應鏈風險管理 • 綠色採購	• 公開招標 • 項目合作 • 合作夥伴大會 • 供應商走訪 • 在線服務平台	• 供應鏈責任管理 • 陽光採購 • 綠色採購
Community	• Community charity • Rural revitalization • Voluntary activities	• Public benefit activities • Community services	• Volunteer services • Charity activities
社區	• 社區公益 • 鄉村振興 • 志願活動	• 公益活動 • 社區服務	• 志願者服務 • 公益慈善活動
Environment	• Emission reduction • Energy saving • Environmental and natural resource protection • Environmental compliance • Setting up of environmental targets • Response to climate changes	• Environmental impact assessment • Environmental information disclosure • Public survey of project and environmental impacts • Public benefit activities for environmental protection • Communication with environmental organizations	• Establishment of an environmental management system • Emission management • Efficient use of resources • Minimized environmental impact
環境	• 降低排放 • 節約能源使用 • 環境及天然資源保護 • 環保合規 • 環保目標設立 • 應對氣候變化	• 環境影響評估 • 環境信息披露 • 項目與環境影響公眾調查 • 環保公益活動 • 與環保組織的溝通	• 建立環境管理體系 • 排放物管理 • 資源有效利用 • 最小化環境影響

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

IDENTIFICATION OF MATERIAL ISSUES

重要性議題識別

The Group sorted out the concerns of the mainstream ratings of the capital market on the industry in which the Group operates and constructed the material issue database for ESG reporting based on the actual business operation and development planning, feedback from stakeholders, and opinions of external experts, as well as the industry-leading practices and industry hotspots. During the Reporting Period, there were no material changes in the Group's business operations and operating environment. The results of the 2024 materiality assessment continue to reflect stakeholders' expectations for us, and will thus still be adopted for 2025.

本集團基於業務運營實際及發展規劃，結合各利益相關方回饋及外部專家意見，廣泛參考同業領先實踐與行業熱點，梳理資本市場主流評級對集團所在行業的關注議題構建了ESG報告重要性議題庫。本年度，本集團的業務和營商環境於報告期並無重大變化，2024年重要性評估的結果仍可以反映利益相關方對我們的期望，本年度會繼續沿用。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Material Issue Assessment Process for Xinglu Water's ESG Report

興瀘水務ESG報告重要性議題評估流程

01 Review of ESG material issues

01 審視ESG重要性議題

- Comprehensively sort out the key points of the Group's sustainability work and feedback from stakeholders, benchmark against industry hotspots and leading practices, and identify the scope of issues.
- 全面梳理本集團可持續發展工作要點與各利益相關方的回饋，對標行業熱點與領先實踐，圈定議題範圍；
- Identify the industry's focus in the field of sustainability by referring to the elements of ESG rating in the capital market and aligning with the standards and objectives of sustainability management.
- 參考資本市場ESG評級評估要素，結合可持續發展管理相關標準和目標，識別行業在可持續發展領域的關注重點。

02 Stakeholder communication and survey

02 利益相關方溝通與調研

- Conduct stakeholder interviews to collect feedback and suggestions from stakeholders on our sustainability practices, as well as their views on future sustainability strategies.
- 開展利益相關方訪談，收集各相關方對我們可持續發展實踐的回饋和建議，以及對未來可持續發展策略的看法；
- Develop an online questionnaire for the assessment of ESG material issues and invite stakeholders to rate the materiality of ESG issues.
- 編制ESG重要性議題評估在線調研問卷，邀請各利益相關方對相應ESG議題的重要性進行打分。

03 Assessment of material issues

03 重要性議題評估

- Conduct a material issue assessment in two dimensions, i.e. the materiality to stakeholders and the materiality to business management, based on the results of stakeholder questionnaires and the corporate development, and rank the materiality of ESG issues according to the scores to generate a matrix.
- 依據利益相關方調研問卷的結果，結合企業發展情況，從「對利益相關方的重要性」和「對經營管理的重要性」兩個維度，開展重要性議題評估，將各項ESG議題的重要性按照評分排序，生成矩陣圖。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

List of Material Issues in Xinglu Water's 2025 ESG Report

興瀘水務2025年ESG報告重要性議題列表

Highly material

非常重要

Material

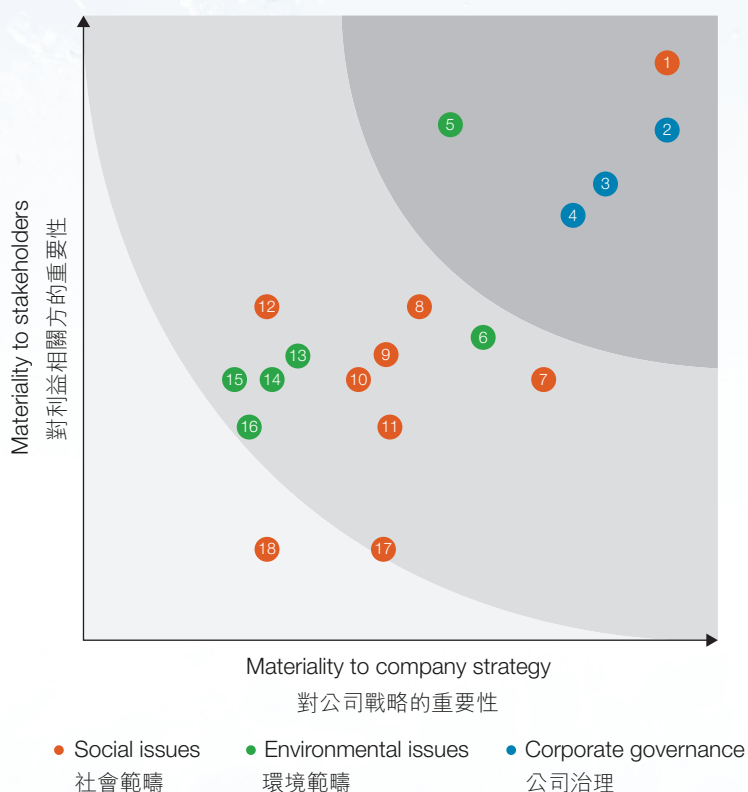
重要

1	Quality of products and service	產品與服務質量	13	Circular economy and resource efficiency	循環經濟與資源效率
2	Corporate governance	公司治理	14	Cleantech opportunities	清潔技術機遇
3	Compliance management	合規管理	15	Emissions and waste management	排放物與廢棄物管理
4	Integrity promotion	廉潔建設	16	Biodiversity conservation	生物多樣性保護
5	Response to climate changes	應對氣候變化	17	Intellectual property protection	知識產權保護
6	Water resources management	水資源管理	18	Community involvement and public education	社區參與和公眾教育
7	R&D innovation	研發創新			
8	Employees safety and occupational health	員工安全及職業健康			
9	Employee development and training	員工發展與培訓			
10	Supply chain management	供應鏈管理			
11	Data security and customer privacy protection	數據安全與客戶隱私保護			
12	Support for sustainable urban development	可持續城市發展支持			

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Matrix of Material Issues of Xinglu Water's 2025 ESG Report
興瀘水務2025年ESG報告實質性議題矩陣圖



Going ahead, we will continue to focus on stakeholders and constantly review and update material issues. We plan to expand the scope of the survey to include a wider range of stakeholders beyond those originally involved in the materiality assessment when conditions are ripe, to better understand the demands of more stakeholders, and thus chart the course for corporate operations and ESG-related work.

未來，我們將對各利益相關者保持持續關注，不斷審視並更新重要議題，並計劃於條件成熟時在原有參與重要性議題評估的利益相關方基礎上擴大調研規模，以更加全面、充分地了解多方要求，為企業經營與ESG工作的開展提供指引和方向。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

COMPLIANT, EFFICIENT AND HONEST OPERATION

合規高效，清廉經營

Anti-Corruption

反腐倡廉

Attaching great importance to integrity and ethical conduct in the workplace, the Group strictly abides by the “Company Law of the People’s Republic of China”, the “Anti-Money Laundering Law of the People’s Republic of China”, and other national laws and regulations related to anti-corruption and anti-bribery. We have developed policies including the “Prevention of Duty-related Crimes Work System”, “Party Conduct and Integrity Responsibility Management Measures”, “Engineering Cost Review and Approval Management Measures”, “Construction Project Management Measures”, “Procurement Management Measures”, “‘Three Important and One Large’ Matters Decision-Making Management Measures”, and “Implementation Measures for Pursuing Responsibility for Non-compliant Operation and Investment”. We strictly prohibit corrupt practices of any form, aiming to foster a culture of integrity and honesty within the Group.

本集團高度重視清正廉潔的工作品質，嚴格遵守《中華人民共和國公司法》《中華人民共和國反洗錢法》等反貪污、反賄賂相關國家法律法規，制定《預防職務犯罪工作制度》《黨風廉潔責任管理辦法》《工程造價編審管理辦法》《建設工程項目管理辦法》《採購管理辦法》《「三重一大」事項決策管理辦法》《違規經營投資責任追究實施辦法》嚴厲禁止任何形式的貪污賄賂行為，希望在集團內部營造風清氣正、廉潔誠信的文化氛圍。

In 2025, to effectively fulfill the responsibility for comprehensive and strict Party governance, establish a supervision mechanism that ensures everyone dares not, cannot, and does not want to be corrupt, and promote the modernization of the Group’s governance system and governance capacity, the Company carried out special inspections with the focus on key areas such as water supply management, materials procurement, and the expenses for official overseas trips, official vehicles, and official receptions. All problems were recorded in ledgers, rectified within a specified time limit, and subject to follow-up reviews, to ensure the full implementation of supervision measures. Furthermore, the Group innovatively carried out targeted discipline inspection to serve the people. Focusing on window services, hotline complaint handling, and the settlement of online inquiries at the Longmatan Branch, the Group set up three supervision teams, which conducted clue verification and on-site supervision to address the pain points of services widely reflected by the public, with three types of typical problems identified and fully rectified. This has continuously improved public satisfaction.

2025年，為切實落實全面從嚴治黨主體責任，構建「不敢腐、不能腐、不想腐」的監督機制，推進集團治理體系和治理能力現代化，公司以權力運行關鍵環節為切入點，開展供水經營、物資採購、「三公」經費使用等重點領域專項督查，所有問題均建立台賬、限期整改並完成「回頭看」，確保監督措施落實到位。此外，本集團創新開展服務群眾「小切口」紀檢監督，聚焦龍馬潭分公司窗口服務、熱線投訴處理、網絡問政辦結率三大重點，組建3個監督小組，針對群眾反映強烈的服務痛點、難點開展線索核查與現場督導，發現3類典型問題並全部完成整改，持續提升群眾滿意度。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Anti-Corruption Management

For anti-corruption management, the Group not only pays attention to the fulfilment of relevant integrity responsibilities, but also focuses on strengthening the ideological education among employees, and adopts various measures to implement anti-corruption management, so as to ensure the efficient and orderly operation of the Group. The Group signs integrity-related responsibility letters with corresponding organizations and individuals, such as signing the annual “Commitment to Integrity” with personnel in positions involving integrity risk, and each Party branch of the Group signs the “Party Construction and Party Conduct and Integrity Construction Objective Responsibility Letter” with the Party committee. We continue to improve the integrity governance system, strengthen risk prevention and control through revising the “Party Conduct and Integrity Responsibility Management Measures”, and sign the “Commitment to Integrity in Employment” annually with middle-level managers, as well as personnel in engineering projects, procurement, finance, and other key positions, to establish clear rules and define responsibilities. Meanwhile, we make full use of the Group’s WeChat official account, website, and other platforms to publicize integrity education moves and results, to enhance cultural penetration and transparency, and systematically improve the effectiveness of integrity governance and the resilience of sustainable development.

Reporting Channel

Xinglu Water has a zero-tolerance policy toward any violation of laws or regulations, and encourages units or individuals to exercise strict supervision by reporting any incidents or clues of acts that violate national laws, regulations, or the Group’s rules or policies. The Group pledges to protect the legitimate rights and interests of all whistleblowers. Multiple reporting channels (hotline, complaint box, email box and dedicated office) have been established to solicit clues related to political and work ethics from all cadres and employees as well as the general public. A reporting hotline (0830-3195058) and a reporting email box (397027037@qq.com) are in place, enabling the public to provide timely and accurate feedback, and thus promoting the healthy operation and steady development of the Group. During the Reporting Period, there were no concluded corruption lawsuits brought against the Group or its employees.

反貪污管理

針對反貪污管理，本集團既關注相關廉潔責任的落實，又注重加強對員工的思想建設，採取多種措施落實反貪污管理，保障本集團高效有序運營。本集團與相應組織和個人簽訂廉潔相關的責任書，如與廉潔風險崗位人員簽訂了年度《廉潔承諾書》，本集團各黨支部與黨委簽訂《黨建及黨風廉潔建設目標責任書》等；我們持續完善廉潔治理體系，通過修訂《黨風廉潔責任管理辦法》強化風險防控，並與中層管理人員、工程項目、採購、財務等關鍵崗位人員每年簽訂《廉潔從業承諾書》，以明確規範、落實責任。同時積極利用公司微信公眾號、網站等平台宣傳廉潔建設舉措與成果，增強文化滲透與透明度，系統化地提升公司廉潔治理效能與可持續發展韌性。

舉報渠道

興瀘水務絕不姑息任何違法違規行為，鼓勵單位或個人嚴格監督，積極舉報和反饋任何違反國家法律法規及本集團規章制度的事件線索，並承諾維護舉報人的合法權益。設立了監督舉報電話、投訴意見箱、郵箱、辦公室等多形式面向全體幹部職工、廣大用戶群眾，廣泛徵集政風、行風等問題線索。設立舉報電話（0830-3195058），舉報郵箱（397027037@qq.com）等，方便群眾及時準確地進行回饋，促進本集團健康運行、穩步發展。報告期內，本集團未有任何對公司或僱員提出並已審結的貪污訴訟案件。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Anti-Corruption Training

Taking the Party discipline study and education as an opportunity, the Group systematically strengthens integrity building and supervision capabilities. We organize tiered and categorized training for disciplinary inspection and supervision cadres to address key supervisory challenges, and actively participate in the professional training organized by the superior discipline inspection commission. We hold monthly study sessions (expanded) at the Party general branch to study the laws, regulations, and typical cases related to integrity. Meanwhile, to expand the coverage and enhance the professionalism of training programs, we invite external lawyers to provide anti-corruption training to members of the Board of Directors. We also collaborate with the government agencies in the regions where we operate to offer anti-corruption tutoring for senior and middle-level managers of the headquarters and key units, to enhance their compliance in duty performance and capabilities in preventing and controlling integrity risks.

During the reporting period, the Group organized a range of anti-corruption training programs, reinforcing the education on integrity through warning cases. The programs include the following:

- We organized four collective integrity talk sessions and warning education sessions for personnel in key positions and newly promoted cadres. The Company's Discipline Inspection Commission provided disciplinary training for 15 individuals, including newly promoted cadres, young cadres, and cadres in key positions.
- During major holidays such as New Year's Day and the Spring Festival, we sent integrity reminder messages to over 50 middle-level cadres and above. Meanwhile, we published more than 20 articles promoting clean conduct on the Company's WeChat official account, which reached all employees and helped foster an atmosphere of integrity and uprightness.
- We distributed 348 integrity risk warning and reminder cards to middle-level managers and personnel in key positions such as engineering management and finance. Furthermore, over 300 letters of Commitment to Integrity in Employment were signed, achieving 100% coverage of all key positions.

反貪污培訓

本集團以黨紀學習教育為契機，系統強化廉潔建設與監督能力。我們聚焦監督重點難點，分層分類開展紀檢監察幹部專項培訓，積極參與上級紀委業務培訓；堅持每月召開黨總支學習(擴大)會，持續學習廉潔法規與典型案例。同時，為拓展培訓覆蓋面與專業性，我們邀請外部律師為董事會成員開展反腐倡廉專題培訓，並協同經營所在地政府機構，對總部中高層及重點單位管理人員進行反貪污專項輔導，整體提升合規履職與廉潔風險防控能力。

報告期內，本集團已開展多項反貪污培訓，強化廉潔從業警示教育：

- 組織關鍵崗位人員、新提拔幹部開展廉潔集體談話會、警示教育會4次，公司紀委對15名新提拔幹部、年輕幹部、關鍵崗位幹部開展紀律培訓。
- 在元旦、春節等重要節假日，向50餘名中層以上幹部發送廉潔短信，通過微信公眾平台推送廉潔提醒文章20餘篇，覆蓋全體員工，營造風清氣正氛圍。
- 向中層管理人員、工程管理、財務等關鍵崗位人員發放廉潔風險警示卡、提醒卡348份，簽訂《廉潔從業承諾書》300餘份，實現關鍵崗位全覆蓋。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case Study: The Group held a collective talk session on integrity commitment and education for personnel in key positions

案例：召開重要崗位人員廉潔承諾、廉潔建設集體談話會

In January 2025, the Group held a collective talk session focused on integrity commitment and education for personnel in key positions. During the session, representatives from middle management, engineering management, and marketing management respectively announced their integrity commitments. Zhang Qi, then Party Committee Secretary and Chairman of the Company, signed the “2025 Party Construction and Party Conduct and Integrity Construction Objective Responsibility Letter” with secretaries of grassroots Party organizations. On behalf of the Party committee, he also held a talk on integrity with all attendees.

2025年1月，本集團公司召開重要崗位人員廉潔承諾、廉潔建設集體談話會。本次會議中層管理人員、工程管理人員和營銷管理人員代表分別進行了廉潔承諾，公司時任黨委書記、董事長張歧與基層黨組織書記簽訂了《2025年黨建及黨風廉潔建設目標責任書》，並代表黨委對與會人員進行了一次廉潔建設集體談話。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Compliance Operation

The Group has established the Compliance Committee led by the Chairman, and clarified the main responsibilities of each member, to ensure solid implementation of compliance work. The Group has also incorporated compliance management into the annual work plan and advanced it as a major task of the Company.

In 2025, the Group organized a total of 195 compliance training sessions of various types, recording 3,927 participations and a 100% training completion rate. Specifically, focusing on management and comprehensive capabilities, the Group organized themed training sessions including benchmarking learning for middle and senior managers, and sessions on generative AI technology, a forward-looking perspective on the 15th Five-Year Plan and high-quality development of state-owned enterprises, public opinion management and crisis response, as well as the impact of macroeconomic trends on corporate decision-making. These sessions recorded 318 participations in total, including 27 by senior management and 71 by middle management. Various functional departments of the Group organized 70 training sessions covering business expertise, professional competence, process control and other aspects, with 1,528 participations. Subsidiaries under the Group held 106 training sessions based on their actual conditions, covering professional knowledge, operational skills, management and execution capabilities, with 2,081 participations by personnel from various positions.

The Group attaches great importance to business ethics management, and has formulated the “Implementation Measures for Pursuing Responsibility for Non-compliant Operation and Investment” and the “Compliance Management Measures”, defining the framework for accountability and compliance management. Meanwhile, the Group has established a leadership group for accountability and the Compliance Committee, to supervise the performance of duties by employees at all levels and ensure they comply with relevant laws, regulations, disciplines, and professional codes of conduct, and taken severe measures against acts in violation of professional ethics.

合規經營

本集團成立了以董事長為組長的合規委員會，明確小組各成員主要職責，確保合規工作扎實開展，並將合規管理工作納入年度工作計劃作為公司重要工作有序推進。

2025年，全集團累計組織各類合規培訓195場次，覆蓋員工3,927人次，培訓完成率100%。其中，本集團圍繞管理與綜合能力提升，組織參加了中高層管理人員對標學習、生成式AI技術、十五五戰略規劃前瞻與企業高質量發展、輿情管理與危機應對以及宏觀形勢對企業經營決策的影響等主題培訓活動，總參培318人次，其中集團高層參培27人次、中層參培71人次；集團各職能部門從業務知識、業務能力、流程管控等維度組織開展培訓70場次，覆蓋1,528人次；集團各旗下企業根據自身實際，從專業知識、操作技能、管理提升、執行力等維度組織開展培訓106場次，各崗位參培2,081人次。

本集團高度重視商業道德建設，已制定並實施《違規經營投資責任追究實施辦法》及《合規管理辦法》，明確責任追究與合規管理框架。同時，集團成立了專項的責任追究工作領導小組及合規委員會，監督各級員工履職行為，確保其符合法律法規、紀律規範與職業操守要求，並對違反職業道德的行為予以嚴肅處置。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Corporate Governance

The Group has established a sound governance structure. In accordance with the relevant provisions of the Group, the Board of Directors shall convene at least four meetings a year. Directors shall serve a term of three years and may be re-elected upon expiration of their term. The Board shall include at least three independent non-executive directors. We have developed the “Board Diversity Policy”, according to which directors are selected based on gender, ethnicity, language, cultural background, educational background, industry experience and professional expertise, to ensure a balanced mix of skills, experience and perspectives on the Board. As of the date of this report, the Board consisted of 2 executive directors, 3 non-executive directors and 3 independent non-executive directors, including 3 female directors.

Risk Management

The Group has established a risk management structure comprising the Board of Directors, the Audit Committee, management, the internal audit department and employees. The Board bears overall responsibility for and maintains the effectiveness of relevant systems, and oversees various types of risks including ESG risks through the Audit Committee. We have also put in place internal and third-party monitoring procedures to conduct annual reviews of operations, finance, production and other aspects and identify, assess and manage material risks. The risk management and internal control systems are reviewed at least once a year.

企業治理

本集團已建立起完善的管治架構，根據集團相關規定，董事會每年至少召開四次會議，董事任期三年，任期屆滿後可連選連任且成員應當至少包括三名獨立非執行董事。我們已制定《董事會成員多元化政策》，從性別、種族、語言、文化背景、教育背景、行業經驗和專業經驗等維度甄選董事，確保本集團董事會在技能、經驗及視角的多元化方面達到平衡。截至本報告日期，董事會共有2位執行董事，3位非執行董事，3位獨立非執行董事，其中有女性董事3位。

風險管理

本集團搭建起由董事會、審計委員會、管理層、內部審計部門及員工組成的風險管理架構，董事會全面負責和維持相關制度的有效性，並通過審計委員會監管包括ESG風險在內的各類風險。我們還引入內部及第三方監察程序，每年對運營、財務、生產等環節進行檢討，識別、評估和管理重大風險，每年對風險管理和內部監控系統至少檢討一次。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Intellectual Property Protection

Technological innovation is a crucial support for improving product and service quality. The Group strongly supports technological innovation while placing great importance on intellectual property protection. The Group strictly adheres to laws and regulations such as the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China”, and the “Copyright Law of the People’s Republic of China”. We have also released the “Intellectual Property Management Measures” to protect the intellectual property held by the Group, standardize intellectual property management, encourage employees’ creativity and invention, and promote the application of scientific and technological achievements.

The Group has established a leadership structure for intellectual property and implemented a system of rewards and punishments, clarifying the responsibilities of all parties involved, and imposing requirements on information transmission and document filing during intellectual property custody and development processes. The Group also requires new hires to sign the “Commitment to Comply with the ‘Intellectual Property Management Measures’”. These measures aim to comprehensively strengthen intellectual property protection, effectively guard against risks, unleash innovation vitality, and thus lay a solid foundation for the Company’s sustainable development. During the Reporting Period, two training sessions on intellectual property protection were organized, with a total of 70 participants.

Information and Data Security

The Group attaches great importance to protecting customer privacy, and has established a systematic privacy protection system comprising rules and policies, contractual arrangements and ongoing training. In the “Business Charge System Management Measures”, we clearly provide that employees shall not disclose users’ personal information contained in the system, including but not limited to names, telephone numbers and ID card numbers without authorization. All employees with system access rights are required to sign confidentiality agreements and participate in special privacy protection training on an annual basis. When requesting inquiries regarding water usage information, users are required to present their water cards or identity documents. Only after strict verification of such documents can the inquiries be processed. This ensures that the personal information and privacy of every customer are fully respected and protected.

保護知識產權

技術創新是產品和服務質量提升的重要支撐，本集團支持技術創新，並高度重視產權保護工作。本集團嚴格遵守《中華人民共和國專利法》《中華人民共和國商標法》及《中華人民共和國著作權法》等法律法規，並出臺《知識產權管理辦法》，以保護本集團持有的知識產權，規範知識產權管理工作，鼓勵員工發明創造的積極性，促進科技成果的推廣應用。

本集團設立知識產權領導機構並配套建立專項獎懲機制，明確各方管理職責，規範知識產權的保管、研發過程中的信息流轉及資料歸檔要求，並規定新入職員工須簽訂《遵守〈知識產權管理辦法〉承諾書》，從而全面強化知識產權保護力度，有效防範風險，激發創新活力，為公司長期可持續發展提供堅實保障。報告期內，開展知識產權保護相關培訓共計2次，培訓人數共70人。

信息與數據安全

本集團高度重視客戶隱私保護，通過制度規範、協議約束與持續培訓構建系統化的隱私保護體系。我們在《營業收費系統管理辦法》中明確規定，員工不得隨意對外泄露系統中的用戶姓名、電話、身份證號等信息；所有具備系統訪問權限的員工均須簽訂保密協議，並每年接受隱私保護專項培訓。如遇用戶查詢用水信息等需求，我們均要求其出示水卡或身份證明文件，經嚴格核驗後方提供查詢，以確保每一位客戶個人信息的安全與隱私權益得到充分尊重和保護。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Special Training on Response to Cybersecurity Emergencies

案例：開展網絡安全突發事件應急處置專題培訓

In September 2025, the Group organized a special training session on the response to cybersecurity emergencies. The lecture was delivered by a distinguished expert from the Expert Committee of Sichuan Provincial Internet Information Talent Development Promotion Association who also serves as Deputy Secretary-General of Luzhou Internet Industry Federation, and recorded more than 40 participants, including heads or relevant responsible persons from various functional departments, the Investment and Development Center and affiliated enterprises of the Group. Through case reviews, case comparisons, and experience summarization, the training offered in-depth analysis of the on-site management and response procedures for emergencies, further broadening the vision of cadres and employees and effectively improving their professional capabilities.

2025年9月，集團公司組織開展網絡安全突發事件應急處置專題培訓。本次培訓特別邀請四川省網信人才促進會專家委員會特聘專家、瀘州市互聯網行業聯合會副秘書長授課，公司各職能部門、投資發展中心及旗下企業負責人、相關負責員工40餘人參加。本次培訓通過典型案例複盤、案例對比、經驗總結等方式，從當前突發事件現場管理、應對處置等方面進行了深入剖析，進一步拓寬了幹部職工工作視野，有效提升工作能力。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

INNOVATION FIRST, QUALITY SERVICES

創新為先，品質服務

The Group adheres to the core values of “innovation and excellence, human-water harmony”, and makes ongoing efforts to improve product and service quality through complete quality and service systems. We strictly implement various management systems, and actively undertake our social responsibilities, to provide citizens with high-quality, safe and reliable tap water. Through these tangible actions, we honor our commitment to sustainable development and serve the society and people’s wellbeing.

本集團始終秉持「創新卓越、人水和諧」的核心價值觀，致力於通過完善的質量與服務體系持續提升產品與服務品質。我們嚴格執行各項管理制度，積極履行社會責任，努力為市民提供優質、安全、可靠的自來水，以實際行動踐行可持續發展承諾，服務社會民生。

Efficient Customer Services

高效客服

The Group has always adhered to the service philosophy of “refreshing customer experience with sincerity and interpreting human-water harmony with action”, valuing customer feedback and making it a major basis for the continuous improvements of service quality. The Group has set up a hotline service center to provide consultation, services, and complaints handling on a 24-hour basis. Customer questions and requests for assistance will first be addressed by hotline operators, and complex ones will be promptly transferred to relevant professional personnel. Moreover, a telephone follow-up mechanism has been established to ensure that customer concerns are effectively followed up and addressed, thus continuously improving service response efficiency and customer satisfaction.

本集團始終秉持「真情刷新客戶體驗、行動詮釋人水和諧」的服務理念，高度重視客戶反饋，並將其作為持續改進服務質量的重要基礎。為此，集團設立24小時熱線服務中心，全天候提供諮詢、服務與投訴受理。對於客戶提出的問題或求助，首先由熱線話務員直接解答；如遇複雜情況，則及時轉交相關專業工作人員處理，並建立電話回訪機制，確保客戶關切得到有效跟進與落實，不斷提升服務響應效率與客戶滿意度。

To enhance business operations and customer services, the Group has formulated a series of regulatory policies, including the “Service Hotline Management Measures”, “Key Customers Management Measures”, and “One-Stop Service Management Measures”, and established a continuous revision mechanism to ensure that the policies are optimized in step with business development. We require all business units to strictly implement relevant regulations, uphold the customer-centric approach, continuously improve service processes and strengthen customer communication, so as to drive the steady improvement of overall service quality.

為提升業務運營能力與客戶服務水平，本集團制定了包括《服務熱線管理辦法》《大客戶管理辦法》《一站式服務管理辦法》在內的一系列規範性制度，並建立持續修訂機制，確保制度與業務發展同步優化。我們要求各經營單位嚴格執行相關規範，始終堅持以客戶為中心，持續完善服務流程、強化客戶溝通，從而推動整體服務品質的不斷提升。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

In 2025, the Group optimized a number of communication and complaint channels for customers. Measures included revising the “One-Stop Service Manual”, launching a WeChat Mini Program version of the online service hall, introducing new services such as repair requests handling, invoicing, new installation and self-service meter reading to the online service hall, upgrading the customer service hotline system with the intelligent voice feature, and integrating the hotline APP with the office APP. These efforts have comprehensively improved the accuracy and convenience of customer services.

2025年，本集團優化了多個面向客戶的溝通及投訴渠道，包括修訂《一站式服務工作手冊》，推出微信小程序版網上營業廳，網上營業廳新增報修、開票、新裝、自助抄表等業務，客服熱線系統上線智能語音功能，將熱線處理APP與辦公APP進行整合等措施，全面提升客戶服務的準確性與便捷性。

During the reporting period, we received 157 valid user complaints and reports, and the processing completion rate was 100%. No dissatisfaction was reported to the 12345 government affairs hotline.

報告期內，我們收到157條用戶投訴和舉報，處理完結率為100%。無12345政務熱線不滿意事件。

Case study: Xinglu Water Group powered Sichuan Super League with safe drinking water

案例：興瀘水務集團助力「川超」賽場飲水無憂

Some matches of Sichuan Provincial City Football League (Sichuan Super League) were held at the Luzhou Division's Olympic Sports Center, where Xinglu Water deployed 12 intelligent water dispensers and 30,000 cups and arranged for volunteers to provide safe and convenient drinking water services for tens of thousands of spectators at the venue.

四川省城市足球聯賽(川超)部分賽事在瀘州賽區賽事奧體中心舉辦，興瀘水務投放12台智能直飲水機和3萬隻水杯，派志願者為現場觀眾送上安全便捷的飲用水服務。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Tap Water Supply

The Group strictly abides by the “Urban Water Supply Quality Management Regulations” and the “Drinking Water Sanitation Supervision and Management Measures”, and other laws and regulations. In addition, we have established a comprehensive internal institutional framework, including the “Water Quality Management Measures”, to systematically ensure the quality of water supply. As an ISO 9001 certified organization, we continue to strengthen water quality control, set stringent internal control indicators, and leverage the construction of intelligent water services. We achieve real-time data collection and monitoring throughout the whole process of production via an “Internet + production management” platform. Additionally, we implement stricter quality testing standards for finished water to ensure superior quality and safety of tap water, providing reliable support for urban development and people’s livelihood needs.

During the Reporting Period, the total amount of water supplied by the Group was 200.31 million tons, and the inspections at all levels were performed well, with a 100% inspection pass rate.

自來水供應

本集團嚴格遵循《城市供水水質管理規定》《生活飲用水衛生監督管理辦法》等法規要求，通過建立《水質管理辦法》等內部制度體系，系統保障供水品質。作為ISO 9001質量管理體系認證單位，我們持續強化水質管控，設立嚴格的內控指標，並依托智慧水務建設，運用「互聯網+生產管理」平台實現生產全過程參數實時採集與監控。同時，我們對出廠水實施更嚴格的質量檢測標準，確保自來水優質安全，為城市發展與民生需求提供可靠保障。

報告期內，本集團供水總量20,031萬噸，各級檢測執行情況良好，檢測合格率為100%。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Clean Water Production

To ensure the safety and stability of water supply quality, the Group has established a systematic risk prevention and control system, continuously strengthened water quality monitoring throughout the whole process, regularly conducted investigations of potential safety hazards, and focused on avoiding risks from the source. Meanwhile, the Group has formulated and implemented the “Contingency Plans for Emergencies in Water Production and Operation”, effectively enhancing its capabilities for prevention and early warning, emergency response, and handling of environmental emergencies, ensuring continuous and stable production operations and guaranteeing safe and reliable water supply.

During the process of water production, the Group monitors 97 indicators, such as turbidity, residual chlorine, and microorganisms, according to the “Standards for Drinking Water Quality” (GB 5749). To ensure the continuous provision of clean and safe drinking water, we have established a systematic quality assurance mechanism: formulating internal quality management manuals and rigorously implementing such manuals at every stage of production. Meanwhile, by planning water supply schedules, improving emergency plan management, implementing water meter audit systems, and adopting high-efficiency pump units, we continuously enhance the stability and reliability of the water supply system.

Sewage Management

Holding the business philosophy of “Treat water pollution for the benefit of the water environment”, the Group comprehensively advances regional pollution control and actively builds a diversified industrial system to construct a platform for enterprise development. Through refined management and specialized operation, we have formed a regional market advantage and continued to increase the space for the water environment treatment industry. We are committed to improving the ecological environment of regional municipalities and making positive contributions to the sustainable development of cities.

潔淨制水

為保證供水水質安全穩定，本集團建立了系統性的風險防控體系，持續強化全過程水質監控，定期開展安全隱患排查，著力從源頭規避風險。同時，集團制定並實施《供水生產運行突發事故應急預案》，切實提升對環境突發事件的預防預警、應急響應與處置能力，確保生產運行持續平穩，保障供水安全可靠。

在制水生產過程中，本集團嚴格執行國家《生活飲用水衛生標準》(GB 5749)，對濁度、餘氯、微生物等97項指標實施全面監測。為確保持續提供潔淨安全的飲用水，我們建立了系統化的質量保障機制：制定內部質量管理手冊，並在生產各環節嚴格落實其規範要求。同時，通過科學規劃供水調度、完善應急預案管理、落實水錶稽核制度、採用高效水泵機組等措施，持續提升供水系統的穩定性和保障能力。

污水處理

本集團秉持「治理水污染益於水環境」的經營理念，全面推進全域治污，積極構建多元化產業體系，為企業發展搭建平台。通過精細化管理與專業化運營，我們已形成區域市場競爭優勢，不斷拓展水環境治理產業的發展空間，致力於改善區域生態環境，為城市可持續發展貢獻積極力量。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

The Group strictly adheres to the requirements of national regulatory documents such as the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (GB 18918-2002) and the “Examination Methods for Municipal Sewage”(CJ/T 51). We implement operational management in accordance with our internally established “Compilation of Production Management Systems” to continuously improve the efficiency and stability of wastewater treatment through advanced treatment processes and technologies.

During the Reporting Period, the total amount of sewage treated by the Group reached 174.5 million tons, representing a decrease of 0.4% over the previous year (total amount of sewage treated in 2024: 175.2 million tons).

High-efficiency Processing Technologies

The Group attaches great importance to the R&D and application of sewage treatment technology and formulates the “Management Measures for New Technology Test and Promotion” to systematically regulate the test, promotion and follow-up management of new technologies and actively drive the exploration and practice of advanced technologies in the industry. In terms of digital management, both tap water supply and sewage treatment business segments of the Group have established and continuously optimized the “Internet + production management” system, effectively promoting the standardized and process-based production management and improving operational efficiency and management. We continuously drive intelligent upgrades, comprehensively introduce intelligent inspection systems to reconstruct the operation and maintenance system with AI technology. With our three core capabilities, including real-time perception, intelligent prediction, and precise control, we have now achieved full coverage of the Group’s tap water supply and sewage treatment businesses, facilitating the transformation of the operation and maintenance model from experience-based judgment to precise control and management.

本集團嚴格遵守國家《城鎮污水處理廠污染物排放標準》(GB 18918-2002)《城市污水水質檢驗方法標準》(CJ/T 51)等規範性文件要求，並依據內部編制的《生產類管理制度匯編》實施運營管理，採用先進處理工藝與技術，持續提升污水處理效率與穩定性。

報告期內，本集團污水處理總量達174.5百萬噸，較上一年度減少0.4%（2024年污水處理總量：175.2百萬噸）。

高效處理技術

本集團高度重視污水處理技術的研發與應用，制定了《新技術試驗推廣管理辦法》，以系統規範新技術的試驗、推廣及後續管理工作，並積極推動行業先進技術的探索與實踐。在數字化管理方面，集團自來水供應業務板塊和污水處理業務板塊均已建成並持續優化「互聯網+生產管理」系統，有效推動了生產管理過程的標準化與流程化，提升了運營效率與管理水平。我們持續推動智能化升級，全面引入智能巡檢系統以人工智能技術重構運維體系，憑藉實時感知、智能預判、精準調控三大核心能力，目前已完成對本集團自來水與污水處理業務的全面覆蓋，推動運維模式從經驗判斷向精準管控轉型。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Naxi Wastewater Treatment Plant introduced the “intelligent phosphorus removal chemical dosing system”

案例：納溪污水處理廠「除磷劑智能藥劑投加系統」

Naxi Wastewater Treatment Plant under the Group introduced the “intelligent phosphorus removal chemical dosing system”. With AI algorithms as its core, the system captures water quality and equipment operation data 24 hours a day through a sensor network. This enables the system to accurately predict phosphorus load fluctuations and automatically adjust chemical dosing volumes, thereby addressing the pain points of the traditional model where “over-dosing causes waste, under-dosing leads to non-compliance” and ensuring that the total phosphorus levels in the effluent water consistently meet regulatory standards. The system also features intelligent early warning capabilities. The abnormal conditions can be pushed to mobile terminals in real time. Relying on its self-evolution capability, the system continuously improves dosing precision, achieving refined operations, stabilized water quality, and optimized costs and providing a replicable model for the intelligent upgrading of its existing facilities.

本集團旗下納溪污水處理廠引入「除磷劑智能藥劑投加系統」，以AI算法為核心，通過傳感器網絡24小時捕捉水質、設備運行數據，精準預判磷負荷波動並自動調控藥劑投加量，破解傳統模式「投多浪費、投少超標」的痛點，保障出水總磷穩定達標。系統兼具智能預警功能，異常情況可實時推送至移動端，且依托自進化能力持續提升投加精度，實現運維精準化、水質穩固化、成本最優化，為公司存量設施智能化升級提供可複製樣本。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Water Quality Assurance

The Group has always been committed to standardizing the management of sewage treatment process and has adopted various measures to ensure that water quality consistently and stably meets the standard. To safeguard the safety and stability of production and operation, we have established a rigorous water quality monitoring system, to conduct continuous monitoring of key indicators including chemical oxygen demand, biochemical oxygen demand, suspended solids, ammonia nitrogen, TP, TN, pH, anions, animal and vegetable oils, and fecal coliform. We also regularly conduct investigations of potential safety hazards for production and operation, focusing on preventing accident risks from the source.

保障水質達標

本集團始終致力於污水處理過程的規範化管理，通過多重措施確保水質持續穩定達標。為保障生產運營的安全與穩定，我們建立了嚴密的水質監控體系，對化學需氧量、生化需氧量、懸浮物、氨氮、總磷、總氮、pH值、陰離子、動植物油及糞大腸菌群等關鍵指標進行持續監測，並定期開展生產運行安全隱患排查，著力從源頭預防事故風險。

Case study: Xinglu Wastewater Treatment compiled and issued the “Standardized Production and Operation Manual” for municipal wastewater treatment plants

案例：興瀘污水處理編制發佈城鎮廠《標準化生產運營手冊》

In 2025, Xinglu Wastewater Treatment under the Group compiled and issued the “Standardized Production and Operation Manual” for municipal wastewater treatment plants, to regulate the operational procedures at every stage and build a refined management and control system covering the whole process. Simultaneously, a management plan was formulated for chemical dosing, sludge dewatering, and liquor-making wastewater, enabling precise control of chemical consumption costs and promoting the transformation of operation and maintenance management toward standardization and normalization.

2025年，本集團旗下興瀘污水處理編制發佈城鎮廠《標準化生產運營手冊》，規範各環節操作流程，構建全流程精細化管控體系；同步制定藥劑投加、污泥脫水、酒類廢水三項管控方案，精準管控藥耗成本，推動運維管理向標準化、規範化轉型。



Chapter IX

Environmental, Social and Governance Report (Continued)

第九章

環境、社會及管治報告(續)

During the Reporting Period, the quality of the outlet water from the Group’s sewage treatment reached Standard A of the first-class standard of the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant”(GB 18918-2002), and the Group did not experience any lawsuits arising from violations of laws and regulations related to products and services.

報告期內，本集團污水處理出水水質達到《城鎮污水處理廠污染物排放標準》(GB18918-2002) 一級標準的A標準，且本集團未發生因違反產品和服務相關法律法規而導致的訴訟。

Category	Indicator	Unit	2023	2024	2025
指標類別	指標	單位	2023年	2024年	2025年
Product liability	Total number of incidents of non-compliance with laws and regulations on health, safety, and labeling of products and services provided	Occurrences	0	0	0
	所提供的產品和服務在健康與安全、標籤方面發生違法違規事件的總數	件			
	Number of complaints received about products and services	Occurrences	107	146	157
	接獲關於產品及服務的投訴數目	件			
產品責任	Complaint handling rate	%	100	100	100
	投訴處理率	%			

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

R&D Innovation

The group adheres to the strategy of innovation-driven development, continuously promotes the R&D and exploration of new technologies and projects, and actively conducts diversified cooperation with universities, industries, and other partners. In 2025, the Group further regulated scientific research management processes, accelerated the transformation of technological achievements, and systematically enhanced overall scientific and technological level and core competitiveness in accordance with the “Innovation Management Measures” and the “Management Measures for Internal Control of R&D Projects”. During the Reporting Period, we convened the 2025 Innovation Project Initiation Review Meeting and ultimately approved a total of 15 innovation projects, including 7 technology-oriented and 8 management-oriented projects, covering production automation, AI applications, leakage rate monitoring, system management, and platform system iteration. We accumulatively obtained a total of 36 utility model patents, such as surface algae removal devices and bottom sediment-water separation equipment for tap water plants.

研發創新

本集團堅持以創新驅動發展，持續推進新技術、新項目的研發與探索，積極與高校、行業夥伴等開展多元合作。2025年度，依據《創新管理辦法》與《研發項目內控管理辦法》，集團進一步規範科研管理流程，加速技術成果轉化，系統提升整體科技水平與核心競爭力。報告期內，我們召開2025年創新項目立項評審會，最終立項通過創新項目15項，其中技術類7項、管理類8項，涉及生產自動化、AI人工智能運用、漏失率監控、體系管理、平台系統迭代等；累計取得了36項實用新型專利，例如水面除藻裝置、自來水廠底泥沙水分離裝置等。

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
R&D 研發	Number of R&D personnel 研發人員人數	Persons 人	47	47	35

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

POLLUTION AND WASTE REDUCTION, ENVIRONMENTALLY FRIENDLY

The Group always adheres to the strategy of green development. With the goal of building an environmentally friendly enterprise, the Group has continuously strengthened ecological and environmental protection efforts, improved sustainable development capabilities, and actively assumed the corporate responsibility for green development.

Pollutant Discharge

The Group keeps optimizing discharge management by strictly abiding by the “Environmental Protection Law of the People’s Republic of China”, the “Air Pollution Prevention and Control Law of the People’s Republic of China”, the “Water Pollution Prevention and Control Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Waste”, the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (GB 18918-2002), the “Standard for Operation and Maintenance Quality Assessment of Municipal Wastewater Treatment Plant” (CJJ/T 228-2014), and other laws and regulations and discharge standards. Meanwhile, the Group has formulated a series of internal environmental management systems, including the “Environmental Protection Management Regulations” and the “Information Reporting System for Sudden Environmental Safety Incidents”. Based on the ISO 14001 environmental management standard system, the Group has also formulated the “Management Measures for Identification of Environmental Factors and Dangerous Sources, Risk Evaluation, and Risk Control”. Moreover, the Group has successfully passed the ISO 14001 re-certification.

降污減廢，環境友好

本集團始終堅持綠色發展戰略，以建設環境友好型企業為目標，持續加強生態環境保護力度，提升可持續發展能力，積極履行綠色發展企業責任。

污染物排放

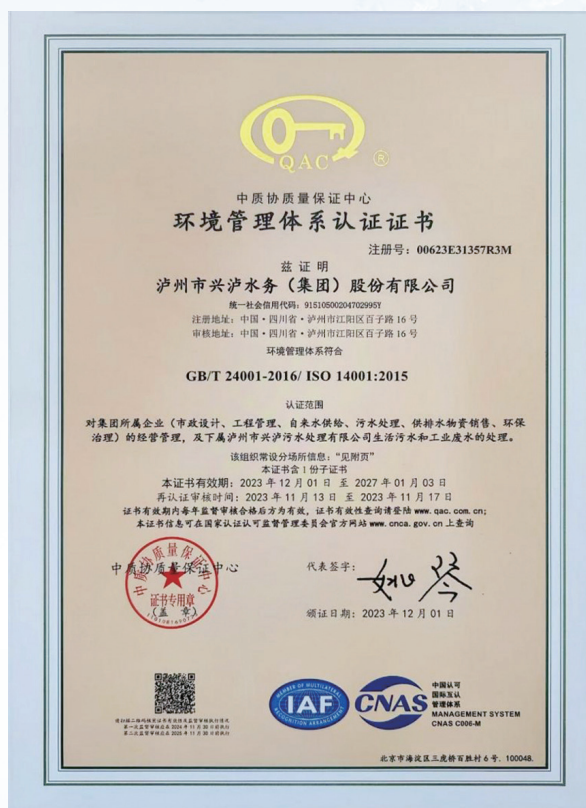
本集團嚴格遵守《中華人民共和國環境保護法》《中華人民共和國大氣污染防治法》《中華人民共和國水污染防治法》《中華人民共和國固體廢物污染環境防治法》《城鎮污水處理廠污染物排放標準》(GB18918-2002)、《城鎮污水處理廠運營質量評價標準》(CJJ/T228-2014)等法律法規、排放標準，優化排放物管理工作。同時，本集團制定了《環境保護管理制度》《突發環境安全事件信息報告制度》等一系列內部環境管理制度，並依據ISO 14001環境管理標準體系，制定了《環境因素和危險源辨識及風險評價和風險控制管理辦法》，現已通過ISO14001再認證。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

During the Reporting Period, the Group did not incur any material irregularities or litigations arising from environmental issues.

報告期內，本集團未發生因環境問題而導致的重大違規事項或訴訟。



Holding the business philosophy of "Treat water pollution for the benefit of the water environment" and guided by the mission of "Serving every drop of standardized water", Xinglu Wastewater Treatment comprehensively advances regional pollution control, makes great efforts to build a diversified industrial system, and constructs a platform for enterprise development. Through refined management and specialized operation, it forms a regional market advantage and continues to expand the business space for water environment governance business, making contributions to the improvement of the ecological environment of regions and the sustainable development of cities.

污水公司秉持「治理水污染益於水環境」的經營理念，以「為每一滴達標水服務」為使命，全面推進全域治污工作。公司著力構建多元化產業體系，搭建企業發展平台，通過精細化管理與專業化運營，形成區域市場競爭優勢，不斷拓展水環境治理業務空間，為改善區域生態環境、促進城市可持續發展貢獻力量。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Waste Management and Reduction

The Group strictly abides by the “Management Measures for Hazardous Waste Transfer Forms”, the “Sichuan Province Hazardous Waste Pollution Prevention Measures”, the “Identification standards for hazardous waste – General rules” (GB 5085.7-2019), the “Standard for pollution control on hazardous waste storage” (GB 18597-2023), the “Technical specifications on identification for hazardous waste” (HJ/T 298-2019) and other relevant laws and regulations. By formulating the “Hazardous Waste Management System”, the “Special Emergency Plan for Hazardous Chemical Leakage”, the “Hazardous Waste Management Measures of Xinglu Wastewater Treatment Co., Ltd.” and other internal systems, the Group established a sound waste management mechanism and achieve compliant and orderly treatment.

The Group has established a sound waste management system and implemented full-process standardized management of waste, including regular declaration, classified collection, centralized storage, and standardized records, consistent accounts, and compliant waste treatment. In specific implementation, we have established a waste registration system to comprehensively investigate and register information on waste types, quantities, concentrations, discharge methods, and whereabouts, and form pollution source files for regular declaration. We also implement quantitative management of waste discharge, formulate waste discharge quota indicators, and incorporate them into production plans and process technology management workflows to achieve source control and continuous discharge reduction.

廢棄物管理及減排

本集團嚴格遵守《危險廢物轉移聯單管理辦法》《四川省危險廢物污染防治辦法》《危險廢物鑒別標準通則》(GB 5085.7-2019)、《危險廢物貯存污染控制標準》(GB18597-2023)、《危險廢物鑒別技術規範》(HJ/T 298-2019)等相關法律法規，制定《危險廢物管理制度》《危化品泄漏專項應急預案》《興瀘污水處理有限公司危險廢物管理辦法》等制度，建立完善的廢棄物管理機制，實現合規有序處理。

本集團已建立健全廢棄物管理體系，對廢棄物實施全流程規範管理，包括定期申報、分類收集、集中貯存、規範記錄，確保賬實相符與合規處置。具體執行中，我們建立了排放廢棄物申報登記制度，全面調查並登記廢棄物的種類、數量、濃度、排放方式及去向等信息，形成污染源檔案並定期申報；同時推行廢棄物排放定量管理，制定排放定額指標，並將其納入生產計劃與工藝技術管理流程，以實現源頭控制與持續減排。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

• Tap water supply business

The hazardous waste generated by the Group's tap water supply business mainly includes organic solvents, inorganic cyanides, strong acid and strong alkali reagents used in water quality testing processes, as well as residues related to total phosphorus and total nitrogen, heavy metals, chromium-containing substances, and volatile phenols. For the management of such hazardous waste, we have formulated and implemented the following specialized treatment measures:

- Set seepage-proof and leak-proof hazardous waste storage rooms and build cofferdams at storage points; classify and store hazardous waste in specified containers, mark the category, hazardous nature and weight, and dispose of reagent bottles containing hazardous waste uniformly according to the hazardous waste disposal method;
- The Hazardous Waste Management System and Special Emergency Plan for Hazardous Chemical Leakage are carried out by individuals through learning, publicity, and promotion;
- Establish a "Hazardous Waste Record Form" for inspectors to fill in the amount of waste produced. Luzhou Xinglu Water Quality Testing Co., Ltd. makes statistics every quarter, and makes statistics again at the end of the year based on the actual production volume. The hazardous waste is handed over to a qualified third-party vendor for centralized processing.

The non-hazardous waste from the tap water supply business of the Group mainly includes dried sludge cake, containers containing non-toxic reagents, and domestic garbage generated during the production process. To systematically manage such non-hazardous waste, we have implemented following measures to deal with it:

- Concentrate the high-turbidity wastewater discharged from the sedimentation tank and filter, dehydrate and dry the sludge through a vacuum filter or centrifuge, and transport it to brick factories for compliant disposal;

• 自來水供應業務

本集團在自來水供應業務中產生的有害廢棄物，主要包括水質檢測過程中所使用的有機溶劑、無機氰化物、強酸、強鹼試劑，以及總磷總氮、重金屬、含鉻類物質、揮發酚等相關殘留物。針對此類有害廢棄物的管理，我們已制定並實施以下專項處理措施：

- 設置防滲防漏的危險廢物貯存間，並在相應存放點砌築圍堰，用規定容器對危險廢物分類貯存，並標明類別、危險性質和重量，盛裝危險廢物的試劑瓶等均按危險廢物處置方法統一處理；
- 《危險廢物管理制度》和《危化品泄漏專項應急預案》，通過學習宣貫等實行責任落實到個人；
- 建立《危險廢物記錄表》，檢測人員如實填寫廢物產生量，並由瀘州興瀘水質檢測公司每季度進行統計，年終再根據實際產生量作二次統計，危險廢物統一交由有資質的第三方機構集中處理。

在自來水供應業務中，本集團產生的無害廢棄物主要包括生產過程中形成的乾化污泥泥餅、無毒試劑包裝容器以及日常生活垃圾。為系統化管理此類無害廢棄物，我們已採取以下處理措施：

- 將沉澱池與濾池排放的高濁度廢水濃縮脫水後的污泥進行濃縮，通過真空過濾機或離心機進行脫水幹化，運至磚廠合規處置；

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

- Wash the containers containing the reagents and transport them to the waste treatment plant as domestic waste.

• Sewage treatment business

The hazardous waste generated by the Group's sewage treatment business mainly includes testing residues generated in the processes of water quality analysis and laboratory testing, such as COD, ammonia nitrogen, total phosphorus, total nitrogen, BOD, coliform bacteria, petroleum substances, and anionic surfactants, as well as discarded packaging materials, waste chemicals, and waste engine oil. For such waste, the Group strictly implements classified collection and centralized storage management, and uniformly entrusts the third-party professional institutions with the corresponding disposal qualifications for compliant transfer and disposal, to ensure standardized records, consistent accounts, and compliance with environmental protection regulatory requirements throughout the whole process.

We adopt the following measures for the management of non-hazardous waste:

- After the sludge is concentrated and dehydrated, it is transported to a qualified unit for blending combustion and incineration, achieving the harmless disposal of the sludge.
- Drying and centralized treatment of sludge reduces the water content of sludge, thus reducing the sludge quality and volume and achieving sludge reduction.

- 對盛裝試劑的容器，洗淨後作為生活垃圾一同運送至垃圾處理廠進行處置。

• 污水處理業務

本集團污水處理業務產生的有害廢棄物主要包括水質檢測與化驗過程中產生的COD、氨氮、總磷、總氮、BOD、大腸菌群、石油類、陰離子表面活性劑等檢測殘留物，以及廢棄包裝物、廢棄化學藥品和廢機油等。針對上述廢棄物，公司嚴格執行分類收集與集中貯存管理，並統一委托具備相應資質的第三方專業機構進行合規轉移與處置，確保全程記錄規範、賬實相符，符合環保監管要求。

我們已對無害廢棄物採取以下處理措施：

- 對污泥進行濃縮、脫水等處理後，外運至有資質單位摻燒、焚燒，實現污泥無害化處置；
- 將污泥幹化、集中處理的方式使污泥的含水率下降，降低污泥質量和體積，實現污泥的減量化。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Noise Management and Reduction

The Group strictly complies with the “Law of the People’s Republic of China on Prevention and Control of Environmental Noise” and implements stringent control over noise emissions generated during operations. The Group’s noise primarily originates from construction operation and can be categorized into three types: machinery noise, construction operation noise, and construction vehicle noise. Machinery noise mainly comes from heavy equipment such as excavators; construction operation noise includes brief sounds generated from sporadic beating, loading and unloading impacts, and template dismantlement; construction vehicle noise falls within the scope of traffic noise. Among the abovementioned noise sources, machinery noise has the most significant impact on the surrounding acoustic environment.

Wastewater Management and Reduction

The Group systematically implements drainage management and sludge disposal by strictly abiding by the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (GB 18918-2002), “Technical Specification for Operation, Maintenance and Safety of Municipal Wastewater Treatment Plant” (CJJ 60-2011), and other laws and regulations. We deal with the sediment water generated during the water production process treatment in accordance with regulations: the sediment water is first concentrated to recover the supernatant; the lower-layer mud is then centrifugally dehydrated to form mud cake, which is transported off-site for harmless treatment. This process effectively minimizes the impact of drainage activities on the aquatic environment, achieving compliant resource management and pollution prevention and control.

噪音管理及控制

本集團嚴格遵守《中華人民共和國環境噪聲污染防治法》，對運營過程中產生的噪聲排放實施嚴格管控。集團噪聲主要來源於施工作業，具體可分為機械噪聲、施工作業噪聲及施工車輛噪聲三類。其中，機械噪聲主要來自挖掘機等重型設備；施工作業噪聲主要包括零星敲擊、裝卸撞擊、模板拆除等產生的短暫聲響；施工車輛噪聲則屬於交通噪聲範疇。在上述噪聲來源中，機械噪聲對周邊聲環境的影響最為顯著。

廢水管理及減排

本集團嚴格遵循《城鎮污水處理廠污染物排放標準》(GB18918-2002)及《城鎮污水處理廠運行、維護及安全技術規程》(CJJ60-2011)等法律法規，系統實施排水管理與污泥處置。針對制水過程中產生的底泥水，我們按規定進行處理：先對底泥水進行濃縮，回收上清液；下層泥漿經離心脫水後形成泥餅，外運進行無害化處置，該流程能夠有效減少排水過程對水環境的影響，實現資源的合規管理與污染防控。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

The Group systematically performs wastewater management and emission reduction for two major business segments: the tap water supply business and the sewage treatment business. In the tap water supply business, the Group continuously improves the water resource utilization efficiency by strengthening the control of self-use water rate. In the sewage treatment business segment, the Group incorporates all wastewater into the sewage treatment system for centralized treatment to ensure that it is discharged up to standard. Meanwhile, the Group has established dedicated waste liquid management system to centrally collect and properly dispose of wastewater generated from the laboratory and online monitoring equipment, achieving comprehensive environmental risk control throughout the whole process.

Exhaust Gas Emission Management

In terms of exhaust emission management, the Group's tap water supply business does not involve fuel consumption during the production process. The main potential environmental impact primarily stems from unorganized emission of chlorine gas that may be generated during the storage and chlorination processes. To effectively control such emissions, we have taken the following key measures:

- Adopting on-site preparation of chlorine dioxide to avoid the leakage of liquid chlorine and raw materials for the preparation of chlorine dioxide production;
- Reasonably storing raw materials for the production of chlorine dioxide, storing them separately, establishing cofferdams, and creating a secure storage environment to prevent leakage of raw materials.

In the wastewater treatment business, exhaust gas emissions mainly originate from malodorous gases generated during the sewage treatment process. To effectively control the impact of odors and protect the surrounding ecological environment, the Group systematically reduces emissions of malodorous gases and potential impacts on the environment by comprehensive measures, including setting protective safety distances, increasing green areas in the plant area, and installing high-efficiency odor-elimination devices.

本集團在自來水供應與污水處理兩大業務板塊均系統開展廢水管理與減排工作。在自來水供應業務中，重點通過加強對自用水率的管控，持續提升水資源利用效率。在污水處理業務板塊，所有廢水均納入污水處理系統集中處理，確保達標排放；同時，集團制定了專門的廢液管理制度，對化驗室及在線監測設備產生的廢水進行集中收集與合規處置，實現全過程環境風險管控。

廢氣排放管理

在廢氣排放管理方面，本集團自來水供應業務在生產過程中不涉及燃料消耗，對環境的主要潛在影響來自於儲存與加氯環節可能產生的氯氣無組織排放。為有效控制此類排放，我們已採取以下主要措施：

- 採取現場製備二氧化氯的方式，有效避免液氯及為製備二氧化氯生產原料泄露；
- 合理存放二氧化氯生產原料，獨立存放並設置圍堰，建立嚴密的存儲環境，防止原料泄露。

在污水處理業務中，廢氣排放主要來源於污水處理過程產生的惡臭氣體。為有效控制臭氣影響、保護周邊生態環境，本集團通過設定防護安全距離、增加廠區綠化覆蓋、安裝高效臭氣消除裝置等綜合措施，系統降低惡臭氣體排放，減輕對環境的潛在影響。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Emissions and waste 排放與廢棄物	Wastewater pollutant discharge 廢水污染物排放				
	Chemical Oxygen Demand (COD) 化學需氧量 (COD)	Tons 噸	1,967.59	1,992.57	1,901.26
	Ammonia Nitrogen (NH ₃ -N) 氨氮 (NH ₃ -N)	Tons 噸	37.58	32.41	26.23
	Solid waste 固體廢棄物				
	Total generation of general industrial solid waste 一般工業固廢生成總量	Tons 噸	46,284.58	45,001.07	47,353.84
	Total disposal amount of general industrial solid waste 一般工業固廢處置量	Tons 噸	46,284.58	45,001.07	47,353.84
	Total generation of hazardous waste 危險(有害)廢物生成總量	Tons 噸	27.84	25.26	38.22
	Total disposal amount of hazardous waste 危險(有害)廢物處置量	Tons 噸	27.84	25.26	38.22
	Incineration 焚燒	Tons 噸	1.65	1.23	2.59
	Landfill 填埋	Tons 噸	26.19	24.03	0
	Others 其他	Tons 噸	0	0	35.63

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

RESOURCE MANAGEMENT

As a water enterprise, the Group is mainly engaged in the businesses of tap water supply and sewage treatment, which do not involve the consumption of manufactured goods and packaging materials. Therefore, the Group pays great attention to the protection of the water environment. The Group carries out optimization on resource use by complying with laws and regulations such as the “Water Law of the People’s Republic of China”, the “Sichuan Provincial Water Drawing License and Water Resource Fee Collection Management Measures”, and the “Luzhou City Water Conservation Management Measures”.

During the Reporting Period, the Group had no investigations, major penalties, lawsuits, or negative media reports arising from water intake or sewage discharge problems.

Water Resource Management

To ensure the efficient and safe use of water resources, various measures have been taken to strengthen the water resources management of the Group, the tap water supply business segment, and the sewage treatment business segment:

The Group

Publicity for water conservation: Organize special publicity activities during the annual “Water Conservation Week” to popularize water conservation methods and measures, enhancing the water conservation awareness of all employees.

Enhanced facility maintenance: Regularly arrange maintenance personnel to inspect and repair toilet faucets, water tanks and other water supply appliances, avoiding resource waste caused by equipment leakage.

Strengthened emergency management: Timely verify that faucets are turned off in the event of water outage or other emergencies to avoid the loss of tap water during non-office hours.

Standardized water intake planning: Formulate a water intake plan, and submit it to the competent authorities every year, achieving scientific prediction and compliant management of water consumption.

資源管理

本集團作為水務企業，主要從事自來水供應及污水處理業務，不涉及製成品及包裝材料消耗，因此對水環境保護予以極大關注。本集團嚴格遵守《中華人民共和國水法》《四川省取水許可和水資源費徵收管理辦法》和《瀘州市節約用水管理辦法》等法律法規開展優化資源使用工作。

報告期內，本集團未發生因取水或排污問題產生的調查、重大處罰、訴訟或負面媒體報導。

水資源管理

為保障水資源的高效、安全使用，並採取多項措施加強本集團自來水供應業務板塊、污水處理業務板塊的水資源管理：

集團層面

開展節水宣傳：在年度「珍惜用水宣傳周」期間組織專項宣傳活動，普及節水方法與措施，增強全體員工節水意識；

加強設施維護：定期安排檢修人員對衛生間水龍頭、水箱等供水器具進行檢查與維修，避免因設備漏水導致資源浪費；

強化應急管理：在停水或突發情況下，及時檢查並確保水龍頭關閉，防止非辦公時段自來水流失；

規範取水計劃：每年制定取水計劃並報送主管部門，實現用水量科學預測與合規管理。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Tap Water Supply Business

Enhanced recycling and reuse: Strengthen the recycling and treatment of production wastewater such as backwash water and sludge water, and reuse the supernatant after treatment through the sludge system to reduce the intake of fresh water.

Implementation of process monitoring: Establish the daily tracking and recording system for the self-use water rate for continuous supervision over water use in the production process, and conduct year-on-year and month-on-month comparisons every month to ensure indicators are under control, which are also incorporated into monthly and annual target assessment systems.

Improvement of water use efficiency: Adopt real-time recycling and reuse measures to reduce the self-use water rate for production from water plants by 0.08% year on year.

Promotion of recycling: Fully recycle water used to rinse filter tanks and sludge water to further improve water resource use efficiency.

Sewage Treatment Business

Precise water resource management: Implement daily monitoring over the use of water resources, conduct monthly statistical analysis on water consumption, and exercise strict process supervision to improve water resource efficiency, and recycle treated water for greening and production supply through the reclaimed water reuse system to effectively reduce the consumption of fresh water.

Energy and raw material management: Conduct daily monitoring and monthly statistical analysis for the use of energy and other major raw materials, and establish a target assessment mechanism at the beginning of the year to continuously improve resource utilization efficiency through strict process supervision.

自來水供應業務

強化回收利用：加強對反沖洗水、排泥水等生產廢水的回收處理，經污泥系統處理後回用上清液，減少新鮮水取用量；

實施過程監控：對自用水率建立日跟蹤記錄制度，對生產過程中的自用水情況進行持續監管，每月開展同比、環比分析，確保指標受控，並納入月度及年度目標考核體系；

提升用水效率：通過實時回收利用等措施，自來水廠生產自用水率實現同比下降0.08%；

推動循環使用：對濾池沖洗水、排泥水等實現全面回收與循環利用，進一步提升水資源利用效率。

污水處理業務

水資源精細管理：對水資源使用實施日常監控，按月統計分析消耗情況，嚴格過程監管，致力於提高水資源利用率。同時，通過中水回用系統將處理後的水用於綠化和生產供給，有效減少新鮮水消耗。

能源與原材料管控：對能源及其他主要原材料的使用同樣進行日常監控與月度統計分析，並在年初設立目標考核機制，通過嚴格的過程監管，推動資源利用效率不斷提升。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Water resources management 水資源管理	Total water intake 取水總量	10,000 tons 萬噸	22,004.80	20,705.44	20,600.20
	Total discharge 排水總量	10,000 tons 萬噸	16,539.00	17,438.90	17,522.00
	Total water consumption 總耗水量	10,000 tons 萬噸	22,004.80	20,705.44	20,600.20
	Total water intake from sources for operational water supply 制供水業務水源取水總量	10,000 tons 萬噸	20,358.00	20,608.49	20,534.73
	Total water consumption for production and operations 生產及辦公耗水總量	10,000 tons 萬噸	528.00	537.00	533.00
	Water consumption density 耗水密度	10,000 tons/RMB1 million of revenue 萬噸／百萬元營收	4.64	15.56	16.66
	Water purifier consumption 淨水劑耗用量	Tons 噸	1956.90	2,000.41	2,202.25

Ecological and Water Source Protection

生態與水源保護

Conservation of Ecological Environment

保育生態環境

The Group is deeply aware of the importance of environmental protection and biodiversity protection, which has been systematically considered in the site selection process in the initial stage of projects. We carry out environmental and specialized ecological impact assessments (e.g., fishery impact assessments) to control potential impacts of projects on ecological environment and biodiversity at the source throughout the full cycle of construction and operation.

本集團深刻認識到環境保護與生物多樣性保護的重要性，在項目初期選址階段即系統納入相關考量，通過開展環境影響評價及專題生物影響評估（如魚類影響評價等），從源頭上控制項目在建設與運營全周期中對生態環境及生物多樣性的潛在影響。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

To reduce other environmental pollution during the operation process, the Group has taken a series of environmental protection measures to protect the living environment around the construction site.

為減少運營過程中產生的其他環境污染，本集團制定了一系列環境保護措施，全力保障施工地周圍生活環境。

- Dust reduction: To reduce the impact of dust generated during construction on the surroundings and communities, the Group implements systematic dust control measures. On consecutive sunny and windy days, the surface of exposed soil is watered to keep moist and fully covered with protective screening. Meanwhile, the construction site is equipped with spraying devices for dust suppression and staffed with full-time cleaning personnel according to the cleaning system for construction areas.
 - Disposal of construction waste: During the construction, project developer and project contractors shall maintain coordination with local sanitation department to ensure timely collection and removal of domestic waste generated at the construction site. Project contractors shall strengthen environmental protection education for construction personnel, standardize waste disposal practices, and forbid random littering, ensuring a clean environment and good hygienic quality within the construction area.
 - Promotion of civilized construction: The Group requires construction units to adhere to the principles of minimizing impacts on environmentally sensitive receptors such as surrounding residents, factories and schools during construction, and actively promotes civilized construction, striving to develop "People Caring Projects". To this end, we have established multi-party communication and coordination mechanisms, and regularly organized communication meetings with construction units, sub-district communities and relevant property owners to timely discuss and resolve environmental problems arising from construction, facilitating harmonious coexistence between construction activities and community environment.
- 減少揚塵：為降低施工過程中的揚塵對周邊環境及社區的影響，本集團實施系統化的揚塵管控措施：在連續晴好及多風天氣時，對裸露堆土表面進行灑水保濕，並採用防塵網全面覆蓋；同時現場配置霧炮等降塵設備，同步實施噴霧抑塵，並實行施工區域專職保潔制度。
 - 處理施工現場廢棄物：在施工期間，項目開發者及工程承包單位須與當地環衛部門保持協作，確保施工現場產生的生活廢棄物得到及時清運。工程承包單位應加強對施工人員的環保教育，規範廢棄物處理行為，杜絕隨意丟棄，保障施工區域生活環境整潔與衛生質量。
 - 倡導文明施工：本集團要求施工單位在施工過程中，始終以最大限度減少對周邊居民、工廠、學校等環境敏感點的影響為原則，積極推行文明施工，致力於打造「愛民工程」。為此，我們建立多方溝通協調機制，定期組織施工單位、街道社區及相關業主召開聯絡會議，及時協商並解決施工中出現的環境問題，促進施工與社區環境的和諧共存。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

- Odor reduction from dredging: When dredging and upgrading biochemical pools, the Group adopts wet dredging technology, and strictly controlled construction disturbance. Upon completion of operation, the construction area is cleaned up immediately to reduce odor generation. When dismantling or upgrading biochemical pools, the Group requires to open the airtight pool cover in sections according to the order of construction and close it in time to minimize the exposure time of the pools, systematically reducing environmental impacts.
- 減少清淤臭氣：在清淤及生化池改造過程中，本集團採用濕式清淤工藝並嚴格控制施工擾動，作業完成後立即對施工區域進行全面清洗，以降低臭氣產生。同時，在生化池拆除改造環節，依據施工順序分段開啓現有密閉池蓋並及時關閉，最大限度縮短池體暴露時間，從而系統減少對環境的影響。

Water Resource Protection

To systematically strengthen water source protection efforts, the Group has formulated the “Water Quality Management Measures” and the “Management Measures for the Investigation and Rectification of Hidden Hazards in Safety, Environmental Protection and Occupational Health”, and improved the water source protection mechanism to protect water source safety and ecological environment where it operates. During the Reporting Period, the Group took a series of concrete protective measures:

- During the flood peak period, the Group strictly implemented the emergency duty system, arranged relevant personnel in charge to stay alert and strengthen inspections, and ensured unobstructed communications between all production sites and the Group’s leaders, forming an efficient emergency command system to enhance water source protection and production safety response capacities.
- 在洪峰期間，本集團嚴格執行應急值守制度，安排相關負責人員提高警惕，加強巡視，同時確保各生產站點與集團主要負責人之間通訊暢通，形成高效應急指揮體系，以強化水源保護與生產安全應對能力。
- The personnel on duty at the water intake pumping station conduct daily inspections of the first-level water source protection area to actively assist government departments in cleaning up plastic garbage along the banks. In 2025, a total of about 1.2 tons of garbage and sundries have been cleaned up in the water source protection area.
- 取水泵站值班人員每日對一級水源保護區開展例行巡視，並積極協助政府部門清理沿岸白色垃圾。2025年，水源保護區共清理垃圾、雜物約1.2噸。

水源保護

為系統性加強水源保護工作，本集團制定了《水質管理辦法》及《安全環保職業健康隱患排查治理管理辦法》，完善水源保護管理機制，切實維護運營區域的水源安全與生態環境。報告期內，集團實施了多項具體保護措施：

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

- The Group actively publicized the knowledge and management systems related to drinking water source protection areas, organized themed activities of “Green travel for low-carbon and environmental protection”, and provided special training to water plant employees on relevant knowledge, laws and regulations such as the “Water Pollution Prevention and Control Law” and the “Water Quality Management Measures”, enhancing the awareness of water source protection and compliant operation capabilities among all employees.
- 本集團積極宣傳飲用水源保護區相關知識及管理制度，組織「綠色出行、低碳環保」主題活動，並對水廠員工開展《水污染防治法》和《水質管理辦法》等法律法規專項培訓，提升全員水源保護意識與合規操作能力。

Propaganda of Environmental Protection Culture 環保文化宣傳

As a water enterprise caring for people's livelihood, the Group has always integrated the concept of green development and environmental protection into its public welfare practices, and continuously carried out diversified ecological public welfare activities at multiple levels. During the Reporting Period, we organized public welfare tree planting and environmental education activities to promote environmental awareness among the public. By integrating green development and public welfare into daily operations and corporate culture development, we have safeguarded ecological environment with practical actions, and fulfilled our commitment to sustainable development.

作為根植民生的水務企業，本集團始終將綠色環保理念融入公益實踐，持續開展多層次、多形式的生態公益活動。報告期內，我們圍繞公益植樹和環境宣教等領域，推動環保意識向公眾延伸。通過將綠色公益融入企業日常運營與文化建設，我們以實際行動守護生態環境，踐行可持續發展承諾。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: The Group organizes a voluntary tree-planting activity

案例：開展義務植樹活動

On the occasion of the Tree-Planting Day 2025, the Group organized a voluntary tree-planting activity with the theme of “Fulfilling Tree-Planting Obligations, Building a Beautiful China”, practicing the concept of green development with practical actions. At the Chengdong Wastewater Treatment Plant, participants worked together with shovels and buckets in an orderly way, digging pits, setting saplings, filling soil and watering them. Hundreds of new saplings stood tall in the spring breeze, adding a vibrant green scene to the plant area.

2025年植樹節到來之際，集團公司組織開展以「履行植樹義務、共建美麗中國」為主題的義務植樹活動，以實際行動踐行綠色發展理念。在城東污水處理廠廠區，大家手持鐵鍬、水桶等工具，分工明確，通力協作，鏟土挖坑、扶直苗木、培實新土、提水澆灌，各個環節銜接有序。上百株新栽種的樹苗昂然挺立在春風里，為廠區增添了一道生機勃勃的綠色風景。



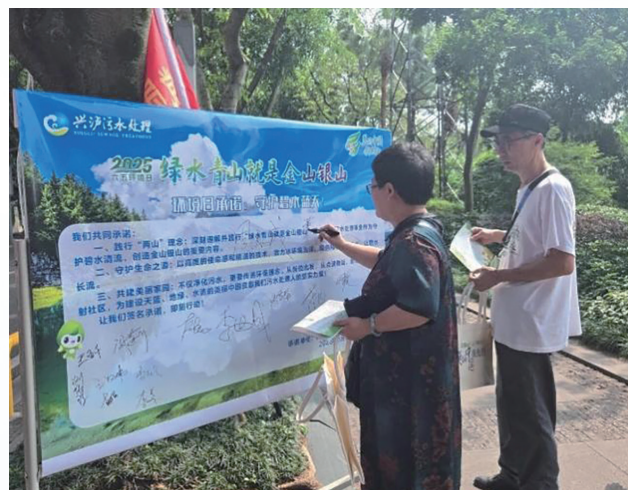
Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Xinglu Wastewater Treatment holds themed activities on the “June 5th World Environment Day”

案例：興瀘污水處理開展六五環境日主題活動

June 5, 2025 marked the 54th World Environment Day. Xinglu Wastewater Treatment organized themed activities to foster a sound atmosphere where everyone participates in ecological and environmental protection. By setting up consultation desks, hanging promotional banners, and distributing environmental protection knowledge manuals and eco-friendly shopping bags to the public, environmental protection volunteers promoted healthy and environmentally friendly lifestyles, as well as ecological and environmental protection policies, laws and regulations to citizens. Passers-by took an active part in the event and solemnly signed their names on the environmental protection commitment board, making a solemn promise to protect the environment and adopt a green lifestyle. 2025年6月5日是第54個世界環境日，興瀘污水處理組織開展六五環境日主題活動，努力推動形成人人參與生態環境保護的良好氛圍。活動現場，環保志願者通過設立諮詢台、懸掛宣傳橫幅及發放環保知識手冊、環保購物袋等方式，向市民宣傳健康環保的生活方式、普及生態環境保護政策法規。過往群眾積極參與，紛紛主動在環保承諾展板上鄭重簽名，許下愛護環境、綠色生活的莊嚴承諾。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

LOW-CARBON INITIATIVES FOR RISK CONTROL

Governance

The ESG governance framework established by the Group clarifies the duties of the Board of Directors in climate-related issues. It shall systematically integrate climate-related considerations into its processes of deliberating on and guiding the Group's strategies, important action plans, risk management policies, annual budgets and business plans, formulating organizational performance goals, supervising the implementation, and reviewing and approving significant capital expenditures, acquisitions and divestitures. Furthermore, the Board of Directors is also responsible for overseeing the achievement of climate-related goals. The Strategy Committee is responsible for formulating the Group's business goals and long-term development strategies, making recommendations for major issues, and supervising the implementation of annual business plans and relevant proposals. Besides, the Group has established a special ESG working group to take charge of the practical work of climate change management and target implementation, and report to the Executive Committee on a regular basis, effectively advancing climate issues at the operational level.

Strategy

The Group recognizes that environmental and climate risks may lead to operational and financial impacts. For the identified climate-related risks, we have developed the "Flood Control and Emergency Rescue Plan" and the "Emergency Response Plan For Rain, Snow And Freezing Disasters" to define emergency response mechanisms and methods. We conduct emergency response drills annually to strengthen response speed and handling capabilities, ensuring rapid and effective control of various emergencies, and minimizing their potential impacts.

低碳環保，管控風險

管治

根據本集團建立的ESG治理架構，在氣候變化議題上，董事會明確履行以下職責：在審議與指導集團戰略、重大行動計劃、風險管理政策、年度預算及商業計劃，以及設定組織績效目標、監督實施情況、審批重要資本支出、收購與資產剝離的過程中，均須系統性納入對氣候相關事宜的考量。董事會同時負責監督氣候相關目標的落實進展。戰略委員會負責制定集團經營目標與長期發展戰略，就重大事項提出建議，並監督年度經營計劃與相關提案的執行。此外，集團設立ESG專項工作組，負責氣候變化管理及目標落實的具體工作，定期向執行委員會匯報進展，確保氣候議題在運營層面得到有效推進。

策略

本集團充分認識到環境及氣候風險可能引發的運營與財務影響。針對已識別的氣候相關風險，集團專門制定了《防洪搶險應急預案》與《雨雪冰凍災害應急預案》，明確突發事件應對機制與方法。通過每年組織專項應急演練，不斷提升響應速度與處置能力，確保各類突發事件得到迅速有效控制，最大限度降低其可能造成的影響。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Risk and Opportunity Identification and Management

風險與機遇識別及管理

Climate-related Risk

Based on the industry characteristics and actual operations, the Group has established a systematic management process for the identification and assessment of climate-related risks to effectively address the risks and challenges posed by climate change, including transformation risks and physical risks. Transformation risks include policy and regulatory risks, and technical, market risks, and reputation risks, which arise from the challenges associated with the transition to low-carbon economy. Physical risks are divided into acute physical risks (e.g. extreme weather events, such as typhoons, floods) and chronic physical risks (e.g. changes in climate patterns such as prolonged high temperatures and sea level rise).

In terms of policies and regulations for transformation risks, with the deepening awareness of climate change from all walks of life and the implementation of relevant policies, an increase in our operating costs will be caused by the enhancement in energy prices in locations where we operate, energy use caps, scope of paid greenhouse gas emissions, or regulatory requirements for environment. Therefore, we will continue to pay attention to the impact of climate change on our business, and actively respond to policy guidance, becoming resilient to changes in the regulatory environment.

As far as acute physical risks are concerned, the Group attaches importance to the direct impact of extreme weather on production and operations, and identifies the following main challenges that operations may face:

- Extreme rainfall: It may deteriorate the water quality of water sources and result in an increase in water turbidity, which will affect normal production plans and product deliveries. Additionally, extreme weather may have direct impacts on workplaces, production facilities, personnel commuting and transportation.
- Sharp temperature drop: The Group's water supply pipes may burst due to thermal expansion and contraction effects, which may reduce our production guarantee capabilities and affect the stable implementation of production plans.

氣候風險

本集團結合所處行業特點與實際運營情況，建立了系統化的氣候相關風險識別與評估管理流程，以有效應對氣候變化帶來的風險挑戰，包括轉型風險和實體風險：轉型風險包括政策法規、技術、市場及聲譽風險，源於向低碳經濟轉型的挑戰；實體風險則分為急性風險（如颱風、洪水等極端天氣事件）和慢性風險（如長期高溫、海平面上升等氣候模式變化）。

在轉型風險的政策與法規方面，隨著社會各界對氣候變化認知的深化及相關政策的推行，經營所在地可能提高能源價格、設定能耗上限、擴大溫室氣體有償排放範圍或提升環境監管要求，這些均將推高本集團的運營成本。我們將持續關注氣候變化對業務的影響，並積極響應政策導向，主動適應監管環境變化。

在急性實體風險方面，本集團重點關注極端天氣對生產運營的直接影響，識別到運營可能面臨以下主要挑戰：

- 極端降雨：可能造成水源水質惡化，如濁度上升，進而影響正常生產計劃與產品交付。同時，極端天氣可能直接衝擊作業場所、生產設施、人員通勤及交通運輸。
- 氣溫驟降：因熱脹冷縮效應，集團供水管道存在爆裂風險，可能導致生產保障能力下降，影響生產計劃的穩定執行。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Climate-related Opportunity

The Group actively explores climate-related development opportunities and continuously unlocks the long-term value brought by climate action. The climate-related opportunities we have identified include resource efficiency and policy regulation. Regarding resource efficiency, we continuously improve operating costs through water conservation, energy efficiency optimization, and other measures; we actively promote energy-saving technological upgrades and integrated urban and rural water supply and drainage management to continuously improve system operating efficiency. Regarding policy regulation, China continues to promote a series of strategic plans such as “dual carbon”, and compliant operations and climate information management will effectively enhance market competitiveness; we closely follow relevant policy requirements and continuously improve our ESG information disclosure system, transforming compliance requirements into sustainable development advantages and long-term value.

The above risks and opportunities reflect our expected impacts. During the Reporting Period, the preliminary assessment did not identify any material risks that would cause significant adjustments to the carrying amounts of assets or liabilities in the next reporting year. As key assumptions and parameters remain to be validated, qualitative disclosures are adopted primarily for the reporting year. In the future, we will gradually enhance the scope and quality of quantitative disclosures based on the accumulation of professional expertise and resource allocation.

氣候機遇

本集團積極發掘氣候相關發展機遇，持續釋放氣候行動帶來的長期價值。我們已識別的氣候機遇包括資源效率和政策監管。資源效率方面，通過節水降耗與能效優化持續改善運營成本；積極推進節能技術改造和城鄉供排水一體化管理，不斷提升系統運行效率。政策監管方面，國家持續推進「雙碳」等系列戰略規劃，合規經營與氣候信息管理將有效提升市場競爭力；我們緊跟相關政策要求，持續完善ESG信息披露體系，將合規要求轉化為可持續發展優勢與長期價值。

上述風險與機遇均為預期影響。報告期內的初步評估未識別到下一匯報年度導致資產或負債賬面值需作重大調整的重大風險。由於關鍵假設及參數仍需驗證，本年度暫以定性披露為主，未來我們將依據所積累的專業技能及資源配置，逐步提升定量披露的範圍與質量。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Energy Management and Carbon Emission Reduction

The main energy consumption of the Group is the electricity consumed in the production process and daily office work. In terms of the use of energy and water resources, we have carried out a number of conservation and optimization measures to improve resource efficiency and reduce the environmental impact of our operations. For vehicle energy management, we have adopted the following systematic measures:

- Implementation of budget management: Determine vehicle usage expenses at the beginning of the year based on actual needs of each unit; conduct quarterly reviews and reports, and incorporate them into the units' target assessment system at the end of the year.
- Promotion of public transportation: Clarify that employees shall, in principle, use public transportation for business trips in other cities in the "Official Vehicle Management Measures" to reduce vehicle exhaust emissions and carbon footprints.

Tap Water Supply Business

GHG emissions from the Group's tap water supply business are primarily caused by electricity consumption for production and office use. Through a series of refined management measures, the Group has achieved remarkable success in controlling electricity consumption for secondary water supply. During the Reporting Period, we continued to advance the following measures to reduce emissions:

- Upgrades and renovation of energy-saving equipment: Prioritize the use of high-efficiency energy-saving pumps and frequency converters to continuously improve equipment energy efficiency.
- Enhanced digital energy consumption control: Leverage "Internet+ production management" platforms to achieve real-time monitoring of electricity consumption and data acquisition, timely identify abnormalities, and make corresponding adjustments; conduct statistical analysis of the data over the years to define electricity consumption rules, and formulate targeted consumption reduction strategies, significantly improving energy management efficiency.

能源管理及碳減排

本集團的主要能源消耗集中於生產過程及日常辦公用電。在能源與水資源的利用方面，我們持續實施多項節約與優化措施，以提升資源使用效率，降低運營對環境的影響。在車輛能源管理方面，本集團推行以下系統性措施：

- 實施預算管控：每年初根據各單位實際需求核定車輛使用費用預算，按季度檢查執行情況並通報，年終納入單位目標考核體系；
- 倡導綠色出行：在《公務用車管理辦法》中明確規定，員工異地出差原則上須優先選用公共交通，以減少車輛尾氣排放，降低碳足跡。

自來水供應業務

本集團自來水供應業務的溫室氣體排放主要來源於生產及辦公環節的電力消耗。通過實施多項精細化管理措施，集團在二次供水電耗控制方面取得顯著成效。報告期內，我們持續推進以下減排措施：

- 推動設備節能改造：優先選用高效節能型水泵與變頻器，持續提升設備能效水平；
- 強化數字化能耗管控：依托「互聯網+生產管理」平台，實現電耗的實時監測與數據採集，及時識別異常並優化調整。通過歷年數據的統計分析，識別用電規律，針對性制定降耗策略，顯著提升能源管理效率。

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第九章 環境、社會及管治報告(續)

- Organization of specialized training: Regularly organize training sessions on energy conservation and consumption reduction to systematically enhance employees' awareness of energy conservation and standardized operation, providing personnel and technical support for continuous improvement of energy efficiency.
 - Optimization of intelligent systems: Dynamically adjust the start-stop frequency and operating pressure of the secondary water supply pumps to ensure equipment operation within the high-efficiency range; leverage the intelligent monitoring system to track the equipment's status in real time, and timely identify and handle abnormalities, thereby effectively reducing unnecessary energy consumption.
- 組織專題培訓：本集團定期組織節能降耗專題培訓，系統提升員工的節能意識與規範操作能力，為持續優化能源效率提供人員與技術基礎。
 - 優化智能系統：通過動態優化二次供水泵的啓停頻率與運行壓力，確保設備持續處於高效運行區間，並依托智能監控系統實時跟踪設備狀態，及時識別與處理異常，從而有效降低不必要的能源消耗。

Through these above measures, the Group achieved a 9.15% reduction in actual secondary water supply electricity consumption compared to planned targets, achieving remarkable energy-saving results, and laying a solid foundation for advancing green operation and sustainable development goals.

通過上述措施的系統實施，本集團二次供水實際電耗較計劃值下降9.15%，取得顯著節能成效，為推進綠色運營與可持續發展奠定了扎實基礎。

Sewage Treatment Business

GHG emissions from the Group's sewage treatment business are primarily caused by electricity consumption and fuel use for production and office, as well as methane gas generated from the sewage treatment process. To improve energy efficiency and reduce emissions, we have adopted the following targeted measures:

- Improvement of systems and mechanisms: Establish the "Compilation of Production Management Systems" and the "Monthly Report System of Production Energy Consumption", hold production operation analysis meetings every month to systematically analyze the reasons for energy consumption fluctuations, and optimize energy management in a targeted manner, facilitating the rational use of resources and the continuous improvement of energy efficiency.
 - Optimization of process flow: Improve treatment processes and equipment operation modes to enhance overall energy efficiency and reduce greenhouse gas emissions.
- 完善系統制度：本集團制定《生產類管理制度匯編》並建立《生產能耗月報表制度》，通過每月召開生產運行分析會，系統分析能耗波動原因，針對性優化能耗管理，促進資源合理利用與能效持續提升。
 - 優化工藝流程：改進處理工藝與設備運行方式，提高整體能源利用效率，減少溫室氣體排放；

污水處理業務

本集團污水處理業務的溫室氣體排放主要來源於生產及辦公電力消耗、燃料使用，以及污水處理過程中產生的甲烷氣體。為提升能效並減少排放，我們採取以下針對性措施：

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

- Refined process control: Optimize aeration management and other measures to control dissolved oxygen and sludge concentration during production and operation, thereby reducing electricity consumption.
- Dynamic operation adjustment: Adjust equipment parameters reasonably based on real-time monitoring data of water quality and flow, and start and stop the lifting pump at a high liquid level to reduce energy waste.
- Enhanced equipment maintenance: Conduct regular maintenance of key equipment to ensure efficient operation.
- 精細工藝控制：通過優化曝氣管理等手段，控制生產運營過程中溶解氧和污泥濃度，降低電力消耗；
- 動態運行調整：基於水質與流量的實時監測數據，合理調節設備參數，提升泵高液位開停，避免能源浪費；
- 加強設備維護：定期維護保養關鍵設備，確保其處於高效運行狀態。

Green Office

To advance the green office practice, the Group has formulated and implemented the following management measures: improving the warehouse and materials and articles receipt registration systems to make the receipt process recordable and traceable; and specifying the air-conditioning temperature standards of each office. Besides, the required materials shall be purchased as per the bidding requirements, and bidding records shall be properly kept. Specific targets and control indicators are formulated to reduce energy consumption, achieving resource conservation and green operations.

To further advance the green office practice, the Group implements the following concrete measures:

- Energy-saving equipment management: Forbid the use of permanent lights and reasonably set the computer operation mode and the air-conditioning temperature to avoid electricity waste when the office is unoccupied.
- Appeal for low-carbon commuting: Encourage employees to use public transportation for commuting to reduce carbon emissions from travel.
- Implementation of paperless office: Optimize online approval processes and improve office efficiency through digital platforms, thereby reducing paper consumption.

綠色辦公

為系統推進綠色辦公實踐，本集團制定並實施以下管理措施：完善倉庫與物資領用制度，確保領用過程可記錄、可追溯；明確各辦公室空調溫度標準；嚴格執行招投標程序進行物資採購，並規範保存相關記錄；同時設定具體的能耗降低目標與控制指標，以實現資源節約與運營綠色化。

為持續深化綠色辦公實踐，本集團推行以下具體措施：

- 節能設備管理：杜絕長明燈，合理設置計算機運行模式與空調溫度，避免無人時的電力浪費；
- 倡導低碳出行：鼓勵員工使用公共交通通勤，減少通勤碳排放；
- 推行無紙化辦公：優化在線審批流程，依托數字化平台提升辦公效率，降低紙張消耗；

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

- Cost budget control: Determine office expenses for each unit at the beginning of the year, conduct quarterly reviews and reports, and incorporate them into the annual target assessment.
- Promotion of recycling: Adopt reusable toner cartridges and ink cartridges for printers and actively promote the recycling of office supplies.
- 實施費用預算管控：年初核定各單位辦公費用，按季度檢查通報，年度納入目標考核；
- 推廣循環利用：打印機使用可循環填充的碳粉盒與墨盒，並積極推動辦公用品的重覆使用。

Indicators and Targets

To effectively measure the climate action process, the Group clarified key climate risk indicators related to energy efficiency, water resource efficiency, waste discharge and GHG emissions based on the actual situation according to the ESG Reporting Code of the Hong Kong Stock Exchange and the actual conditions. In addition, the Group sets concrete management targets for energy and water resource efficiency, and GHG emissions (scope 1 and scope 2), and regularly reviews the implementation of the targets, making climate-related management measures systematic and sustainable.

The Group's clear targets for energy and water resources management are to improve the effective utilization of energy and water resources and to maximize the environmental and economic benefits of energy and water resources on the premise of ensuring business activities. For the tap water supply business, the Group formulates a management target for self-use water ratio. Adhering to the concepts of energy conservation, consumption reduction, and environmental protection, we strive to reduce emissions at the source. We will always take the promotion of emissions management and environmental protection as the long-term goals, and spare no efforts to achieve a circular economy for sustainable development.

The Group actively responds to the national "dual-carbon" strategic goals, taking energy conservation and emission reduction as its core orientation. We continuously improve the efficiency of internal resource utilization, actively explore the research, development and application of green innovation technologies, and effectively reduce the negative environmental impact of our production and operations, thus contributing to mitigating the challenges of climate change. In the future, we will gradually carry out systematic collection and scientific analysis of greenhouse gas data, research and formulate quantified emission reduction targets, and promote the continuous implementation of green development.

指標與目標

為有效度量氣候行動進展，本集團依據香港交易所《ESG報告守則》並結合實際情況，明確了能源使用效益、水資源效益、廢棄物排放及溫室氣體排放等關鍵氣候風險指標，並對能源與水資源使用效益、溫室氣體排放（範圍一及範圍二）設定了具體管理目標，並定期回顧目標實施情況，確保氣候相關管理措施的系統性與持續性。

本集團在能源和水資源管理方面設定明確目標：提高能源和水資源的有效利用率，在滿足經營活動的前提下，使能源和水資源發揮最大的環境、經濟效益，對於自來水供應業務制定自用水率的管理目標。本集團持續踐行節能降耗與綠色環保理念，從源頭減少排放物的產生，並將持續完善排放物管理、推進環境保護進程作為長期方向，最終構建循環經濟模式，實現可持續發展路徑。

本集團積極響應國家「雙碳」戰略目標，以節能減排為核心導向，持續提升內部資源利用效率，積極探索綠色創新技術的研發與應用，切實降低生產經營對環境的負面影響，助力緩解氣候變化挑戰。未來，我們將逐步開展溫室氣體數據的系統收集與科學分析，研究制定量化減排目標，推動綠色發展持續落地。

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第九章 環境、社會及管治報告(續)

Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Comprehensive energy consumption 綜合能源消耗量	10,000 tons of standard coal 萬噸標煤	2.14	2.08	2.12
Comprehensive energy consumption density 綜合能源消耗密度	Tons of standard coal/RMB1 million of revenue 噸標煤／百萬元營收	16.64	15.64	17.18
Total internal energy consumption by energy type 內部能源消耗總量按能源類型區分				
Electricity consumption 用電量	10,000 kilowatt-hours 萬度	17,266.02	16,763.05	17,081.9
Natural gas consumption 天然氣消耗量	10,000 cubic meters 萬立方米	5.37	3.04	4.81
Gasoline consumption 汽油消耗量	10,000 liters 萬升	9.94	9.19	8.34
Diesel consumption 柴油消耗量	10,000 liters 萬升	4.34	7.77	7.79
Total GHG emissions ¹ 溫室氣體排放總量 ¹	10,000 tons of carbon dioxide equivalent 萬噸二氧化碳當量	9.89	10.11	9.11
– Direct GHG emissions – 直接溫室氣體排放量	10,000 tons of carbon dioxide equivalent 萬噸二氧化碳當量	0.04	0.05	0.05
– Indirect GHG emissions – 間接溫室氣體排放量	10,000 tons of carbon dioxide equivalent 萬噸二氧化碳當量	9.85	9.96	9.06
GHG emission density 溫室氣體排放密度	Tons of carbon dioxide equivalent/RMB1 million of revenue 噸二氧化碳當量／百萬元營收	76.57	75.25	73.69

1. Calculation method of greenhouse gas emissions:

Direct greenhouse gas emissions: the energy consumption of the Company multiplied by the corresponding emission factors. The emission factors are referenced from ① "General Principles for Calculation of Comprehensive Energy Consumption" ② "Guidelines for the Preparation of Provincial Greenhouse Gas Inventories";

This figure is calculated based on location-based Scope 2 greenhouse gas emissions.

Indirect greenhouse gas emissions: the Company's purchased electricity consumption is multiplied by the corresponding emission factors, and the emission factors are referenced to the "China Regional Power Grids Carbon Dioxide Emission Factors";

Total greenhouse gas emissions: the sum of direct greenhouse gas emissions and indirect greenhouse gas emissions.

¹ 溫室氣體排放量計算方法：

直接溫室氣體排放量：公司能源消耗量乘以對應的排放因子，排放因子參考①《綜合能耗計算通則》②《省級溫室氣體清單編制指南》；

該數值以地域為基準的範圍2溫室氣體排放計算得出。

間接溫室氣體排放量：公司外購電力用量乘以對應排放因子，排放因子參考《中國區域電網二氧化碳排放因子研究》；

溫室氣體排放總量：直接溫室氣體排放量和間接溫室氣體排放量求和。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

The Group makes disclosures by reference to the climate-related disclosure requirements in Appendix C2 D. Where applicable, it follows the “reasonable information relief” and the “financial effects relief” by reference to the “comply or explain” principle. For certain disclosure items in the process of developing methodologies and data systems (such as scenario analysis, current and expected financial impacts related to value chains and climate change, integration of climate factors into decision-making and incentive mechanisms¹, and scope 3 GHG emissions and cross-industry indicators²), the Group will formulate plans based on available information and actual operations, including improving the emission boundary for data, introducing scenario analysis methodologies, and establishing a quantification framework for financial impacts, with the aim of making disclosures more complete and comparable.

SOLIDARITY FOR EMPOWERMENT OF EMPLOYEES

The Group is committed to providing a broad platform for the development of employees, caring about their health and legitimate rights and interests. By integrating the realization of employees’ self-value with our development strategy, we form an equal, harmonious and united organizational atmosphere of “happy work, happy life”.

本集團參照附錄C2 D部分氣候相關披露要求作出披露，並在適用情況下按「不遵守就解釋」原則採用「合理資料寬免」及「財務影響寬免」。就部分仍處於方法與數據體系建設階段的披露項目（如情景分析、價值鏈和氣候相關的當前與預期財務影響，將氣候因素納入決策與激勵機制²，以及範圍3溫室氣體排放及跨行業指標等³），本集團將結合現有材料和實際運營情況制定計劃，包括完善數據的排放邊界、引入情景分析方法及建立財務影響量化框架，以持續提升披露的完整性與可比性。

同心聚力，助力員工

本集團致力於為員工提供廣闊的發展平台，注重維護員工健康與合法權益，推動員工自我價值實現與企業發展戰略相融合，積極營造「快樂工作，幸福生活」的平等、和諧、團結的組織氛圍。

² We have not yet integrated climate-related factors into the remuneration of senior executives, and will explore the possibility of adoption in the future.

³ The Group has not adopted internal carbon pricing in decision-making so far, but will explore the possibility of implementation in the future.

² 我們目前尚未將與氣候相關因素納入高級管理人員薪酬，並將在未來探索採用的可能性。

³ 本集團目前並未在決策中採用內部碳定價，但未來會探討實施的可行性。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Equal and Compliant Employment

Equal Employment

The Group strictly abides by the “Labor Law of the People’s Republic of China”, the “Labor Contract Law of the People’s Republic of China”, and the “Law of the People’s Republic of China on the Protection of Minors”. To implement equal employment, we have formulated and improved internal systems such as the “Employees Management Measures” and the “Management Measures for Persons in Charge of Functional Departments and Subsidiary Enterprises”. To effectively protect the rights and interests of employees, we have signed the “Collective Contract on Work Safety and Occupational Health”, the “Collective Consultation Contract on Wages”, the “Collective Contract” and the “Collective Contract on the Protection of the Rights and Interests of Female Workers” with the labor union.

The Group strictly regulates talent recruitment, selection and appointment procedures to ensure fairness and transparency of the recruitment work. We firmly oppose discrimination based on gender, age, health status or other factors, and strictly implement the “Employee Management Measures”. The recruitment announcements are released at rc168.com and through other public information platforms at or above the municipal level. Without any discriminatory employment conditions or violations, the recruitment process upholds the principle of fair competition, actively promoting equal employment and talent diversity. We have formulated and implemented the standardized recruitment implementation plan to define job requirements and recruitment steps, preliminary screen candidates according to the needs, and assessed them from the aspects of professional ability, work attitude, stability, and compliance awareness, ensuring 100% social recruitment in an open manner. In accordance with the “Management Measures for Persons in Charge of Functional Departments and Subsidiary Enterprises”, we have standardized talent recruitment, selection and appointment procedures to ensure transparent operations and fair outcomes.

平等合規僱傭

平等僱傭

本集團嚴格遵守《中華人民共和國勞動法》《中華人民共和國勞動合同法》《中華人民共和國未成年人保護法》，並持續完善《員工管理辦法》《職能部門及旗下企業負責人管理辦法》等內部制度，落實執行平等僱傭原則。本集團與工會簽訂《安全生產及職業衛生集體合同》《工資集體協商合同》《集體合同》以及《女職工權益保護集體合同》，切實保護員工權益。

本集團嚴格規範人才招聘與選拔任用流程，確保招聘工作公正、透明。我們堅決反對基於性別、年齡、健康狀況等任何因素的歧視行為，嚴格執行《員工管理辦法》，招聘公告通過川南人才網及其他市級以上信息公開平台面向社會發佈，全程未設置任何歧視性錄用條件，過程堅持公平競爭原則，未發生違規招聘行為，積極推動僱傭平等與人才多元化。我們已制定並執行標準化的招聘實施方案，明確崗位要求與招聘步驟，依據需求對應聘者進行初步篩選，並綜合考察其專業能力、工作態度、穩定性及合規意識，確保社會招聘公開招錄比例達到100%。同時，我們依據《職能部門及旗下企業負責人管理辦法》，規範人才引進與選拔任用流程，確保操作透明、結果公正。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Basic information 員工基本情況	Total number of employees 員工總數	Persons 人	905	867	844
	Male 男性	Persons 人	614	590	573
	Female 女性	Persons 人	291	277	271
	Number of full-time employees 全職員工人數	Persons 人	905	867	844
	Number of part-time employees 兼職員工人數	Persons 人	0	0	0
	Number of domestic employees 國內員工人數	Persons 人	905	867	844
	Number of overseas employees 海外員工人數	Persons 人	0	0	0
Inclusion and diversity 包容性與多元化	Percentage of men on the Board of Directors, Board of Supervisors, and senior managers 董事會、監事會、高級管理人員中男性佔比	%	76.19	76.19	71.43
	Percentage of women among members of the Board of Directors, Board of Supervisors, and senior managers 董事會、監事會、高級管理人員中女性佔比	%	23.81	23.81	28.57
	Percentage of employees under 30 among members of the Board of Directors, Board of Supervisors, and senior managers 董事會、監事會、高級管理人員中30歲以下佔比	%	0	0	0
	Percentage of employees aged 30-50 among members of the Board of Directors, Board of Supervisors, and senior managers 董事會、監事會、高級管理人員中30-50歲佔比	%	61.90	47.62	28.57
	Percentage of employees over 50 among members of the Board of Directors, Board of Supervisors, and senior managers 董事會、監事會、高級管理人員中50歲以上佔比	%	38.10	52.38	71.43
	Percentage of male employees 員工中男性佔比	%	67.85	68.05	67.89
	Percentage of female employees 員工中女性佔比	%	32.15	31.95	32.11

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Number and percentage of employees by education level 按學歷劃分的員工 數量及比例	Percentage of employees under 30 years old 員工中30歲以下佔比	%	11.05	12.46	11.02
	Percentage of employees between 30 and 50 years old 員工中30-50歲佔比	%	68.29	64.71	65.05
	Percentage of employees over 50 years old 員工中50歲以上佔比	%	20.66	22.83	23.93
	PhD	Persons	0	0	0
	Master's degree 碩士	Persons	13	13	17
	Bachelor's degree 本科	Persons	311	350	349
	Below bachelor's degree 本科以下	Persons	581	504	478
	Employees from Sichuan Province 四川省	Persons	848	814	787
	Employees from Chongqing 重慶市	Persons	23	19	23
	Employees from areas other than Sichuan Province and Chongqing 四川省及重慶市以外地區	Persons	34	34	34
Number and percentage of ethnic minority employees 少數民族員工數量 及比例	Total number of ethnic minority employees	Persons	31	28	26
	Percentage of ethnic minority employees 少數民族員工的所佔比例	%	3.43	3.23	3.08

Chapter IX Environmental, Social and Governance Report (Continued)

第九章環境、社會及管治報告(續)

Prohibition of Child Labor and Forced Labor

The Group prohibits any form of child labor and forced labor. Strictly following relevant laws and regulations such as the “Law of the People’s Republic of China on the Protection of Minors” and the “Provisions on the Prohibition of Using Child Labor”, we strictly prohibit the employment of persons under the age of 18. During the recruitment process, we carefully check candidates’ identity to ensure that their age and other employment qualifications meet statutory requirements. If violations are found, we will take immediate corrective measures to safeguard lawful compliance and stable operation of our talent system.

In terms of working hour management, the Group guarantees employees’ rights to enjoy rest and vacations in strict accordance with national regulations, and prohibits any form of forced labor. We formulate the “Employees Management Measures”, the “Remuneration Management Measures”, and other systems to standardize procedures for requesting for and exchanging leave of absence for employees. If the working hours exceed the statutory standards, overtime wages will be paid for the excess part according to the Group’s relevant regulations, effectively protecting legitimate rights and interests of employees.

杜絕童工及強制勞工

本集團堅決禁止使用童工及一切形式的強制勞工。我們嚴格遵守《中華人民共和國未成年人保護法》《禁止使用童工規定》等法律法規，明確規定不得聘用未滿18周歲的勞動者，並在招聘過程中嚴格核驗候選人身份信息，確保其年齡等入職資格符合法定要求。如發現任何違規行為，將立即採取糾正措施，以維護人才體系的合法合規與穩定運行。

在工時管理方面，本集團嚴格遵守國家規定，保障員工依法享有各項休息與休假權利，杜絕任何形式的強制勞動。我們通過制定並執行《員工管理辦法》《薪酬管理辦法》等制度，規範員工請假與調休流程。如工作時間超過法定標準，將依據集團相關規定對超出部分核算並支付加班工資，切實維護員工合法權益。

Category	Indicator	Unit	2024	2025
指標類別	指標	單位	2024年	2025年
Employee hiring and turnover 員工僱傭與流動	Number of new employees during the year	Persons	24	19
	當年員工新增僱傭數量	人		
	Male	Persons	15	9
	男性	人		
	Female	Persons	9	10
	女性	人		
	Under 30 years old	Persons	16	14
	30歲以下	人		
	30-50 years old	Persons	8	4
	30-50歲	人		
	Over 50 years old	Persons	0	1
	50歲以上	人		
	Number of employees from other areas	Persons	0	0
	其他地區	人		

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2024 2024年	2025 2025年
	Employee turnover rate for the year ³ 當年員工流失率 ⁴	%	5.19	4.72
	Male 男性	%	2.93	2.99
	Female 女性	%	2.26	1.73
	Under 30 years old 30歲以下	%	0.23	0.35
	30-50 years old 30-50歲	%	2.14	0.92
	Over 50 years old 50歲以上	%	2.82	3.46
	Overseas 境外	%	0	0
	Domestic 境內	%	5.19	4.72
	Employee fluctuation rate for the year ⁴ 當年員工流動率 ⁵	%	-2.54	-2.65
	Male 男性	%	-1.27	-2.19
	Female 女性	%	-1.27	-0.46
	Under 30 years old 30歲以下	%	1.61	1.38
	30-50 years old 30-50歲	%	-1.27	-0.46
	Over 50 years old 50歲以上	%	-2.88	-3.57
	Overseas 境外	%	0	0
	Domestic 境內	%	-2.54	-2.65

⁴ Turnover Rate=Number of employees who left (including retirement and death)/Total number of employees in the previous year

⁴ 流失率=離職(含退休、病逝)的僱員數/上年僱員總數

⁵ Fluctuation Rate=(Number of employee inflows + Number of employee outflows)/Average number of employees

⁵ 流動率=(流入人數+流出人數)/總僱員

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Training and Development

The Group has always been committed to building a platform for the development of employees, firmly establishing the awareness of common progress between the enterprise and employees, continuously improving the working ability of employees, innovating talent training modes, and supporting the long-term development of the Group.

Employee Training

Aligning its development strategy, the Group focuses on employees' individual growth needs. We devised tailored training plans for different categories of employees and continuously refined our employee training system. In 2025, we prioritized three levels of training programs focusing on enhancing management efficiency, employees' occupational skills, business service awareness, and innovation-driven development capabilities. We have established a mechanism for nurturing future talents, bolstered the development of talent pipelines, and optimized talent acquisition. To boost skills transfer and facilitate rapid employee growth, we actively promote a culture of mentorship, enrich the "mentor-apprentice" training model, and establish the "Xinglu Water Lecture Hall" as a platform for integrating learning resources and documenting and passing on internal experience, fostering a positive and proactive environment for talent development across the entire Group.

In 2025, the Group officially launched an online learning platform developed by leveraging internet big data, digitalization and other technological means. The online platform provides short videos on professional knowledge including safe production, construction standards and technological innovation, so that employees can "learn on demand at their fingertips". This effectively addresses long-standing problems in traditional training such as "conflicts between work and learning, lengthy content and single training form". In addition, the Group developed the "Micro-Lecture" online learning platform, which has posted three high-quality courses with a total of 100 learning hours, and covered 99 employees in total, providing a flexible and efficient fragmented learning channel for employees, and further enriching the Group's training forms.

培訓與發展

本集團始終致力於為員工成長構建發展平台，牢固樹立企業與員工共同進步的理念，通過持續提升員工工作能力、創新人才培養模式，有力支撐集團的長遠發展。

員工培訓

本集團緊密圍繞企業發展戰略，關注員工個人成長需求，依據員工類別制定針對性培養計劃，持續完善培訓體系。2025年，公司聚焦管理效能提升、職業技能強化、經營服務意識深化及創新驅動能力建設，編制了涵蓋三個層次的專項培訓計劃。同時，集團建立後備人才培養機制，加強人才梯隊建設，優化內部人才供給。為促進技藝傳承與員工快速成長，我們積極發揚「傳幫帶」文化，不斷豐富「師帶徒」培訓模式，並打造「興瀘水務大講堂」平台，整合學習資源，沉澱與傳承內部經驗，在全集團範圍內營造積極向上、持續學習的人才發展氛圍。

本年度，集團公司運用互聯網大數據、數字化等技術手段打造的在線學習平台正式上線。在線學習平台可通過上傳安全生產、施工標準、技術創新等專業知識短視頻，使職工通過學習平台就能實現「指尖學習、按需充電」，有效解決了在傳統培訓中存在的「工学矛盾、內容冗長、形式單一」等問題。集團搭建「微課堂」在線學習平台。平台目前已上線3門精品課程，總學時達100小時，累計覆蓋員工99人，為員工提供靈活、高效的碎片化學習渠道，豐富集團培訓體系形態。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

During the Reporting Period, the Group adopted a hybrid training model combining internal training, external training, and field observation and exchange programs, conducting 195 training sessions across all organizational levels. Total participation reached 3,927 person-times, including 27 senior executives, 71 middle-level managers and subsidiary leaders, and 3,609 general staff.

報告期內，本集團同時採取內訓、外訓、實地考察交流學習相結合的培訓方式，開展了各層級培訓195場次，累計參培3,927人次，其中集團公司高層累計參培27人次、中幹及旗下企業負責人累計參培71人次、普通員工累計參培3,609人次。

Case study: The Group organizes a special training themed on “Dual Empowerment of AIGC Technology Application and Intelligent Office Skills”

案例：舉辦「AIGC技術應用與智能辦公技能雙賦能」專項培訓

In April 2025, the Group organized a special training session themed on “Dual Empowerment of AIGC Technology Application and Intelligent Office Skills” for over 110 participants, including the Group’s executives, middle-level cadres and business backbones. The training provided a detailed analysis of the application of AI tools represented by Deepseek in various production and operation scenarios such as intelligent customer service, data reporting, design cost optimization, emergency simulation and intelligent office work, deepening employees’ understanding of AIGC technology and effectively enhancing their awareness of innovation.

2025年4月，集團公司面向班子成員、中層幹部及業務骨幹共110餘人開展「AIGC技術應用與智能辦公技能雙賦能」專項培訓。此次培訓詳細解析了以Deepseek為代表的AI工具在智能客服、數據報告、設計成本、應急推演、智能辦公等生產經營場景中的應用，加深了員工對AIGC技術的理解，有效激發了員工的創新意識。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: The Company's future talents visit Luzhou Laojiao Brewing Company

案例：公司後備青年人才代表赴瀘州老窖釀酒公司學習

In September 2025, Xu Guanghua, Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Commission and Chairman of Federation of Trade Unions of the Company, led a delegation of young future talents on a study visit to Luzhou Laojiao Brewing Company. The delegates visited Center No. 719, Craftsman Home and Craftsman Museum of Luzhou Laojiao Brewing Company in succession, and conducted in-depth discussions and exchanges on refined management, production cost reduction and efficiency improvement, digital development, and innovation incentive mechanisms.

2025年9月，公司黨委副書記、紀委書記、工會主席徐光華率後備青年人才代表赴瀘州老窖釀酒公司學習。後備青年人才代表一行先後參觀了瀘州老窖釀酒公司719中心、匠心家園及工匠館，並就精細化管理、生產降本增效、數字化建設及創新激勵機制等進行深入研討交流。



Chapter IX
Environmental, Social and Governance Report (Continued)

第九章
環境、社會及管治報告(續)

Case study: The Company holds Xinglu Water Skills Contest

案例：舉辦「水潤旗紅•技能大比武」活動

In July 2025, the Company held “Xinglu Water Skills Contest”, with more than 50 contestants from eight subsidiaries participating. Focusing on three skill categories: confined space operation, electrical switching operation, and water supply pipeline installation and maintenance, the contest combined practical skills assessments with theoretical knowledge tests, and selected individual and team awards based on the contestants’ comprehensive scores.

2025年7月，公司舉辦「水潤旗紅•技能大比武」活動，旗下8家單位50餘名選手參賽。大賽圍繞有限空間作業、電氣倒閘操作、供水管道安裝維修3個工種項目展開角逐，採取實操競賽和理論知識競賽相結合的方式進行，並根據選手們的綜合成績評選出個人和團體獎項。



Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Employee Training 員工培訓	Total training sessions 培訓總場次	Times 次	500	350	473
	Total number of trainees 培訓總人次	Person-time 人次	8,423	6,353	5,470
	Amount of training expenses 培訓經費支出金額	RMB10,000 萬元人民幣	68.13	34.13	42.00
	Employee training coverage 員工培訓覆蓋率	%	100	100	100
	Proportion of female employees covered by training 培訓覆蓋的女性員工的比例		100	100	100
	Proportion of male employees covered by training 培訓覆蓋的男性員工的比例	%	100	100	100
	Proportion of senior management employees covered by training 培訓覆蓋的高級管理層員工的比例	%	100	100	100

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
	Proportion of middle-level management employees covered by training 培訓覆蓋的中級管理層員工的比例	%	100	100	100
	Proportion of grassroots employees covered by training 培訓覆蓋的基層員工的比例	%	100	100	100
	Average training hours per employee 員工接受培訓平均小時數	Hours 小時	1.39	1.29	1.72
	Average training hours for female employees 女員工接受培訓平均小時數	Hours 小時	4.26	4.01	3.78
	Average training hours for male employees 男員工接受培訓平均小時數	Hours 小時	2.07	1.89	1.31
	Average training hours for senior management 高級管理層接受培訓平均小時數	Hours 小時	49.75	47.25	67.25
	Average training hours for middle-level management 中級管理層接受培訓平均小時數	Hours 小時	15.77	26.00	18.90
	Average training hours for grassroots employees 基層員工接受培訓平均小時數	Hours 小時	1.20	1.36	1.28

Assessment and Promotion

To clarify the career development path of employees, the Group established a dual-channel development system for both management and professional employees, offering diversified career promotion channels. Employees can reasonably choose a suitable development direction based on their job rank, abilities and strengths, and personnel willingness. According to the "Performance Management Measures", the Group conducts assessments on a monthly, quarterly and annual basis, and applies the results in salary incentives, job adjustments and career planning. In talent recruitment, the Group adopts the method of external recruitment as the main method and internal job competition as a supplementary method in the principle of fair selection, and determines candidates in strict accordance with the Group's review process, making the talent recruitment process standardized and effective.

考核與晉升

為明確員工職業發展路徑，本集團建立了管理與專業雙通道發展體系，提供多元化的職業晉升通道。員工可根據職位職級、能力特長及個人意願，自主選擇適合的發展方向。集團依據《績效管理辦法》，實施月度、季度及年度考核，並將結果應用於薪酬激勵、崗位調整與發展規劃。在人才引進方面，我們採取以外部招聘為主、內部競聘為輔的方式，堅持公平選拔原則，並嚴格遵循集團審議流程確定人選，確保人才吸納的規範性與有效性。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Employee Assessment	Number of employees undergoing regular performance and career development evaluations	Persons	905	867	844
員工考核	接受定期績效及職業發展考評的員工人數	人			
	Female employees	Persons	291	278	271
	女員工	人			
	Male employees	Persons	614	589	573
	男員工	人			
	Senior management	Persons	8	8	5
	高級管理層	人			
	Middle-level management	Persons	41	43	41
	中級管理層	人			
	Grassroots employees	Persons	856	816	798
	基層員工	人			
	Percentage of employees undergoing regular performance and career development evaluations among all employees	%	100	100	100
	接受定期績效及職業發展考評的員工佔全員百分比				
	Female employees	%	100	100	100
	女員工				
	Male employees	%	100	100	100
	男員工				
	Senior management	%	100	100	100
	高級管理層				
	Middle-level management	%	100	100	100
	中級管理層				
	Grassroots employees	%	100	100	100
	基層員工				

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Occupational Health and Safety

Safe Production Management System

The Group attaches great importance to safe production and employee health and safety, and strictly abides by laws and regulations such as the “Fire Protection Law of the People’s Republic of China”, the “Safe Production Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases”, and the “Regulations on the Supervision and Administration of Occupational Health in Workplaces”. It consistently improves production safety and occupational health management systems, standardizes relevant systems, and implements safety risk prevention and control systematically, ensuring production and operation safety and employee occupational health rights and interests.

The hazardous factors incurred by branches and subsidiaries of the Group are primarily noise, acid mist and acid anhydride, electrician operations, and welding operations. We conduct monitoring and assessment of these hazardous factors and regularly organize occupational health check-ups for relevant personnel. We formulate a series of systems including the “Safety Production Policy and Target Management Measures”, the “Safety, Environmental Protection, and Occupational Health Responsibility System Management Measures”, the “Management Measures for Safety, Environmental Protection, and Occupational Health Laws and Regulations Identification and Compliance Evaluation”, the “Labor Protection Supplies Management Measures”, and the “Occupational Health Management Measures” to continuously improve safety production standardization systems.

- The Group headquarters, Hejiang Water Industry, Nanjiao Water Industry, Beijiao Water Industry, Xinglu Wastewater Treatment, and Fanxing Company have all obtained the second-level enterprise certificate of safety production standardization, and continue to carry out safety and environmental protection work in accordance with the standard system.

職業健康與安全

安全生產管理體系

本集團高度重視安全生產與員工職業健康，嚴格遵守《中華人民共和國消防法》《中華人民共和國安全生產法》《中華人民共和國職業病防治法》《工作場所職業衛生監督管理規定》等法律法規，持續健全生產安全與職業健康管理體系，完善相關制度規範，系統做好安全風險防控，切實保障生產運營安全與員工職業健康權益。

本集團各分子公司運營中主要涉及噪聲、酸霧與酸酐、電工作業及焊工作業等職業危害因素。我們針對上述因素開展系統監測與評估，並定期組織相關人員接受職業健康體檢。我們已制定包括《安全生產方針和目標管理辦法》《安全環保職業衛生責任制管理辦法》《安全環保職業衛生法律法規識別及合規性評價管理辦法》《勞保用品管理辦法》《職業健康管理辦法》在內的一系列制度，持續完善安全生產標準化體系。

- 本集團本部及合江水業、南郊水業、北郊水業、污水公司、繁星公司均已取得安全生產標準化二級企業證書，並持續依據該標準體系開展安全環保管理工作。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

— In the sewage treatment business segment, the enterprises strictly follow the internal regulations, such as the “Management System of Protective Equipment for Practitioners” and the “Management System of Publicity, Education, and Training on Prevention and Control of Occupational Diseases”. We conduct testing for occupational hazards at workplaces, and organize occupational health education, ensuring that key safety management personnel are certified. Employees are provided with appropriate labor protective supplies based on the testing results. The entire workforce signs safety and environmental protection target responsibility letters. We continuously update safety facilities, equipment, and labor and occupational health protective equipment and allocate additional funds for rectifying hidden safety hazards to comprehensively safeguard occupational health and safety of our employees.

The Group obtained the ISO 45001 Occupational Health and Safety Management System Certification. Our branches and subsidiaries provide employees with suitable labor protective equipment according to their specific circumstances and sign safety responsibility letters with them. They continuously update safety equipment and facilities, comprehensively ensuring the occupational health and safety of their employees.

— 在污水處理業務板塊，各企業嚴格執行《從業人員防護用品管理制度》《職業病防治宣傳教育培訓制度》等內部規定，落實工作場所職業危害因素檢測，組織開展職業健康教育，確保主要安全管理人員持證上崗。同時，根據檢測結果向員工配發相應勞動防護用品，全員簽訂安全環保目標責任書，持續更新安全設施與職業健康防護裝備，並加大安全隱患整改投入，全面保障員工職業健康與安全。

本集團已獲得ISO 45001職業健康安全管理體系認證。各分子公司結合實際運營情況，為員工配備適用的勞動防護用品，並與員工簽訂安全責任書，持續更新安全設備設施，系統保障員工的職業健康與安全。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)



For third-party safety management, the Group has established systems such as the “Contractor Safety Management Measures” and the “Stakeholder Safety Management Measures”. Following the principles of pre-event, during-event, and post-event management, we implement systematic safety production supervision and management for contractors. We clearly define the safety production qualification requirements for contractors, sign safety production management agreements with them, incorporate safety management responsibilities and operation contents into contract management, and guide them to improve their safety production management capabilities. Before the commencement of projects, we organize on-site safety training and job briefings for all parties involved in construction projects, including contractors. During the construction process, we perform supervision and inspections to encourage the construction parties to adopt civilized construction and safety norms to ensure the safe and orderly progress of the projects.

在第三方安全管理方面，本集團制定了《承包商安全管理辦法》《相關方安全管理辦法》等制度，依據事前、事中、事後全過程管理原則，對承包商實施系統化安全生產監管。我們明確承包商的安全資質要求，與其簽訂安全生產管理協議，將安全管理責任與作業內容同等納入合同管理，並指導其提升安全生產管理能力。項目開工前，我們組織包含承包商在內的各方進行現場安全培訓與工作交底；在建設過程中，持續開展監督檢查，督促施工方落實文明施工與安全規範，確保項目安全有序推進。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

During the Reporting Period, the Group had zero production safety accidents, zero production stoppages caused by human error, and zero water quality safety accidents caused by human error.

報告期內本集團生產安全事故為0，人為責任造成的停產事故為0，人為造成的水質安全事故為0。

Case study: Xinglu Water Group holds work meetings on safety, environmental protection and occupational health

案例：召開安全環保職業健康系列工作會

In 2025, Xinglu Water Group held work meetings on safety, environmental protection and occupational health, which were attended by the Group's senior executives, persons in charge of functional departments and subsidiaries, as well as relevant safety administrators. The meetings urged all units to prioritize flood control and preparedness, ensure stable operation and supply, and maintain emergency duty management, and called for strict implementation of the leadership duty system for holidays and critical periods, the shift system for key positions, as well as the hazard investigation mechanism. All units were instructed to conduct a comprehensive inspection and rectification of potential safety hazards in equipment and facilities, production processes, production and operation environments, materials and articles, and management processes that are vulnerable to extreme weather impacts.

2025年，興瀘水務集團開展安全環保職業健康系列工作會，公司領導班子成員、職能部門和旗下企業負責人及相關安全管理人員參加會議。會議要求各單位要抓好防汛備汛、運行保供、應急值守等工作，嚴格落實節假日、重要時段領導幹部帶班和關鍵崗位值班值守制度，嚴格落實隱患排查機制，針對易受極端天氣影響的設備設施、生產工藝、生產作業環境、材料物品、管理流程等全面排查整改安全隱患。



Occupational Health Protection

The Group strictly adheres to relevant laws and regulations such as the "Labor Law of the People's Republic of China", the "Law of the People's Republic of China on Prevention and Control of Occupational Diseases", and the "Management Rules for Labor Protection Supplies of Employers". We have established a comprehensive occupational health and safety system to continuously improve the working and office environments for employees.

職業健康保護

本集團嚴格遵守《中華人民共和國勞動法》《中華人民共和國職業病防治法》《用人單位勞動防護用品管理規範》等相關法律法規，建立了完善的職業健康安全體系，不斷改善職工作業環境與辦公環境。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

The Group conducts regular occupational health and safety education and training sessions. Safety knowledge learning, safety policy promotion, and safety skills training are organized to actively foster a culture of safety production, and strengthen the overall safety awareness of all employees. In strict accordance with the requirements of the “Technical Specifications for Occupational Health Surveillance” (GBZ 188-2014), the Group establishes an occupational health management team, organizes employees to sign the “Safety and Environmental Protection Occupational Health Responsibility Letter” every year, and strictly implements the Group’s occupational health management system, providing systematic protection for employees’ occupational health and safety.

本集團定期開展職業健康與安全教育培訓，通過組織安全知識學習、政策宣貫及技能培訓等活動，積極營造安全生產文化氛圍，強化全員安全意識。同時，集團嚴格按照《職業健康監護技術規範》(GBZ188-2014)要求，設立職業健康管理小組，每年組織員工簽訂《安全環保職業健康責任書》，並嚴格執行集團職業衛生管理制度，系統保障員工職業健康與安全。

Occupational Health Protection Management System 職業健康保護管理體系

Employee Medical Examinations	The Company purchases annual health examination packages for all employees. We organize front-line employees to receive occupational health examinations before onboarding, during working on the post, and after leaving the post every year, and continuously monitor occupational disease hazard factors at workplaces. Meanwhile, we establish and improve occupational health monitoring records for employees, so as to effectively protect employees’ occupational health rights and interests.
員工體檢	公司為全體員工購買年度健康體檢套餐，每年組織一線員工開展上崗前、在崗期間及離崗時的職業健康體檢，並持續開展作業場所職業病危害因素監測。同時，本集團建立並完善員工職業健康監護檔案，切實保障員工職業健康權益。
Safety Training	The Company formulates an annual occupational health training plan, and organizes special occupational health training according to the plan, covering hazardous waste disposal, and water quality improvement technology. The training sessions include training for new employees and annual retraining for on-the-job employees, systematically enhancing all employees’ occupational health awareness and operational skills.
安全培訓	公司制定年度職業健康培訓計劃，並按計劃組織開展專項培訓，內容涵蓋危險廢棄物處理、水質提升技術等主題。培訓覆蓋新員工入職培訓及在崗員工的年度複訓，系統提升全員職業健康意識與操作技能。
Equipment Assurance	At relevant production sites, we provide employees with necessary protective equipment, such as oxygen respirators, protective clothing, and other protective equipment.
設備保障	在各相關生產場站，為員工提供必要的防護設備，如氧氣呼吸器、防護服等防護用具
Insurance Payment	The Company provides work-related injury insurance for all regular employees. The labor union purchases supplementary commercial insurance for employees. The dual protection mechanisms ensure that employees who suffer work-related accidents or occupational illnesses can receive medical relief and economic compensation.
保險繳納	公司依法為全體正式職工繳納工傷保險，同時通過工會為員工購買補充商業保險，形成雙重保障機制，確保員工在工作期間因事故受傷或患職業病時，能夠及時獲得醫療救治與經濟補償。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

During the Reporting Period, we took a number of measures to effectively implement safety responsibilities:

報告期內，我們採取多項措施，有效落實安全責任：

- Organized relevant personnel to participate in occupational health examinations, with a total of 84 individuals participating in the examinations;
 - Organized employees to participate in the safety knowledge learning and quiz activity on the “Criteria for Determining Major Accident Hazards”, with a total of 857 person-times engaging in the learning and quiz;
 - Organized 15 relevant management personnel, including key managers and department leaders, to participate in the annual training for occupational health management personnel organized by Luzhou Yinkang Health Management Training Co., Ltd. They successfully passed the assessment and obtained management certificates.
- 組織相關人員參加職業病健康體檢，參與職業病體檢人數84人；
 - 組織員工參加「重大事故隱患判定標準」安全知識學習答題活動，共857人次參與學習答題；
 - 組織包括主要負責人、分管領導在內的相關管理人員15人，參加了瀘州市茵康健康管理培訓有限公司舉辦的職業健康管理人員年度培訓，並順利通過考核取得管理證書。

During the Reporting Period, the Group reported a zero occupational disease incidence rate, and a 100% periodic medical examination rate for positions exposed to occupational hazards.

報告期內本集團職業病發生率為0，職業危害崗位定期體檢率100%。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Xinglu Water Group organizes a “double-blind” drill for emergency response to raw water quality contamination

案例：興瀘水務集團組織原水水質污染應急處置「雙盲」演練

In July 2025, Xinglu Water Group organized a “double-blind” drill for emergency response to raw water quality contamination. The drill simulated a hypothetical scenario where a vessel carrying trichloroethylene capsized in the upper reaches of the Yangtze River, which could lead to raw water contamination. Upon receiving the incident report, the Company immediately activated the emergency response plan. Persons in charge of relevant functional departments, maintenance and repair personnel, and emergency response teams of water plants rushed to their posts promptly after receiving the instructions. In accordance with the preset emergency response procedures, personnel of water plants immediately took targeted measures in designated work areas, including production reduction and shutdown, activation of emergency backup water sources, and water quality tests. Meanwhile, water supply operation units inspected elevated water tanks, and the dispatch center conducted overall coordination to balance production. All these measures effectively ensured stable operation of water plants and of water safety of users.

2025年7月，興瀘水務集團組織開展原水水質污染應急處置「雙盲」演練，演練以長江上游段承載三氯乙烯的船隻傾覆可能導致原水污染為假想，公司在接到信息報告後，立即啟動應急預案。相關職能部門負責人、搶維修人員、水廠應急隊伍接到指令後迅速趕赴工作崗位。水廠人員立即按照預案處置流程，在指定工作區域開展減產停機、啓用應急備用水源、水質檢測等處置工作，供水經營單位查看高位水池，調度中心統籌協調平衡生產，有效確保水廠運行穩定和用戶用水安全。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Xinglu Wastewater Treatment and Luzhou Laojiao jointly hold 2025 Comprehensive Environmental Protection Emergency Drill

案例：興瀘污水處理與瀘州老窖聯合開展2025年環保綜合應急演練

In December 2025, Xinglu Wastewater Treatment and Luzhou Laojiao Co., Ltd. jointly held 2025 Comprehensive Environmental Protection Emergency Drill at the Information Center of Huangyi Brewing Ecological Park. The drill simulated a scenario of extremely heavy rain hitting the Luzhou section of the Yangtze River, which caused a sharp rise in the water level around the plant area and exposed it to severe risks of rainwater backflow and sewage overflow. Under the unified command of the emergency headquarters, the flood control emergency command team, the emergency rescue team, the equipment assurance team, the communication team and other teams collaborated with each other efficiently and performed their respective duties rapidly and orderly in the full-process drill from emergency response to danger resolution. The drill proceeded in a tense, efficient and well-organized manner, which further enhanced employees' familiarity with emergency response procedures for sudden accidents during the flood season, and effectively strengthened their practical capabilities of coordination and cooperation in emergency.

2025年12月，興瀘污水處理與瀘州老窖股份有限公司在黃鱸釀酒生態園信息中心聯合開展2025年環保綜合應急演練。本次演練模擬長江瀘州段發生特大暴雨，造成廠區周邊水位急劇上漲，面臨嚴重的雨水倒灌與污水外溢風險。在應急指揮部的統一指揮下，防汛應急指揮組、搶險救援組、設備保障組、通訊聯絡組等高效協同、各司其職，迅速有序完成從應急處置到險情化解的全流程演練。演練過程緊張高效、有條不紊，進一步提升了員工對汛期突發事故應急處理流程的熟悉度，切實增強緊急情況下協同配合的實戰能力。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章環境、社會及管治報告(續)

Category 指標類別	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Health and Safety	Number of participants in safety education and training	Person-time	10,442	11,651	10,422
健康與安全	安全教育培訓人次	人次			
	Safety education and training coverage	%	100	100	100
	安全教育培訓覆蓋率	%			
	Number of work-related fatalities	Person	0	0	0
	員工因工死亡人數	人			
	Work-related employee mortality rate	%	0	0	0
	員工因工死亡率	%			
	Number of industrial accidents	Times	5	4	0
	工傷事故數	次			
	Lost work days due to work injury	Days/year	162	125	0
	因工傷損失工作日數	天／年			
	Investment in safety production	RMB10,000	759.47	465	539.50
	安全生產投入	萬元人民幣			
	Employee medical examination coverage	%	100	100	100
	員工體檢覆蓋率	%			
	Coverage rate of special physical examination for women	%	100	100	100
	女性專項體檢覆蓋率	%			
	Occupational disease medical examination coverage	%	100	100	100
	職業病體檢覆蓋率	%			

Compensation and Benefits

薪酬與福利

Employee Compensation System

員工薪酬體系

To fully stimulate employees’ enthusiasm and creativity for work and build a harmonious labor relationship, the Group has formulated internal systems such as the “Remuneration Management Measures”, “Management Measures for Performance Evaluation and Compensation of Management Members of Subsidiary Enterprises”, and “Management Measures for Total Wages”. We strictly implement the processes for salary distribution, adjustment, and wage verification, ensuring that employees’ legitimate rights and interests are fully protected in terms of salary management, working hour arrangements, and employee benefits. This creates a good platform for the growth and development of employees.

為充分激發員工積極性與創造性，構建和諧勞動關係，本集團制定了《薪酬管理辦法》《旗下企業經理層成員經營業績考核和薪酬管理辦法》《工資總額管理辦法》等內部制度，並嚴格執行薪酬發放、調整及工資核定等流程，確保在薪酬管理、工時安排、員工福利等方面切實保障員工合法權益，為員工成長與發展提供良好平台。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Establishment of Democratic Communication

The Group attaches great importance to the construction of democratic management and continues to improve relevant mechanisms. The labor union of the Group, in accordance with the “Administrative Measures for the Workers’ Representative Conference”, smoothenes the channels for democratic participation, regularly holds employee representative meetings, and organizes employee representatives to participate in the leadership team’s “one report, two evaluations” assessment sessions, as well as the work report and assessment of grassroots Party building work by Party organization secretaries. For all major matters involving the vital interests of employees, an employee representative meeting will be convened for discussion and voting. We fully listen to the opinions of employee representatives to safeguard employees’ rights to participate in and discuss state affairs and ensure the overall stability of the workforce. In 2025, the Group held a total of nine labor union committees and four employee congresses, with no incidents of petitions or mass events throughout the year.

The Group ensures timely disclosure of information related to production, operation, management, and development through a combination of internal and external channels, so that employees can stay informed about the Group’s dynamics and obtain hotspot information of concern, so that employees can effectively integrate into the development and management processes of the Group, and jointly promote the long-term development of the Group.

Employee Welfare and Protection

In terms of employee benefits, the Group provides multiple welfare programs including education and training sessions, labor protection benefits, birthday and holiday greetings, employee canteen services, and labor union activities. In addition to legally providing social insurance and housing provident funds for employees with signed labor contracts, the Group also offers workers’ medical mutual insurance and work safety liability insurance for all staff, as well as transportation subsidies, annual health check-ups, and occupational health examinations, comprehensively safeguarding employees’ rights and benefits and enhancing their sense of belonging and fulfillment.

民主溝通建設

本集團高度重視民主管理建設，持續完善相關機制。本集團工會依據《職工代表大會管理辦法》暢通民主參與渠道，定期召開職工代表大會，並組織職工代表參與領導班子「一報告兩評議」測評、黨組織書記抓基層黨建述職評議考核等工作。凡涉及職工切身利益的重大事項，均通過職工代表大會討論表決，充分聽取意見，保障員工參政議政權利，維護職工隊伍整體穩定。2025年，集團共召開工會委員會會議9次、職工代表大會4次，全年未發生上訪及群體性事件。

本集團通過內部與外部渠道相結合的方式，及時公開企業生產經營、管理發展等相關信息，確保員工能夠了解集團動態、獲取關注熱點，切實融入集團發展與管理進程，共同推動企業長遠發展。

員工福利保障

在員工福利方面，本集團為員工提供教育培訓、勞動保護、生日與節日慰問、員工食堂及工會活動等多重福利。除依法為簽訂勞動合同的員工繳納社會保險及住房公積金外，額外為全體員工購買職工醫療互助保險和安全生產責任險，並提供交通補貼、年度健康體檢及職業健康體檢等，全面保障員工權益，提升員工歸屬感與獲得感。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Employee Care

Targeted Assistance

The Group consistently adheres to a people-oriented philosophy. The Group actively implements targeted assistance mechanisms, pays close attention to employees' practical difficulties, and continuously carry out care and support programs for employees in need, to alleviate their living pressures through concrete actions and foster a corporate culture of mutual assistance and friendship. The labor union of the Group, in accordance with the filing standards of the ACFTU's "Management Measures for the Files of Employees in Difficulties", clarified the main causes of difficulties and assistance needs of the employees in difficulties, implemented specific assistance measures and assigned responsible persons for assistance, and standardized file management. By delivering solid and meticulous targeted assistance, we are committed to seeking greater benefits for employees and building an emotional bridge between the labor union and the employees.

Case study: Organizing visits before the Spring Festival

案例：新春走訪慰問活動

On the occasion of the 2025 Spring Festival, members of the Group's leadership team led separate delegations to conduct New Year's visits and extend their regards. They focused on visiting retired veteran cadres, employees in difficulty, model workers and advanced individuals, and frontline staff, gaining in-depth understanding of their daily work and living conditions, and conveying the Group's heartfelt care and New Year blessings to them.

2025年新春佳節來臨之際，公司領導班子成員分別率隊開展新春走訪慰問活動，集中走訪慰問退休老幹部、困難職工、勞模先進及一線崗位員工，深入了解他們的日常工作和生活狀況，為他們送去公司的親切關懷和新春祝福。

員工關懷

精準幫扶

本集團始終堅持以人為本的理念。本集團積極落實精準幫扶機制，關注員工實際困難，持續開展對困難員工的關愛與支持，通過實際行動減輕其生活壓力，營造互助友愛的企業文化。集團工會依據全國總工會《困難職工檔案管理辦法》的建檔標準，明確困難職工主要致困原因及幫扶需求，落實具體幫扶措施與責任人，並規範檔案管理。通過做實做細精準幫扶工作，我們致力於為員工謀取更多福利，搭建工會與員工之間的情感橋梁。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Cultural and Sports Activities

文體活動

To enrich employees' cultural life and promote physical and mental well-being, the Group organized a variety of cultural and sports activities during the Reporting Period, continuously creating a positive corporate culture and enhancing team cohesion.

為豐富員工文化生活，促進身心健康，報告期內本集團組織多項文體活動，持續營造積極向上的企業文化氛圍，增強團隊凝聚力。

Case study: Organizing Activities for May Fourth Youth Day

案例：開展五四青年節活動

The Youth League Committee of Xinglu Water Group organized a themed team-building activity titled “Soaring Youth, Marching Together”, bringing together over 40 young representatives from grassroots Youth League branches. Through knowledge quizzes, youth sharing sessions, and team collaboration exercises, the activity guided young employees to follow the instructions and guidance of the Party, aspire to be idealistic, responsible, resilient, and hardworking youth of the new era, and to demonstrate the vitality and spirit of youth in advancing the building of a strong nation, national rejuvenation, and corporate progress.

興瀘水務集團團委組織開展「青春飛揚同心同行」主題拓展活動，各基層團支部青年代表40餘人參加。活動通過知識競答、青春分享、團隊協作等環節，引領青年職工聽黨話、跟黨走，做有理想、敢擔當、能吃苦、肯奮鬥的新時代好青年，在推進強國建設、民族復興、企業進步中展現青春作為、彰顯青春風採。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: “Rallying Together to Ping Your Way to Excellence” competition event

案例：「[羽]你同行[乒]出精彩」競賽活動

To enrich employees' leisure and cultural life and create a positive, united, and collaborative corporate culture, in November 2025, the Group held the 2025 Autumn Employee Table Tennis and Badminton Competition titled “Rallying Together to Ping Your Way to Excellence”. Nine teams comprising over 120 athletes from various functional departments and subsidiaries gathered at the venue to build friendships through sports and promote integration through competition.

為豐富職工業餘文化生活，營造積極向上、團結協作的企業文化氛圍，2025年11月，公司「羽」你同行「乒」出精彩2025年秋季職工乒乓球、羽毛球競賽活動火熱開賽。來自公司各職能部門、旗下企業組成的9支代表隊、120餘名參賽運動員齊聚賽場，以球會友、以賽促融。



Care for Women

To continuously inherit the corporate caring culture, protect the legal rights and special interests of female employees in accordance with the law, and enhance their sense of happiness and belonging, with the concept of “health, happiness, passion, and fun”, the Group actively helps female employees develop the spirit of “self-esteem, self-confidence, self-reliance, and self-improvement”, and creates an organizational atmosphere that respects and cares for women through organizing special activities and providing targeted support.

女性關愛

為持續傳承企業關愛文化，依法維護女職工合法權益與特殊利益，提升其幸福感與歸屬感，本集團秉持「健康、快樂、激情、趣味」的理念，積極幫助女職工樹立「自尊、自信、自立、自強」的精神，並通過組織專項活動、提供針對性支持等方式，切實營造尊重女性、關懷女性的組織氛圍。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

During the Reporting Period, the Group carried out a number of caring activities for female employees:

於報告期內本集團開展多項關愛女性員工活動：

- Carried out the themed activity of “Elegant Women • Blooming Grace” for International Women’s Day;
 - Carried out cervical cancer screenings for female employees to effectively safeguard their physical and mental health;
 - Purchased comprehensive health insurance and major illness insurance plans (Plan B) specifically for female employees, ensuring comprehensive coverage.
- 開展「巾幗芳華 • 魅力綻放」三八節主題活動；
 - 開展女職工參加宮頸癌篩查，切實保障職工的身心健康；
 - 為女職工購買女工綜合保險及女工大病保險B計劃，做到應保盡保。

VALUE DELIVERY, ACHIEVING WIN-WIN COOPERATION

價值傳遞，合作共贏

The Group attaches great importance to supply chain management and actively conducts business exchanges and collaboration with suppliers and partners to build mutually beneficial and win-win cooperative relationships and strive to achieve common growth. Meanwhile, the Group actively engages in public welfare undertakings, fulfils social responsibilities, and establishes a responsible and accountable corporate image through participation in community co-construction, targeted poverty alleviation, and other activities.

本集團高度重視供應鏈管理，積極與供應商及合作夥伴開展業務交流與協作，構建互利共贏的合作關係，推動共同成長。同時，集團積極投身公益事業，通過參與社區共建、精準扶貧等活動，切實履行社會責任，樹立負責任、有擔當的企業形象。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Supplier Management System

The Group adheres to the principles of honesty, mutual trust, and win-win cooperation, aiming to build a fully-integrated, high-quality, and sustainable supply chain system. The Group continuously updates and follows the internal systems such as the “Supplier Management Measures” and “Materials Management Measures”, and constantly optimizes procurement processes to achieve comprehensive, uniform, and standardized management of procurement of materials, services, and other supplies.

The Group continues to strengthen full-lifecycle management of suppliers, improves mechanisms for admission, review, evaluation, and exit. Suppliers are evaluated through a combination of daily assessment and year-end reviews. The Group places special emphasis on examining suppliers’ ESG performance to reduce environmental and social risks in the supply chain and jointly build a sustainable development ecosystem.

Supplier Access System

During the supplier selection process, the Group comprehensively considers the supplier’s corporate strength, product quality, delivery cycle, product price, after-sales service, safety and environmental protection performance, and whether the supplier has obtained ISO 9001 and ISO 14001 management system certifications. The Group selects cost-effective suppliers as key partners through open bidding, invitation-based selection, and inquiries for quotation. The Group establishes complete supplier records for all confirmed suppliers, conducts qualification reviews, on-site evaluations, and business interviews, and carries out daily management and annual reviews in accordance with the “Supplier Management Measures” to ensure the stability and sustainability of supply chain.

During the Reporting Period, the Group conducted admission reviews on 35 suppliers for water treatment materials, mechanical water meters, large valves, and low-consumption materials through methods such as open bidding, invitation-based selection, and inquiries for quotation. The Group achieved a 100% coverage rate for auditing safety and environmental clauses for new suppliers.

供應商管理體系

本集團秉持誠信互信、合作共贏的理念，致力於構建全鏈條、高品質、可持續的供應鏈體系。我們不斷更新並執行《供應商管理辦法》《物資管理辦法》等制度，持續優化採購流程，實現物資、服務等採購工作的全面、統一與規範化管理。

本集團持續加強供應商全周期管理，完善准入、審核、評價與清退機制，通過日常考核與年度評審相結合的方式對供應商進行全面評估，重點關注其ESG表現，以降低供應鏈的環境與社會風險，共同構建可持續的發展生態。

供應商准入制度

本集團在供應商選聘過程中，綜合考量企業實力、供貨質量、交貨周期、產品價格、售後服務、安全環保表現以及是否取得ISO 9001、ISO 14001等管理體系認證，通過公開招標、邀請比選、詢價等方式，遴選具備高性價比的優質供應商作為集團重點合作夥伴。針對確定的供應商，集團建立完整的供應商檔案，實施資質審核、現場考察與商務約談，並依據《供應商管理辦法》開展日常管理與年度評審，確保供應鏈的穩定性與可持續性。

報告期內，本集團對制水材料、機械水錶、大閥門、低耗材料等，通過進行公開招標、邀請比選、詢價等方式對35家供應商進行准入審核。本集團新供應商關於安全環保條款審核覆蓋率達100%。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Supplier Review and Supervision

The Group implements dynamic management of qualified suppliers and conducts regular supervision and audits. When selecting suppliers through methods such as open bidding, invitation-based selection, and inquiries for quotation, we explicitly specify product technical and quality requirements in the selection documents and include corresponding standard clauses in the procurement contracts. The Group is committed to fostering a culture of integrity and transparency within the supply chain, requiring all suppliers, engineering contractors, and labor service providers to strictly abide by the code of ethical conduct and strictly prevent any form of corrupt practices, jointly building a cooperative ecosystem of integrity and transparency.

Supplier ESG Responsibility Management

The Group pays close attention to the environmental and social responsibility performance of suppliers and formulates multiple measures to optimize relevant management. Suppliers that have caused negative social impacts in terms of ESG will be subject to tiered punitive measures by the Group, such as risk warnings, rating downgrades, suspension of cooperation, and inclusion in a blacklist, in accordance with the severity of the impact and the “Supplier Management Measures”, to drive the overall sustainable development of the supply chain.

- In accordance with the “Materials Management Measures”, “Supplier Management Measures”, and “Open and Fair Procurement Management Measures”, the Group prioritizes suppliers with good reputation, strong comprehensive strength, environmentally compliant products, reliable quality, and timely after-sales service through a comprehensive scoring mechanism.
- We require suppliers to provide valid qualification documents, including quality management system certifications, environmental management system certifications, special equipment design or manufacturing licenses, China compulsory certification, and water sanitary license approval documents.

供應商評審監督

本集團對合格供應商實施動態管理，定期開展監督審核。在通過公開招標、邀請比選、詢價等方式選聘供應商時，於選聘文件中明確約定產品技術與質量要求，並在採購合同中載明相應標準條款。集團致力於營造誠信廉潔的供應鏈文化，要求所有供應商、工程項目承建及勞務單位嚴格遵守廉潔從業準則，堅決杜絕任何形式的腐敗行為，共建風清氣正的合作生態。

供應商ESG履責管理

本集團關注供應商在環境與社會責任方面的履責表現，並通過制定多項措施優化相關管理。對於在ESG實踐方面造成負面社會影響的供應商，集團將依據其影響程度及《供應商管理辦法》，採取包括風險警告、評級下調、暫停合作乃至列入黑名單等分級處理措施，以推動供應鏈整體可持續發展。

- 本集團依據《物資管理辦法》《供應商管理辦法》《陽光採購管理辦法》，通過綜合評分機制，優先選擇信譽良好、綜合實力強、產品符合環保標準、質量可靠且售後服務及時的供應商。
- 我們要求供應商提供質量管理體系認證、環境管理體系認證、特種設備設計或製造許可證、國家強制性產品認證證書、涉水衛生許可批件等有效資質文件。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章環境、社會及管治報告(續)

- Through the abovementioned management measures, the Group systematically identifies ESG risks at each stage of planning, procurement, acceptance, warehousing, contracts, and assessment. When signing a procurement contract, we simultaneously enter into environmental and occupational health and safety management agreements with suppliers to coordinately control environmental factors and occupational health and safety risks involved in product production and transportation processes.

集團通過上述管理辦法，系統識別計劃、採購、驗收、入庫、合同及考核各環節的ESG風險。在簽訂採購合同時，同步與供應商簽署環境與職業健康安全協議，對產品生產及運輸過程中的環境因素與職業健康安全風險實施協同管控。
- If a supplier is found to have engaged in environmental pollution, violation of labor standards, or other misconduct, the Group will take measures such as rating downgrades or disqualification depending on the severity of the violation.

若供應商出現環境污染、違反勞工準則等行為，集團將根據違規嚴重程度，對其採取評級下調或取消供應商資格等措施。

Indicator name	Indicator	Unit	2023	2024	2025
指標名稱	指標	單位	2023年	2024年	2025年
Total number of suppliers		Number	199	232	248
供應商總數		個			
Number of suppliers by region	Number of suppliers in Sichuan Province		138	180	189
按地區劃分的供應商數量	四川省供應商數目	個			
		%	69	77.59	76.21
	Number of suppliers in Chongqing	Number	23	14	15
	重慶市供應商數目	個			
		%	12	6.03	6.05
	Number of suppliers in the Chinese mainland other than Sichuan and Chongqing	Number	38	38	44
	四川及重慶以外大陸地區供應商數目	個			
		%	19	16.38	17.74

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Indicator name 指標名稱	Indicator 指標	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Number and proportion of suppliers by category- sewage treatment business 按類別劃分的供應商數量 及比例－污水處理業務	General equipment 通用設備類	Number 個	23	11	10
		%	26	7.53	4.03
	Professional equipment 專業設備類	Number 個	9	50	52
		%	10	34.25	20.97
	Special equipment 特種設備類	Number 個	0	0	1
		%	0	0	0.40
	Safety materials 安全物資類	Number 個	3	3	3
		%	3	2.05	1.21
	Production of medicines 生產藥劑	Number 個	8	13	15
		%	9	8.90	6.05
	Product aids, logistical materials 生產輔助、後勤物資	Number 個	14	31	33
		%	16	21.23	13.31
	Service outsourcing 服務外包	Number 個	30	38	49
		%	34	26.03	19.76
	Main material 主材類	Number 個	40	40	22
		%	36	46.51	8.87
Number and proportion of suppliers by category- water supply business 按類別劃分的供應商數量 及比例－自來水業務	Accessories 輔材類	Number 個	32	17	34
		%	29	19.77	13.71
	Important material 重要材料	Number 個	13	4	9
		%	12	4.65	3.63
	Equipment 設備類	Number 個	19	23	17
		%	17	26.74	6.85
	Electrical 電氣類	Number 個	8	2	3
		%	7	2.33	1.21
Implementation of annual evaluation rates on practices to suppliers 向供應商執行有關慣例的年度評價率		%	100	100	100

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Boosting Industry Development

As a leading water enterprise in southern Sichuan, the Group actively promotes collaborative industry development and assists peers in enhancing operational indicators and management standards. The Group hopes to share excellent practical results in smart water management and other fields and is committed to providing one-stop smart water operation solutions for the industry, to foster overall industry progress and sustainable development.

Industry-University-Research Cooperation

In 2025, the Group continues to deepen collaborative innovation among industry, academia, and research institutions. In partnership with universities such as Tsinghua University and leading companies in the industry, the Group has focused on joint research into key technologies for improving the quality and efficiency of urban wastewater treatment, successfully developing and commercializing in-situ capacity expansion technology. This technology focuses on addressing common industry challenges such as “difficulty in land expansion, high investment costs, and long construction cycles” for sewage treatment plants, achieving significant treatment capacity enhancement with minimal intervention while showcasing economic feasibility, practicality, and technological advancement. The related achievement, “Research and Application of Key Technologies for Urban Wastewater Overflow Pollution Control Based on In-Situ Capacity Expansion”, was awarded the First Prize of 2025 Environmental Technology Progress Award by the China Association of Environmental Protection Industry, following expert review. This marks the successful transition of technological achievements from laboratory research to large-scale application.

助力行業發展

作為川南地區領先的水務企業，本集團積極推動行業協同發展，協助同行提升運營指標與管理水平。我們願分享在智慧水務等領域的優秀實踐成果，致力於為行業提供一站式智慧水務運營解決方案，促進行業整體進步與可持續發展。

產學研合作

2025年度，本集團持續深化產學研協同創新，聯合清華大學等高校及行業領軍企業，聚焦城鎮污水處理提質增效關鍵技術開展聯合攻關，成功研發並轉化原位擴能技術。該技術重點破解污水處理廠「擴地難、投資高、建設周期長」的行業共性難題，以最小干預實現處理能力大幅提升，兼具經濟性、實用性與先進性。相關成果「基於原位擴能的城鎮污水溢流污染控制關鍵技術研究及應用」，經中國環境保護產業協會評審，榮獲2025年度環境技術進步一等獎，標誌著技術成果從實驗室走向規模化應用。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Participation in Industry Associations

參加行業協會

Association name 協會名稱	Participants (job status) 參會主體(任職情況)
China Urban Water Supply and Drainage Association 中國城鎮供水排水協會	Luzhou Xinglu Water (Group) Co., Ltd. (Member) 瀘州市興瀘水務(集團)股份有限公司(會員)
Sichuan Urban Water Supply and Drainage Association 四川省城鎮供水排水協會	Luzhou Xinglu Water (Group) Co., Ltd. (Executive Director Unit) 瀘州市興瀘水務(集團)股份有限公司(常務理事單位)
Sichuan Enterprise Confederation 四川省企業聯合會	Luzhou Xinglu Water (Group) Co., Ltd. (Executive Director Unit) 瀘州市興瀘水務(集團)股份有限公司(常務理事單位)
Luzhou Young Entrepreneurs' Association 瀘州市青年企業家協會	Luzhou Xinglu Water (Group) Co., Ltd. (Vice President Unit) 瀘州市興瀘水務(集團)股份有限公司(副會長單位)
Sichuan Provincial Association of Environmental Protection Industry 四川省環境保護產業協會	Luzhou Xinglu Water (Group) Co., Ltd. (Executive Director Unit) 瀘州市興瀘水務(集團)股份有限公司(常務理事單位)
Luzhou Association of Environmental Protection Industry 瀘州市環境保護產業協會	Luzhou Xinglu Water (Group) Co., Ltd. (Executive Director Unit) 瀘州市興瀘水務(集團)股份有限公司(常務理事單位)
Sichuan Quality Supervision Association 四川省質量監督協會	Luzhou Xinglu Water (Group) Co., Ltd. (Executive Director Unit) 瀘州市興瀘水務(集團)股份有限公司(常務理事單位)
Luzhou Enterprise Confederation 瀘州市企業聯合會	Luzhou Xinglu Water (Group) Co., Ltd. (Vice President Unit) 瀘州市興瀘水務(集團)股份有限公司(常務副會長單位)
All-China Environment Federation 中華環保聯合會	Luzhou Xinglu Wastewater Treatment Co., Ltd. (Executive Director Unit) 瀘州市興瀘污水處理有限公司(理事單位)
Sichuan Drainage Management Committee 四川省排水專業管理委員會	Luzhou Xinglu Wastewater Treatment Co., Ltd. (Vice Director Unit) 瀘州市興瀘污水處理有限公司(副主任單位)
Sichuan Urban Water Supply and Drainage Association 四川省城鎮供水排水協會	Luzhou Xinglu Wastewater Treatment Co., Ltd. (Executive Director Unit) 瀘州市興瀘污水處理有限公司(常務理事單位)
Luzhou Association of Environmental Protection Industry 瀘州市環境保護產業協會	Luzhou Xinglu Wastewater Treatment Co., Ltd. (Director Unit) 瀘州市興瀘污水處理有限公司(理事單位)
Sichuan Provincial Water Pollution Control Service Association 四川省水污染治理服務協會	Luzhou Xinglu Wastewater Treatment Co., Ltd. (Vice President Unit) 瀘州市興瀘污水處理有限公司(副會長單位)

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Participation in Drafting Industry Standards

This year, the Group actively engages in drafting industry standards to foster standardized growth.

- Xinglu Wastewater Treatment participated in drafting the “Standards and Application for Analysis and Monitoring of Sewage Treatment Plants” organized by the Sichuan Water Pollution Control Association, showcasing its expertise in setting industry standards, and enhancing its authority and influence within the industry.

參編行業標準

本年度本集團積極參與行業標準編制，助力行業規範發展。

- 污水公司參加四川省水污染治理服務協會組織編寫的《污水處理廠分析監測規範及運用》，體現了公司在行業標準制定方面的專業能力，提升了公司在行業內的權威性和影響力。

GIVING BACK TO THE COMMUNITIES WITH FULFILMENT OF RESPONSIBILITIES

積極擔責，回饋社區

Indicator name 指標名稱	Unit 單位	2023 2023年	2024 2024年	2025 2025年
Number of times organized or participated in public welfare activities 組織或參與公益活動的次數	Times 次	30	28	30
Number of people who organized or participated in public welfare activities 組織或參與公益活動的人次	Person-times 人次	168	140	160
Duration of organized or participated in public welfare activities 組織或參與公益活動的時長	Hours 小時	48	32	100
Total investment in charitable donations 公益慈善捐贈總投入	RMB10,000 萬元人民幣	8.1	5.9	3.0

Charity Activities

公益慈善

The Group actively engages in public welfare undertakings, continuously promotes public welfare practices in community participation, targeted poverty alleviation, and other fields, striving to give back to society and foster progress while earnestly fulfilling corporate social responsibilities. The Group carries out initiatives such as “Party Member Responsibility Zones”, “Party Member Demonstration Posts”, “Party Member Vanguard Team”, and “Volunteer Service Teams”. Each Party branch (general branch) has established volunteer service sub-teams tailored to their production and operational characteristics. These teams give full play to the pioneering and exemplary role of Party members, particularly during urgent, difficult, and challenging situations such as major holidays and high-temperature water-supply assurance in summer.

本集團積極投身公益事業，在社區參與、精準扶貧等多個領域持續推動公益實踐，努力回饋社會、促進進步，切實履行企業社會責任。本集團開展「黨員責任區」「黨員示範崗」「黨員突擊隊」「志願服務隊」等活動，各黨支部（總支）結合生產經營特點組建志願服務小分隊，特別在重大節假日、夏季高溫保供水等急難險重中充分發揮黨員的先鋒模範作用。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Xinglu Wastewater Treatment conducted the themed party day activity with Luzhou Laojiao Tianfu Middle School
案例：興瀘污水處理聯合瀘州老窖天府中學開展主題黨日活動

In November 2025, Xinglu Wastewater Treatment, in collaboration with Luzhou Laojiao Tianfu Middle School, organized a themed activity titled “Guided by Red Spirit • Building Dreams with Craftsmanship– Party Building Leading Youth League Building”. Over 60 Party member teachers and outstanding student representatives from the 2025 grade of Luzhou Laojiao Tianfu Middle School visited Chengnan Wastewater Treatment Plant to experience the charm of environmental protection and jointly explore new pathways for integrating Party spirit education with environmental protection practice.

2025年11月，興瀘污水處理聯合瀘州老窖天府中學開展「紅色引領·匠心築夢—黨建帶團建」主題活動。瀘州老窖天府中學高2025級部分黨員教師及優秀學生代表60餘人走進城南污水處理廠，感受環保魅力，共同探索黨性教育與環保實踐融合的新路徑。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Organizing student participation in environmental protection practice activities

案例：組織學生參與環保實踐活動

In June 2025, on the arrival of Children's Day, children from Meiqi School, led by their teachers, visited Chengnan Wastewater Treatment Plant of Xinglu Wastewater Treatment to participate in an engaging environmental protection practice activity. Prior to the activity, the children first watched the science popularization film "The Adventure of Water Fairies", gaining preliminary understanding of wastewater treatment operations and principles. Subsequently, guided by the interpreter, they embarked on an exploratory journey into the secrets of water purification. The children successively visited key production facilities including the coarse and fine bar screens, grit chamber, biochemical tank, ultraviolet disinfection tank, and central control room. The interpreter introduced the wastewater treatment process and principles in accessible, vivid, and engaging language. This immersive experience allowed the children to "get up close and personal" with the magical purification process of wastewater.

2025年6月，兒童節到來之際，美琪學校孩子們在老師的帶領下走進興瀘污水處理城南污水處理廠，開展了一場有趣的環保實踐活動。活動前，孩子們首先觀看了科普宣傳片《水精靈歷險記》，對污水處理生產運行及原理有了初步認識。隨後，在講解員的帶領下開啓了污水淨化探秘之旅。孩子們依次參觀了粗細格柵、沉砂池、生化池、紫外消毒池及中控室等生產環節，講解員用通俗易懂、生動有趣的語言介紹了污水處理工藝原理。沉浸式的體驗，讓孩子們「零距離」感受到了污水的神奇淨化過程。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Rural Revitalization

As a livelihood enterprise, the Group actively practices the corporate mission of “fulfilling responsibilities, creating value, and making people happy”, deeply integrating social responsibilities into the rural revitalization strategy. The Group has scientifically formulated and systematically implemented assistance work plans to give back to communities and serve people’s livelihoods through concrete actions.

The Group actively participated in “May 8 Humanitarian Charity Day” donation campaign organized by the Weiyuan County Red Cross and contributed RMB30,000 to support public welfare undertakings through concrete actions. Meanwhile, the Group made steady progress in rural revitalization assistance efforts. Building upon the existing partner assistance with Yuxiangping Village of Lianghe Town in Xuyong County, the Group has newly added Tianshengqiao Village of Lianghe Town, Santai Village of Luobo Town in Xuyong County, and Yudong Village of Dongxin Town in Gulin County—3 additional partner assistance villages in total. Currently, the Group is partnered with 4 villages for assistance and 4 first secretaries are stationed in villages to carry out assistance work.

鄉村振興

作為民生企業，本集團積極踐行「履行責任、創造價值、幸福百姓」的企業使命，將社會責任深度融入鄉村振興戰略，科學制定並系統實施幫扶工作計劃，以實際行動回饋社會、服務民生。

本集團積極參與威遠縣紅十字會「5.8人道公益日」捐贈活動，捐款3萬元，以實際行動支持公益事業。同時，扎實推進鄉村振興駐村幫扶工作，在原結對幫扶叙永縣兩河鎮魚香坪村的基礎上，新增叙永縣兩河鎮天生橋村、落葡鎮三台村、古藺縣東新鎮漁洞村3個結對幫扶村，目前共計結對幫扶4個村，並派駐4名第一書記開展駐村幫扶工作。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Supporting agricultural product sales in Yuxiangping Village

案例：助力魚香坪村農產品銷售

Yuxiangping Village, Xuyong County, Luzhou City, is the partner assistance village of the Group. Li Mengsha, a member of the Group, has served as the first secretary stationed in the village since September 2023. She has actively engaged in the development of village industries, improved rural road infrastructure, and launched live-streaming e-commerce, thereby leading villagers to achieve common prosperity and continuously bringing new changes to Yuxiangping Village. She is affectionately called the “Live-streaming Secretary” by villagers. In recognition of her outstanding performance in rural revitalization work, she was awarded outstanding first secretary stationed in Xuyong County to boost poverty alleviation in 2024. At the end of 2024, Li Mengsha began teaching herself to shoot short videos on Douyin. Under the account name “Golden Flower Shasha Stationed in Village”, she promoted local specialties of the village, including free-range chickens, cured pork, fermented black soybeans, and soybeans, to nationwide audiences through the Douyin platform.

瀘州市叙永縣魚香坪村是本集團的結對幫扶村，公司李夢莎自2023年9月擔任駐村第一書記以來，積極投入村產業發展、改善鄉村道路基礎設施、開通直播帶貨，帶領村民共同致富，不斷為魚香坪村帶來新變化，被村民們親切地稱為「主播書記」。因在鄉村振興工作中的優異表現，2024年被評為叙永縣駐村幫扶優秀第一書記。2024年底，李夢莎開始自學拍攝抖音短視頻，以「駐村金花莎莎」視頻號，將村裏的土雞、臘肉、豆豉、黃豆等土特產通過抖音平台推向全國。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Case study: Carrying out the activity of “Water Service Illuminated by the Red Flag: Water Supply Services Reaching Rural Areas”
案例：開展「水潤旗紅，供水服務進鄉村」活動

Starting from November 1, 2025, the Group carried out the half-month activity of “Water Service Illuminated by the Red Flag: Water Supply Services Reaching Rural Areas”. Staff members were organized to go deep into the fields and villages, extending convenient services right to villagers’ doorsteps through meter reading, hazard inspection, and service delivery. At the event, volunteers wearing red vests were divided into several groups, weaving through the streets, alleys, and rural villages of the township. Armed with record books, they transformed themselves into “mobile service stations”, carefully verifying and recording data from every water meter. For cases where meter covers were blocked by debris or dials were blurred, the volunteers proactively cleared the surrounding environment and meticulously wiped the dials to ensure accurate readings.

2025年11月1日起，公司啟動為期半月的「水潤旗紅，供水服務進鄉村」活動，組織人員深入田間地頭，通過抄水錶、查隱患、送服務等方式，把便民服務延伸至村民家門口。在活動現場，身著紅色馬甲的志願者們分成若干小組，穿行於鄉鎮的街巷胡同與鄉間村居。他們手持記錄本，化身為「流動的服務站」，認真核對、抄錄每一塊水錶的數據。對於部分水錶井蓋被雜物覆蓋、錶盤模糊不清的情況，志願者們主動清理周邊環境，細心擦拭錶盤，確保讀數準確無誤。



Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

APPENDIX

Awards and Honors

附錄

獎項榮譽

Award recipient

獲獎單位

Award

獎項

Luzhou Xinglu Water (Group) Co., Ltd.
瀘州市興瀘水務(集團)股份有限公司

Enterprise Technology Center of Luzhou City
瀘州市企業技術中心

Luzhou Xinglu Water (Group) Co., Ltd.
瀘州市興瀘水務(集團)股份有限公司

Outstanding Unit in Office Work of Municipal State-owned Assets System
in 2024 – Special Commendation for “Publicity Work”
2024年度市國資系統辦公室工作成效突出單位「宣傳工作」突出表揚

Luzhou Xinglu Water (Group) Co., Ltd.
瀘州市興瀘水務(集團)股份有限公司

“First Grade” in 2024 State-owned Enterprise Party Building Work
Assessment
2024年度國有企業黨建工作考核「一等次」

Luzhou Xinglu Water (Group) Co., Ltd.
瀘州市興瀘水務(集團)股份有限公司

Rated “Excellent” for 2024 Energy-saving Target Achievement and
Implementation Measures
2024年度節能目標完成及措施落實情況評價為「優秀」

Luzhou Xinglu Wastewater Treatment Co., Ltd.
瀘州市興瀘污水處理有限公司

Outstanding Unit in 2024 Luzhou Key Project Labor Competition
2024年瀘州市重點工程勞動競賽成績突出單位

Project Department for Phase II of the Chengdong
Wastewater Treatment Plant, Luzhou Xinglu
Wastewater Treatment Co., Ltd.
瀘州市興瀘污水處理有限公司城東污水處理廠
二期工程項目部

Outstanding Team in 2024 Luzhou Key Project Labor Competition

2024年瀘州市重點工程勞動競賽成績突出班組

Luzhou Xinglu Wastewater Treatment Co., Ltd.
瀘州市興瀘污水處理有限公司

Outstanding Unit in 2025 “Work Safety Month” Campaign in Sichuan
Province
四川省2025年度「安全生產月」活動成績突出單位

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Award recipient 獲獎單位	Award 獎項
Luzhou Xinglu Wastewater Treatment Co., Ltd. 瀘州市興瀘污水處理有限公司	Certification of Work Safety Standardization Level II Enterprise (Comprehensive) 《安全生產標準化二級企業》(綜合)認證
Luzhou Fanxing Environmental Development Co., Ltd. 瀘州市繁星環保發展有限公司	Certification of Work Safety Standardization Level II Enterprise (Comprehensive) 《安全生產標準化二級企業》(綜合)認證。
Eight Wastewater Treatment Plants under Luzhou Xinglu Wastewater Treatment Co., Ltd. 瀘州市興瀘污水處理有限公司旗下8家污水處理廠	Environmental Integrity Enterprise 環保誠信企業
"Wishing You Safety": A Work Safety Emergency Awareness Scenario Play Produced by Luzhou Xinglu wastewater Treatment Co., Ltd. 瀘州市興瀘污水處理有限公司編排的《祝你平安》安全生產應急科普情景劇	Third Prize in the 2nd Work Safety Emergency Awareness Scenario Play Competition 第二屆安全生產應急科普情景劇比賽三等獎
Luzhou Xinglu Wastewater Treatment Co., Ltd. 瀘州市興瀘污水處理有限公司	Third Prize in Team Category of Industrial Wastewater Treatment Skills Competition at the 20th Staff Vocational Skills Contest 第二十屆職工職業技能大賽工業廢水處理技能比賽團體三等獎

CONTENT INDEX OF THE ESG REPORTING CODE OF THE STOCK EXCHANGE

香港交易所的《環境、社會及管治報告守則》內容索引表

Mandatory Disclosure Requirements 強制披露規定	Section/Declaration 章節／聲明
Governance Structure 管治架構	ESG Management Structure ESG管治架構
Reporting Principles 匯報原則	Preparation Basis 編制依據
Reporting Boundary 匯報範圍	About the Information 資料說明

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

“COMPLY OR EXPLAIN” PROVISIONS SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS

「不遵守就解釋」條文主要範疇、層 面、一般披露及關鍵績效指標

Environmental 環境範疇			Relevant Section 相關章節
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pollution and Waste Reduction, Environmentally Friendly
A1: 排放物	一般披露	有關廢氣排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a) 降污減廢，環境友好政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	
	A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Pollutant Discharge 污染物排放
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Pollutant Discharge 污染物排放
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Pollutant Discharge 污染物排放
	A1.5	Description of emission target(s) set and steps taken to achieve them. 描述所訂立的排放量目標及為達到這些目標所採取的步驟。	Pollution and Waste Reduction, Environmentally Friendly Indicators and Targets 降污減廢，環境友好 指標與目標
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. 描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	Pollutant Discharge Indicators and Targets 污染物排放 指標與目標

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
A2: Use of Resources A2 : 資源使用	General disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Pollution and Waste Reduction, Environmentally Friendly 降污減廢, 環境友好
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	Indicators and Targets 指標與目標
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	Water Resource Management 水資源管理
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them. 描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	Energy Management and Carbon Emission Reduction 能源管理及碳減排 指標與目標
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. 描述求取適用水源上可有任何問題, 以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	Water Resource Management 水資源管理
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	The Group is not involved in the consumption of finished products and packaging materials. 本集團不涉及製成品及包裝材料消耗
A3: The Environment and Natural Resources A3 : 環境及天然資源	General disclosure 一般披露	Policies on minimizing the issuer's significant impacts on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Pollution and Waste Reduction, Environmentally Friendly Low-Carbon Initiatives for Risk Control 降污減廢, 環境友好 低碳環保, 管控風險
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Pollution and Waste Reduction, Environmentally Friendly Low-Carbon Initiatives for Risk Control 降污減廢, 環境友好 低碳環保, 管控風險

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
B1: Employment	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Solidarity for Empowerment of Employees
B1: 僱傭	一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	同心聚力，助力員工
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Equal and Compliant Employment 平等合規僱傭
	B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Equal and Compliant Employment 平等合規僱傭
B2: Health and Safety	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
B2: 健康與安全	一般披露	有關提供安全工作環境及保障僱員避免職業性危害的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	職業健康與安全
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. 因工作關係而死亡的人數及比率。	Occupational Health and Safety 職業健康與安全
	B2.2	Lost days due to work injury. 因工傷損失工作日數。	Occupational Health and Safety 職業健康與安全
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Occupational Health and Safety 職業健康與安全

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
B3: Development and Training B3：發展及培訓	General disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Training and Development 人才培訓與發展
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及員工類別(如高級管理層、中級管理層等)劃分的受訓員工百分比。	Training and Development 人才培訓與發展
	B3.2	The average training hours completed per employee by gender and employee category. 按性別及員工類別劃分，每名員工完成受訓的平均時數。	Training and Development 人才培訓與發展
B4: Labour Standards B4：勞工準則	General disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Equal and Compliant Employment 平等合規僱傭
	B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Equal and Compliant Employment 平等合規僱傭
	B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Equal and Compliant Employment 平等合規僱傭
B5: Supply Chain Management B5：供應鏈管理	General disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Supplier Management System 供應商管理體系
	B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Supplier Management System 供應商管理體系
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Supplier Management System 供應商管理體系

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	Supplier Management System 供應商管理體系
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	Supplier Management System 供應商管理體系
B6: Product Responsibility	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Efficient Customer Services
B6：產品責任	一般披露		高效客服
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Innovation First, Quality Services 創新為先，品質服務
	B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Efficient Customer Services 高效客服
	B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Intellectual Property Protection 保護知識產權
	B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Innovation First, Quality Services 創新為先，品質服務
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored. 描述消費者數據保障及私隱政策，以及相關執行及監察方法。	Information and Data Security 信息與數據安全

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
B7: Anti-corruption	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliant, Efficient and Honest Operation
B7: 反貪污	一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	合規高效，清廉經營
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Compliant, Efficient and Honest Operation
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Compliant, Efficient and Honest Operation
	B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	Compliant, Efficient and Honest Operation
B8: Community Investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Giving Back to the Communities with Fulfilment of Responsibilities
B8: 社區投資	一般披露	有關以社區共融來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	積極擔責，回饋社區
	B8.1	Focus areas of contribution. 專注貢獻範疇。	Giving Back to the Communities with Fulfilment of Responsibilities 積極擔責，回饋社區
	B8.2	Resources contributed to the focus area. 在專注範疇所動用資源。	Giving Back to the Communities with Fulfilment of Responsibilities 積極擔責，回饋社區

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
Part D: Climate-related Disclosures D部分：氣候相關披露			
(I) Governance	19.	An issuer shall disclose information about: the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Low-Carbon Initiatives for Risk Control
(I)管治		發行人須披露有關以下方面的資料：<!--</p--> (a) 負責監督氣候相關風險和機遇的治理機構(可包括董事會、委員會或其他同等治理機構)或個人的資訊。 (b) 管理層在用以監察、管理及監督氣候相關風險和機遇的管治流程、監控措施及程序中的角色。	低碳環保，管控風險
(II) Strategy	20.	Climate-related risks and opportunities An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Low-Carbon Initiatives for Risk Control
(II)策略		氣候相關風險和機遇 發行人須披露其資訊，以讓人理解其合理預期可能在短期、中期或長期影響其現金流量、融資渠道或資本成本的氣候相關風險和機遇。	低碳環保，管控風險

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇		Relevant Section 相關章節
21.	Business model and value chain An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. 業務模式和價值鏈 發行人須披露讓人了解氣候相關風險和機遇對其業務模式和價值鏈的當前和預期影響的資訊。	Low-Carbon Initiatives for Risk Control Determining the scope of the value chain: We apply the reasonable information relief, as we are unable to obtain all reasonable and supportable information as of the reporting date, without undue cost or effort, to determine the scope of our value chain. 低碳環保，管控風險確定價值鏈的範圍：我們採取合理資料寬免，因為我們不能夠在匯報日，無需付出不必要成本或努力即可獲得的一切合理且有依據的資料去確定其價值鏈的範圍。
22.	Strategy and decision-making An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. 策略和決策 發行人須披露讓人了解氣候相關風險和機遇對其策略和決策的影響的資訊。具體而言，發行人須披露： (a) 有關發行人已經及將來計劃在其策略和決策中如何應對氣候相關風險和機遇的資訊，包括發行人計劃如何實現任何其所設定的氣候相關目標，以及任何法律或法規要求達到的目標。	Low-Carbon Initiatives for Risk Control 低碳環保，管控風險

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇		Relevant Section 相關章節
23.	An issuer shall disclose information about the progress of plans disclosed in previous Reporting Periods in accordance with paragraph 22(a). 發行人須披露先前各匯報期內按照第22(a)段所披露計劃的進度。	Low-Carbon Initiatives for Risk Control 低碳環保，管控風險
24.	Financial position, financial performance and cash flows Current financial effect An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual Reporting Period to the carrying amounts of assets and liabilities reported in the related financial statements. 財務狀況、財務表現及現金流量 當前財務影響 發行人須披露以下定性和量化資料： (a) 氣候相關風險和機遇如何影響發行人在匯報期的財務狀況、財務表現及現金流量；及 (b) 當存在將導致下一匯報年度相關財務報表中的資產和負債帳面價值發生重要調整的重大風險時，關於第24(a)段中識別的氣候相關風險和機遇的資訊。	Low-Carbon Initiatives for Risk Control Financial effects relief – We will further assess the financial impacts of climate-related risks and opportunities in the future. 低碳環保，管控風險財務影響寬免—我們未來將進一步評估氣候相關風險和機遇的財務影響。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental
環境範疇

Relevant Section
相關章節

25.	Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration of the following. (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. 預期財務影響 發行人須披露以下定性和量化資料： (a) 發行人經考慮其管理氣候相關風險和機遇的策略後，並考慮到以下各項，預期其財務表現在短期、中期及長期內將如何變化。 (b) 基於發行人管理氣候相關風險和機遇的策略，其預計其財務業績及現金流量在短期、中期及長期的變化。	Low-Carbon Initiatives for Risk Control Reasonable information relief – As of the reporting date, we are unable to obtain all reasonable and supportable information that could be accessed without undue cost or effort. 低碳環保，管控風險合理資料寬免—因為我們不能夠在匯報日，無需付出不必要成本或努力即可獲得的一切合理且有依據的資料。
26.	Climate resilience An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. 氣候韌性 在考慮發行人已識別的氣候相關風險和機遇後，發行人須披露資訊，使他人了解發行人的策略及業務模式對氣候相關變化、發展或不確定性的韌性。發行人須按與其情況相稱的做法，使用與氣候相關的情景分析來評估其氣候韌性。提供量化資訊時，發行人可披露單一數額或區間範圍。	Low-Carbon Initiatives for Risk Control Reasonable information relief – As of the reporting date, we are unable to obtain all reasonable and supportable information that could be accessed without undue cost or effort. 低碳環保，管控風險 合理資料寬免—因為我們不能夠在匯報日，無需付出不必要成本或努力即可獲得的一切合理且有依據的資料。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
(III) Risk Management	27.	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks. (b) the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Low-Carbon Initiatives for Risk Control
(III)風險管理		發行人須披露以下資訊：<!--</p--> (a) 發行人用於識別、評估氣候相關風險，以及釐定當中輕重緩急並保持監察的流程及相關政策。 (b) 發行人用於識別、評估氣候相關機遇，以及釐定當中輕重緩急並保持監察的流程（包括發行人可有及如何使用氣候相關情景分析來確定氣候相關機遇的資訊）；及 氣候相關風險和機遇的識別、評估、優次排列和監察流程，是如何融入發行人的整體風險管理流程，以及融入的程度如何。	低碳環保，管控風險

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第九章 環境、社會及管治報告(續)

Environmental 環境範疇			Relevant Section 相關章節
(IV) Metrics and Targets	28.	Greenhouse gas emissions An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Low-Carbon Initiatives for Risk Control Going forward, we will continue to collect more comprehensive data to gradually expand and improve disclosure coverage of Scope 3 subcategories that have a material impact on our business.
(IV)指標及目標		溫室氣體排放 發行人須披露匯報期內的溫室氣體絕對總排放量(以公噸二氧化碳當量表示),並分為: (a) 範圍1溫室氣體排放; (b) 範圍2溫室氣體排放;及 (c) 範圍3溫室氣體排放。	低碳環保, 管控風險 未來,我們將持續收集更全面的數據,以逐步擴大並完善對本集團業務具有重要影響的範圍三各子類別的披露覆蓋範圍。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇

Relevant Section 相關章節

29. An issuer shall:
- (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;
 - (b) disclose the approach it uses to measure its greenhouse gas emissions;
 - (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and
 - (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
- 發行人須：
- (a) 除非管轄機關或發行人上市之另一交易所另有要求，否則發行人須根據《溫室氣體核算體系：企業核算與報告標準(2004年)》計量其溫室氣體排放；
 - (b) 披露其用於計量溫室氣體排放的方法
 - (c) 就根據第28(b)段披露的範圍2溫室氣體排放，披露其以地域為基準的範圍2溫室氣體排放，並提供有助於了解該排放的任何所需合約文書的資訊；及
- 就根據第28(c)段披露的範圍3溫室氣體排放，根據《溫室氣體核算體系：企業價值鏈(範圍3)核算與報告標準(2011年)》所述的範圍3類別披露發行人計量範圍3溫室氣體排放中包含的類別。

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Reasonable information relief – Going forward, we will continue to collect more comprehensive data to gradually expand and improve disclosure coverage of Scope 3 subcategories that have a material impact on our business.

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合理資料寬免－未來，我們將持續收集更全面的數據，以逐步擴大並完善對本集團業務具有重要影響的範圍三各子類別的披露覆蓋範圍。

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第九章 環境、社會及管治報告(續)

Environmental 環境範疇		Relevant Section 相關章節
30.	Climate-related transition risks An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks. 氣候相關轉型風險 發行人須披露容易受氣候相關轉型風險影響的資產或業務活動的金額及百分比。	Low-Carbon Initiatives for Risk Control Reasonable information relief – In future reports, we will strengthen the methods and processes for assessing the financial impacts of climate-related risks and opportunities. 低碳環保，管控風險 合理資料寬免－我們將在未來的報告中加強評估氣候相關風險和機遇的財務影響的方法和流程。
31.	Climate-related physical risks An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks. 氣候相關物理風險 發行人須披露容易受氣候相關物理風險影響的資產或業務活動的金額及百分比。	
32.	Climate-related opportunities An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. 氣候相關機遇 發行人須披露涉及氣候相關機遇的資產或業務活動的金額及百分比。	

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第九章 環境、社會及管治報告(續)

Environmental 環境範疇		Relevant Section 相關章節
33.	Capital deployment An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. 資本運用 發行人須披露用於氣候相關風險和機遇的資本開支、融資或投資的金額。	The Group has identified climate-related risks and will further identify relevant data to enhance disclosure. 本集團已識別氣候相關風險，將進一步識別相關數據優化披露。
34.	Internal carbon prices An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions. 內部碳定價 發行人須披露如下： (a) 闡釋發行人可有及如何在決策中應用碳定價（例如投資決策、轉移定價及情景分析）；及 (b) 發行人用於評估其溫室氣體排放成本的每公噸溫室氣體排放量定價。	Negative statement – we have not yet applied internal carbon pricing in decision-making, but will explore the feasibility of implementation in the future. 否定聲明—本集團目前並未在決策中採用內部碳定價，但未來會探討實施的可行性。
35.	Remuneration An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv). 薪酬 發行人須披露氣候相關考慮因素可有及如何納入薪酬政策，或提供適當的否定聲明。這可能構成根據第19(a)(iv)段作出的披露的一部分。	Negative statement – we have not yet incorporated climate-related considerations into senior management remuneration, but will explore the possibility of doing so in the future. 否定聲明—我們目前尚未將與氣候相關因素納入高級管理人員薪酬，並將在未來探索採用的可能性。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇		Relevant Section 相關章節
36.	Industry-based metrics An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. 行業指標 本交易所鼓勵發行人披露與一項或多項特定的業務模式和活動有關的行業指標，或與參與有關行業常見特徵有關的行業指標。	We have not disclosed any industry-based metrics at present, but will explore their feasibility in the future. 我們目前並未披露任何行業指標，但未來會探討其可行性。
37.	Climate-related targets An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. 氣候相關目標 發行人須披露(a)其為監察實現其策略目標的進展而設定的與氣候相關的定性及量化目標；及(b)法律或法規要求發行人達到的任何目標，包括任何溫室氣體排放目標。	Low-Carbon Initiatives for Risk Control 低碳環保，管控風險
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target. 發行人須披露其設定及審核每項目標的方法，以及其如何監察達標進度。	Low-Carbon Initiatives for Risk Control 低碳環保，管控風險
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. 發行人須披露有關每項氣候相關目標的績效的資訊以及對發行人績效的趨勢或變化分析。	Low-Carbon Initiatives for Risk Control 低碳環保，管控風險

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental
環境範疇

Relevant Section
相關章節

40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39 an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Low-Carbon Initiatives for Risk Control

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental
環境範疇

Relevant Section
相關章節

就按第37至39段披露的每一項溫室氣體排放目標，發行人須披露： 低碳環保，管控風險

- (a) 目標涵蓋哪些溫室氣體；
- (b) 目標是否涵蓋範圍1、範圍2或範圍3溫室氣體排放；
- (c) 此目標是溫室氣體排放總量目標還是溫室氣體排放淨額目標。如為溫室氣體排放淨額目標，發行人須另外披露相關的溫室氣體排放總量目標；
- (d) 目標是否是採用行業脫碳方法得出的；及
- (e) 發行人計劃使用碳信用抵銷溫室氣體排放以實現任何溫室氣體排放淨額目標。關於使用碳信用的計劃，發行人須披露：
 - (i) 依賴使用碳信用以實現任何溫室氣體排放淨額目標的程度及方式；
 - (ii) 該碳信用將由哪些第三方計劃驗證或認證；
 - (iii) 碳信用的類型，包括相關抵消是否是基於自然還是基於科技的碳消除，以及相關抵消是通過減碳還是碳消除實現；及
 - (iv) 為讓人了解發行人計劃使用的碳信用的可信度和完整性所必需的任何其他重要因素(例如，對碳抵消效果的假設)。

Chapter IX Environmental, Social and Governance Report (Continued)

第九章 環境、社會及管治報告(續)

Environmental 環境範疇		Relevant Section 相關章節
41.	Applicability of cross-industry metrics and industry-based metrics In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36). 跨行業指標及行業指標的適用性 在編制披露內容以符合第21至26及37至38段的規定時，發行人須參考(i)跨行業指標(見第28至35段)及(ii)行業指標(見第36段)並考慮其是否適用。	We have not disclosed any cross-industry or industry-based metrics at present, but will explore their feasibility in the future. 我們目前並未披露任何跨行業指標及行業指標，但未來會探討其可行性。

Chapter X Financial Report

第十章 財務報告

Audit Report 審計報告

To the shareholders of Luzhou Xinglu Water (Group) Co., Ltd.

瀘州市興瀘水務(集團)股份有限公司全體股東：

I. AUDIT OPINION

We have audited the financial statements of Luzhou Xinglu Water (Group) Co., Ltd. (the “Company” or “Xinglu Water”), which comprise the consolidated and the Parent Company’s balance sheets as at 31 December 2025, and the consolidated and the Parent Company’s income statements, the consolidated and the Parent Company’s cash flow statements, the consolidated and the statement of changes in parent company’s equity for 2025 and the notes to the financial statements.

In our opinion, the accompanying financial statements of Xinglu Water present fairly, in all material aspects, Xinglu Water’s and the Parent Company’s consolidated financial position as at 31 December 2025 and its and the Parent Company’s consolidated results of operations and cash flows for the year 2025 in accordance with the Accounting Standards for Business Enterprises.

II. BASIS OF AUDIT OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of Xinglu Water in accordance with the independence requirements applicable to audits of financial statements of public-interest entities set forth in the Chinese Standards on Independence for Certified Public Accountants and the Chinese Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

一、審計意見

我們審計了瀘州市興瀘水務(集團)股份有限公司(以下簡稱興瀘水務)財務報表，包括2025年12月31日的合併及母公司資產負債表，2025年度的合併及母公司利潤表、合併及母公司現金流量表、合併及母公司股東權益變動表，以及相關財務報表附註。

我們認為，後附的財務報表在所有重大方面按照企業會計準則的規定編制，公允反映了興瀘水務2025年12月31日的合併及母公司財務狀況以及2025年度的合併及母公司經營成果和現金流量。

二、形成審計意見的基礎

我們按照中國註冊會計師審計準則的規定執行了審計工作。審計報告的「註冊會計師對財務報表審計的責任」部分進一步闡述了我們在這些準則下的責任。按照中國註冊會計師獨立性準則和中國註冊會計師職業道德守則中適用於公眾利益實體財務報表審計的獨立性要求，我們獨立於興瀘水務，並履行了職業道德方面的其他責任。我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Audit Report (Continued)

審計報告(續)

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Key audit matters

關鍵審計事項

As shown in 36. Operating Revenue and Operating Costs of Note V to the financial statements of Xinglu Water, Xinglu Water is mainly engaged in the business of water supply, sewage treatment and installation projects, and the total operating revenue of water supply, sewage treatment and projects in 2025 was RMB1,225 million, accounting for 99.07% of the current operating revenue. Whether the recognition of operating revenue is appropriate has a significant impact on the financial statements of Xinglu Water. Therefore, we identified the recognition of the operating revenue of Xinglu Water as a key audit matter.

如興瀘水務財務報表附註五、36.營業收入、營業成本所示，興瀘水務主要從事供水、污水處理和工程業務，2025年度供水、污水處理和工程業務合計營業收入為12.25億元，佔當期營業收入的99.07%。營業收入的確認是否適當對興瀘水務財務報表將產生重大影響，因此我們將興瀘水務的營業收入確認確定為關鍵審計事項。

Audit response

審計中的應對

The following procedures were primarily performed during the process of audit on the financial statements for 2025:

1. Understand and evaluate the design and operating effectiveness of the management's key internal controls related to revenue recognition;
2. Recalculate the tap water sales revenue according to the approved unit price classification based on the unit prices approved by the pricing department on the basis of the sales volume recognized in the monthly sales report aggregated by the water volume recorded in each meter reading section in each month and different tap water;
3. Based on the analysis of water production and sales volume, analyse the rationality of the change in production and sales difference in each month, and thereby judge whether there existed any abnormal fluctuation in the amount of tap water sales revenue in the year in combination with the analysis on tap water sales revenue and gross profit;
4. For wastewater treatment revenue, verify the original certificates such as relevant franchise agreements and statistical tables of wastewater treatment volumes confirmed by designated government departments to confirm whether the wastewater treatment revenue is a true and accurate record;
5. Send letters to the local finance bureaus, city administration bureaus and comprehensive administrative law-enforcing bureaus for verification;
6. Check the projects business contracts, service settlement sheets and works completion acceptance data; Send letters, by sampling, to the clients of household meter installation works for verification.

2025年度財務報表審計中，主要執行以下程序：

- 1、了解和評價管理層與收入確認相關的關鍵內部控制的設計和運行有效性；
- 2、根據各抄表區段每月抄錄水量匯總的銷售月報確認的售水量，按照不同的自來水用途，物價部門核定了不同單價，按照分類核定單價重新計算自來水銷售收入；
- 3、在對制水量與售水量進行分析的基礎上，對各月份產銷差的變動合理性進行分析，同時結合對自來水銷售收入以及毛利情況的分析，判斷本年度自來水銷售收入是否出現異常波動的情況；
- 4、對污水處理收入，核對相關特許經營協議和經政府指定部門確認的污水處理量統計表等原始憑證，以確認污水處理收入是否真實準確的記錄；
- 5、向當地財政局、城管局、綜合行政執法局等實施函證；
- 6、檢查工程業務合同、服務結算單、項目完工驗收資料；選取樣本，向戶表安裝工程客戶實施函證。

三、關鍵審計事項

關鍵審計事項是我們根據職業判斷，認為對本期財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計並形成審計意見為背景，我們不對這些事項單獨發表意見。

1、收入確認事項

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Audit Report (Continued)

審計報告(續)

III. KEY AUDIT MATTERS (Continued)

三、關鍵審計事項(續)

2. Fixed assets recognition

2、固定資產確認事項

Key audit matters

關鍵審計事項

Audit response

審計中的應對

As stated in 9. Fixed assets and 10. Construction in progress of Note V to the financial statements of Xinglu Water, the fixed assets of Xinglu Water mainly consisted of houses and buildings, water supply and drainage pipe network, special equipment, and general equipment. As at 31 December 2025, the aggregate carrying amount of fixed assets and construction in progress amounted to RMB37.84 million, accounting for 52.54% of the total assets and represented the largest proportion of the assets. Among them, the water supply and drainage pipe network assets that were not directly observable accounted for 28.21% of the fixed assets. Therefore, we identified the existence of fixed assets as a key audit matter.

如興瀘水務財務報表附註五、9.固定資產、10.在建工程所示，興瀘水務的固定資產主要是房屋構築物、供排水管網、專用設備、通用設備等，2025年12月31日固定資產及在建工程賬面餘額合計37.84億元，佔資產總額的52.54%，是資產中最大的組成部分，其中難以直接觀察的供排水管網資產佔固定資產的28.21%，故我們將固定資產的存在認定作為關鍵審計事項。

The following procedures were primarily performed during the process of audit on the financial statements for 2025:

1. Understand, evaluate and test the management's key internal controls related to fixed assets recognition;
2. Conduct on-site inspection for houses and buildings, obtain and check assets ownership or control right and other documentary evidence;
3. Based on the distribution map of water supply and drainage pipe network, conduct on-site inspection on important fixed assets by sampling, check the observable landmarks on the ground along the lines, spot check the meter reading and water sales records of tap water users along the lines to verify whether they exist and use normally, and pay attention to whether there exist any idle or damaged fixed assets;
4. Check the administrative approval files of major asset construction projects;
5. Check whether the internal approval procedures related to the addition and disposal of fixed assets were complete and whether the corresponding accounting treatment was correct.

2025年度財務報表審計中，主要執行以下程序：

- 1、了解、評估並測試管理層對固定資產確認相關的關鍵內部控制；
- 2、對房屋、建築物進行實地檢查，並獲取和檢查資產所有權或控制權等證明文件；
- 3、結合供排水管網分布圖，以抽樣的方式實地檢查重要固定資產，檢查沿線地上可觀察標誌物，並且通過對沿線自來水用戶抽查其抄表和售水記錄，確定其是否存在及是否已正常使用，關注是否存在閑置或毀損的固定資產；
- 4、檢查重大資產建設項目的行政批覆文件；
- 5、檢查固定資產增加減少相關的內部審批手續是否齊全，對應的會計處理是否正確。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Audit Report (Continued)

審計報告(續)

IV. OTHER INFORMATION

The management of Xinglu Water (hereinafter referred to as the "Management") is responsible for other information. Other information includes information covered in the 2025 Annual Report of Xinglu Water, but excludes the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management is responsible for preparing the financial statements in accordance with Accounting Standards for Business Enterprises, to guarantee the fair of financial statements, and designing, implementing and maintaining the necessary internal control to avoid the material misstatement of financial statements which is due to fraud or error.

四、其他信息

興瀘水務管理層(以下簡稱管理層)對其他信息負責。其他信息包括興瀘水務2025年年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。

我們對財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中了解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

五、管理層和治理層對財務報表的責任

管理層負責按照企業會計準則的規定編制財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使財務報表不存在由於舞弊或錯誤導致的重大錯報。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Audit Report (Continued)

審計報告(續)

In preparing the financial statements, the management is responsible for assessing Xinglu Water's sustainable business capacity, disclosing matters (if applicable) in relation to the going concern, and using the going concern assumption unless the management either intend to liquidate Xinglu Water or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Xinglu Water's financial reporting process.

在編制財務報表時，管理層負責評估興瀘水務的持續經營能力，披露與持續經營相關的事項（如適用），並運用持續經營假設，除非管理層計劃清算興瀘水務、終止運營或別無其他現實的選擇。

治理層負責監督興瀘水務的財務報告過程。

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. At the same time, we also perform the following tasks:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

六、註冊會計師對財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。合理保證是高水平的保證，但並不能保證按照審計準則執行的審計在某一重大錯報存在時總能發現。錯報可能由於舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響財務報表使用者依據財務報表作出的經濟決策，則通常認為錯報是重大的。

在按照審計準則執行審計工作的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行以下工作：

- (1) 識別和評估由於舞弊或錯誤導致的財務報表重大錯報風險，設計和實施審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Audit Report (Continued)

審計報告(續)

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

六、註冊會計師對財務報表審計的責任(續)

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but the purpose of this report is not to express an opinion on the effectiveness of the internal control. (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management. (4) Conclude on the appropriateness of management's use of going concern assumptions. And, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on Xinglu Water's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements; if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause Xinglu Water to be unable to continue as a going concern. (5) Evaluate the overall presentation, structure and content of the financial statements, and assess whether the financial statements present fairly the related transactions and events. (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Xinglu Water to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.	(2) 了解與審計相關的內部控制，以設計恰當的審計程序，但目的並非對內部控制的有效性發表意見。 (3) 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。 (4) 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對興瀘水務持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來的事項或情況可能導致興瀘水務不能持續經營。 (5) 評價財務報表的總體列報、結構和內容，並評價財務報表是否公允反映相關交易和事項。 (6) 就興瀘水務中實體或業務活動的財務信息獲取充分、適當的審計證據，以對財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Audit Report (Continued)

審計報告(續)

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

六、註冊會計師對財務報表審計的責任(續)

我們與治理層就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計中識別出的值得關注的內部控制缺陷。

我們還就已遵守與獨立性相關的職業道德要求向治理層提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施(如適用)。

從與治理層溝通的事項中，我們確定哪些事項對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

ShineWing Certified Public Accountants

信永中和會計師事務所(特殊普通合夥)

Certified Public Accountants in China:

PRC Beijing
中國 北京

Certified Public Accountants in China:

(Project Partner)

中國註冊會計師：

(項目合夥人)

中國註冊會計師：

March 27, 2026

二〇二六年三月二十七日

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Consolidated Balance Sheet
合併資產負債表

Prepared by: Luzhou Xinglu Water (Group) Co., Ltd.
編制單位：瀘州市興瀘水務(集團)股份有限公司

Currency: RMB
單位：人民幣元

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Current assets:	流動資產：			
Monetary funds	貨幣資金	V.1 五、1	605,985,936.27	447,179,187.90
Transactional financial assets	交易性金融資產			
Derivative financial assets	衍生金融資產			
Notes receivable	應收票據			
Accounts receivable	應收賬款	V.2 五、2	752,333,312.68	697,661,006.00
Factoring of accounts receivables	應收款項融資			
Prepayments	預付款項	V.3 五、3	37,271,197.15	32,636,317.05
Other receivables	其他應收款	V.4 五、4	43,067,530.29	71,979,301.85
Including: Interests receivable	其中：應收利息			
Dividends receivable	應收股利			
Financial assets purchased under agreements to resell	買入返售金融資產			
Inventories	存貨	V.5 五、5	72,590,432.88	69,743,103.60
Contract assets	合同資產			
Assets held for sale	持有待售資產			
Non-current assets due within one year	一年內到期的非流動資產			
Other current assets	其他流動資產	V.6 五、6	112,614,081.81	125,071,510.27
Total current assets	流動資產合計		1,623,862,491.08	1,444,270,426.67

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Balance Sheet (Continued)

合併資產負債表(續)

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Non-current assets:	非流動資產：			
Disbursement of loans and advances	發放貸款和墊款			
Investments in debt	債權投資			
Other investments in debt	其他債權投資			
Long-term receivables	長期應收款			
Long-term equity investments	長期股權投資			
Investments in other equity instruments	其他權益工具投資	V.7 五、7	80,466.75	55,770.77
Other non-current financial assets	其他非流動金融資產			
Investment properties	投資性房地產	V.8 五、8	1,718,846.97	1,831,855.67
Fixed assets	固定資產	V.9 五、9	3,714,017,659.28	3,738,535,617.01
Construction in progress	在建工程	V.10 五、10	69,884,593.20	235,076,647.96
Productive biological assets	生產性生物資產			
Oil and gas assets	油氣資產			
Right-of-use assets	使用權資產	V.11 五、11	108,473.26	24,527.90
Intangible assets	無形資產	V.12 五、12	1,542,987,694.53	1,512,274,060.06
Development costs	開發支出			
Goodwill	商譽	V.13 五、13	28,139,173.07	28,139,173.07
Long-term prepaid expenses	長期待攤費用	V.14 五、14	149,591,220.44	161,376,735.01
Deferred tax assets	遞延所得稅資產	V.15 五、15	29,058,435.39	22,287,654.42
Other non-current assets	其他非流動資產	V.16 五、16	42,494,648.08	44,204,024.82
Total non-current assets	非流動資產合計		5,578,081,210.97	5,743,806,066.69
Total assets	資產總計		7,201,943,702.05	7,188,076,493.36

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Balance Sheet (Continued)

合併資產負債表(續)

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Current liabilities:	流動負債：			
Short-term borrowings	短期借款	V.17 五、17	483,255,473.60	119,373,820.47
Transactional financial liabilities	交易性金融負債			
Notes payable	應付票據			
Accounts payable	應付帳款	V.18 五、18	387,065,396.64	430,246,985.16
Advances from customers	預收款項		—	—
Contract liability	合同負債	V.19 五、19	196,267,752.52	173,439,673.53
Employee remunerations payable	應付職工薪酬	V.20 五、20	53,642,229.18	56,789,888.66
Taxes payable	應交稅費	V.22 五、21	24,396,240.86	14,337,286.66
Other payables	其他應付款	V.2 五、22	215,242,349.67	219,652,778.25
Including: Interests payable	其中：應付利息		—	—
Dividends payable	應付股利		—	—
Non-current liabilities due within one year	一年內到期的非流動負債	V.23 五、23	407,077,554.05	504,326,837.41
Other current liabilities	其他流動負債	V.24 五、24	3,553,740.16	3,059,734.30
Total Current Liabilities	流動負債合計		1,770,500,736.68	1,521,227,004.44
Non-Current Liabilities:	非流動負債：			
Long-term borrowings	長期借款	V.25 五、25	1,266,466,125.32	1,410,549,011.05
Bonds payable	應付債券		—	—
Including: Preference shares	其中：優先股			
Perpetual debts	永續債			
Lease liabilities	租賃負債	V.26 五、26	39,455.27	—
Long-term payables	長期應付款	V.27 五、27	780,843,648.36	910,843,648.36
Long-term employee remunerations payable	長期應付職工薪酬			
Estimated liabilities	預計負債	V.28 五、28	7,825,584.54	7,071,742.35
Deferred income	遞延收益	V.29 五、29	157,993,200.12	184,996,291.05
Deferred tax liabilities	遞延所得稅負債	V.15 五、15	4,528,984.96	4,905,802.10
Other non-current liabilities	其他非流動負債		—	—
Total non-current liabilities	非流動負債合計		2,217,696,998.57	2,518,366,494.91
Total liabilities	負債合計		3,988,197,735.25	4,039,593,499.35

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Balance Sheet (Continued)

合併資產負債表(續)

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Shareholders' equity:	股東權益：			
Share capital	股本	V.30 五、30	859,710,000.00	859,710,000.00
Other equity instruments	其他權益工具			
Including: Preference shares	其中：優先股			
Perpetual debts	永續債			
Capital reserve	資本公積	V.31 五、31	420,447,214.35	420,447,214.35
Less: Treasury shares	減：庫存股			
Other comprehensive income	其他綜合收益	V.32 五、32	-42,239.76	-66,935.74
Special reserves	專項儲備	V.33 五、33	7,141,391.77	8,837,310.54
Surplus reserves	盈餘公積	V.34 五、34	78,048,308.25	78,048,308.25
General risk provisions	一般風險準備			
Undistributed profit	未分配利潤	V.35 五、35	1,637,191,570.85	1,562,387,015.57
Total equity attributable to shareholders of the parent company	歸屬於母公司股東權益合計		3,002,496,245.46	2,929,362,912.97
Minority interests	少數股東權益		211,249,721.34	219,120,081.04
Total shareholders' equity	股東權益合計		3,213,745,966.80	3,148,482,994.01
Total liabilities and shareholders' equity	負債和股東權益總計		7,201,943,702.05	7,188,076,493.36

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Balance Sheets of Parent Company

母公司資產負債表

Prepared by: Luzhou Xinglu Water (Group) Co., Ltd.

編制單位：瀘州市興瀘水務(集團)股份有限公司

Unit: RMB

單位：人民幣元

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Current assets:	流動資產：			
Monetary funds	貨幣資金		184,504,145.18	179,658,799.97
Transactional financial assets	交易性金融資產			
Derivative financial assets	衍生金融資產			
Notes receivable	應收票據			
Accounts receivable	應收賬款	XVI.1 十六、1	204,770,400.09	194,273,604.59
Factoring of accounts receivables	應收款項融資			
Prepayments	預付款項		26,715,144.72	5,320,547.47
Other receivables	其他應收款	XVI.2 十六、2	67,451,118.17	98,218,245.03
Including: Interests receivable	其中：應收利息			
Dividends receivable	應收股利			
Inventories	存貨		41,185,093.81	36,558,736.78
Contract assets	合同資產			
Assets held for sale	持有待售資產			
Non-current assets due within one year	一年內到期的非流動資產			
Other current assets	其他流動資產		25,015,794.25	23,720,442.09
Total current assets	流動資產合計		549,641,696.22	537,750,375.93

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Balance Sheets of Parent Company (Continued)

母公司資產負債表(續)

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Non-current assets:	非流動資產：			
Investments in debt	債權投資			
Other investments in debt	其他債權投資			
Long-term receivables	長期應收款		—	—
Long-term equity investments	長期股權投資	XVI.3 十六、3	982,866,910.46	983,866,910.46
Investments in other equity instruments	其他權益工具投資		80,466.75	55,770.77
Other non-current financial assets	其他非流動金融資產			
Investment properties	投資性房地產		490,027.71	539,103.88
Fixed assets	固定資產		1,652,633,120.98	1,665,935,360.19
Construction in progress	在建工程		55,064,302.21	165,358,794.43
Productive biological assets	生產性生物資產			
Oil and gas assets	油氣資產			
Right-of-use assets	使用權資產		751,968.43	902,362.08
Intangible assets	無形資產		513,221,075.60	515,055,007.19
Development costs	開發支出			
Goodwill	商譽			
Long-term prepaid expenses	長期待攤費用		124,009,349.08	148,700,583.04
Deferred tax assets	遞延所得稅資產		15,939,619.31	11,693,020.46
Other non-current assets	其他非流動資產		820,603.00	756,878.95
Total non-current assets	非流動資產合計		3,345,877,443.53	3,492,863,791.45
Total assets	資產總計		3,895,519,139.75	4,030,614,167.38

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Balance Sheets of Parent Company (Continued)

母公司資產負債表(續)

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Current liabilities:	流動負債：			
Short-term borrowings	短期借款		417,268,849.18	100,286,145.81
Transactional financial liabilities	交易性金融負債			
Derivative financial liabilities	衍生金融負債			
Notes payable	應付票據			
Accounts payable	應付帳款		131,525,094.82	115,669,942.23
Advances from customers	預收款項		—	—
Contract liability	合同負債		156,686,108.35	144,020,378.89
Employee remunerations payable	應付職工薪酬		22,963,126.67	25,270,592.97
Taxes payable	應交稅費		3,062,744.23	2,646,937.50
Other payables	其他應付款		123,224,158.99	131,351,933.80
Including: Interests payable	其中：應付利息		—	—
Dividends payable	應付股利		—	—
Liabilities held for sale	持有待售負債			
Non-current liabilities due within one year	一年內到期的非流動負債		176,118,666.78	407,006,870.69
Other current liabilities	其他流動負債		2,755,600.13	2,418,593.58
Total Current Liabilities	流動負債合計		1,033,604,349.15	928,671,395.47
Non-Current Liabilities:	非流動負債：			
Long-term borrowings	長期借款		693,251,885.30	864,700,143.44
Bonds payable	應付債券		—	—
Including: Preference shares	其中：優先股			
Perpetual debts	永續債			
Lease liabilities	租賃負債		688,882.64	841,472.53
Long-term payables	長期應付款		260,500,000.00	260,500,000.00
Long-term employee remunerations payable	長期應付職工薪酬			
Estimated liabilities	預計負債		2,497,855.32	2,002,325.78
Deferred income	遞延收益		84,847,404.27	100,394,690.53
Deferred tax liabilities	遞延所得稅負債		—	—
Other non-current liabilities	其他非流動負債		—	—
Total non-current liabilities	非流動負債合計		1,041,786,027.53	1,228,438,632.28
Total liabilities	負債合計		2,075,390,376.68	2,157,110,027.75

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Balance Sheets of Parent Company (Continued)

母公司資產負債表(續)

Items	項目	NOTES 附註	31 December 2025 2025年12月31日	31 December 2024 2024年12月31日
Shareholders' equity:	股東權益：			
Share capital	股本		859,710,000.00	859,710,000.00
Other equity instruments	其他權益工具			
Including: Preference shares	其中：優先股			
Perpetual debts	永續債			
Capital reserve	資本公積		413,655,709.96	413,655,709.96
Less: Treasury shares	減：庫存股			
Other comprehensive income	其他綜合收益		-42,239.76	-66,935.74
Special reserves	專項儲備		5,711,752.02	7,090,186.77
Surplus reserves	盈餘公積		78,048,308.25	78,048,308.25
Undistributed profit	未分配利潤		463,045,232.60	515,066,870.39
Total shareholders' equity	股東權益合計		1,820,128,763.07	1,873,504,139.63
Total liabilities and shareholders' equity	負債和股東權益總計		3,895,519,139.75	4,030,614,167.38

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Consolidated Income Statement
合併利潤表

Prepared by: Luzhou Xinglu Water (Group) Co., Ltd.
編制單位：瀘州市興瀘水務(集團)股份有限公司

Unit: RMB
單位：人民幣元

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
I. Total operating revenue	一、營業總收入		1,236,776,697.64	1,330,266,906.09
Including: Operating revenue	其中：營業收入	V. 36 五、36	1,236,776,697.64	1,330,266,906.09
II. Total operating costs	二、營業總成本		1,074,847,185.57	1,118,733,365.05
Including: Operating costs	其中：營業成本	V. 36 五、36	823,270,520.48	867,449,951.07
Interest expenses	利息支出			
Taxes and surcharges	稅金及附加	V. 37 五、37	36,356,602.50	33,815,074.68
Cost of sales	銷售費用	V. 38 五、38	22,934,787.39	24,226,964.08
Management expenses	管理費用	V. 39 五、39	105,644,394.21	107,360,958.39
Research and development expenses	研發費用			
Finance costs	財務費用	V. 40 五、40	86,640,880.99	85,880,416.83
Including: Interest expenses	其中：利息費用		90,329,984.71	88,937,953.75
Interest income	利息收入		3,980,164.68	3,551,006.63
More: Other income	加：其他收益	V. 41 五、41	45,405,177.26	49,215,684.44
Investment income (loss expressed with "-")	投資收益(損失以「-」號填列)	V. 42 五、42	-25,544.85	5,157,990.81
Including: Share of profit of associates and joint ventures	其中：對聯營企業和合營企業的投資收益		-	-
Income from derecognition of financial assets at amortised cost	以攤餘成本計量的金融資產終止確認收益			
Foreign exchange gains (loss expressed with "-")	匯兌收益(損失以「-」號填列)			
Gain from changes in fair values (loss expressed with "-")	公允價值變動收益(損失以「-」號填列)			
Credit impairment loss (loss expressed with "-")	信用減值損失(損失以「-」號填列)	V. 43 五、43	-53,440,255.85	-41,577,955.74
Asset impairment loss (loss expressed with "-")	資產減值損失(損失以「-」號填列)		-	-
Income from disposal of assets (loss expressed with "-")	資產處置收益(損失以「-」號填列)	V. 44 五、44	-177,690.45	1,897,894.04

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Income Statement (Continued)

合併利潤表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
3. Operating profit (loss expressed with "-")	三、營業利潤(虧損以[-]號填列)		153,691,198.18	226,227,154.59
More: Non-operating revenue	加: 營業外收入	V. 45 五、45	2,686,102.15	2,334,317.91
Less: Non-operating expense	減: 營業外支出	V. 46 五、46	1,789,545.14	696,240.92
4. Total profit (total loss expressed with "-")	四、利潤總額(虧損總額以[-]號填列)		154,587,755.19	227,865,231.58
Less: Income tax expense	減: 所得稅費用	V. 47 五、47	38,326,142.30	37,930,045.49
5. Net profit (net loss expressed with "-")	五、淨利潤(淨虧損以[-]號填列)		116,261,612.89	189,935,186.09
(1) Classified by continuing operation	(一) 按經營持續性分類		116,261,612.89	189,935,186.09
1. Net profit from continuing operation (net loss expressed with "-")	1. 持續經營淨利潤(淨虧損以[-]號填列)		116,261,612.89	189,935,186.09
2. Net profit from discontinued operations (net loss expressed with "-")	2. 終止經營淨利潤(淨虧損以[-]號填列)			
(2) Classified by attribution of ownership	(二) 按所有權歸屬分類		116,261,612.89	189,935,186.09
1. Net profit attributable to owners of the parent company (net loss expressed with "-")	1. 歸屬於母公司所有者的淨利潤(淨虧損以[-]號填列)		109,192,955.28	177,238,036.73
2. Minority profit and loss (net loss expressed with "-")	2. 少數股東損益(淨虧損以[-]號填列)		7,068,657.61	12,697,149.36
6. Other comprehensive income, net after tax	六、其他綜合收益的稅後淨額		24,695.98	-
Other comprehensive income attributable to the owners of the parent company, net after tax	歸屬母公司所有者的其他綜合收益的稅後淨額		24,695.98	-
(1) Other comprehensive income that cannot be reclassified into profit or loss	(一) 不能重分類進損益的其他綜合收益		24,695.98	-
1. Changes in re-measurement of defined benefit plans	1. 重新計量設定受益計劃變動額			
2. Other comprehensive income that cannot be transferred to profit or loss under equity method	2. 權益法下不能轉損益的其他綜合收益			
3. Changes in fair value of investments in other equity instruments	3. 其他權益工具投資公允價值變動		24,695.98	-
4. Changes in fair value of the enterprise's own credit risk	4. 企業自身信用風險公允價值變動			
5. Others	5. 其他			

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Consolidated Income Statement (Continued)
合併利潤表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
(2) Other comprehensive income that will be subsequently reclassified into profit or loss	(二) 將重分類進損益的其他綜合收益		-	-
1. Other comprehensive income that can be transferred to profit or loss under equity method	1. 權益法下可轉損益的其他綜合收益			
2. Changes in fair value of other investments in debt	2. 其他債權投資公允價值變動			
3. Amount of financial assets reclassified into other comprehensive income	3. 金融資產重分類計入其他綜合收益的金額			
4. Credit impairment provisions for other debt investment	4. 其他債權投資信用減值準備			
5. Cash flow hedge reserve (effective portion of profit or loss on cash flow hedge)	5. 現金流量套期儲備(現金流量套期損益的有效部分)			
6. Differences on translation of foreign currency financial statements	6. 外幣財務報表折算差額			
7. Others	7. 其他			
Other comprehensive income attributable to minority shareholders, net after tax	歸屬於少數股東的其他綜合收益的稅後淨額			
7. Total comprehensive income	七、綜合收益總額		116,286,308.87	189,935,186.09
Total comprehensive income attributable to the shareholders of the parent company	歸屬於母公司股東的綜合收益總額		109,217,651.26	177,238,036.73
Total comprehensive income attributable to minority shareholders	歸屬於少數股東的綜合收益總額		7,068,657.61	12,697,149.36
8. Earnings per share:	八、每股收益：			
(1) Basic earnings per share (RMB/share)	(一) 基本每股收益(元/股)		0.13	0.21
(2) Diluted earnings per share (RMB/share)	(二) 稀釋每股收益(元/股)		0.13	0.21

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Income Statement of Parent Company

母公司利潤表

Prepared by: Luzhou Xinglu Water (Group) Co., Ltd.

編制單位：瀘州市興瀘水務(集團)股份有限公司

Unit: RMB

單位：人民幣元

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
I. Operating revenue	一、營業收入	XVI.4		
		十六、4	407,441,952.29	513,675,336.44
Less: Operating costs	減：營業成本	XVI.4		
		十六、4	346,228,232.19	387,753,806.21
Taxes and surcharges	税金及附加		16,819,255.54	15,528,522.36
Cost of sales	銷售費用		15,948,523.59	16,393,544.00
Management expenses	管理費用		51,857,139.45	54,450,470.28
Research and development expenses	研發費用		-	-
Finance costs	財務費用		43,376,862.86	54,429,433.78
Including: Interest expenses	其中：利息費用		45,368,608.31	55,940,404.03
Interest income	利息收入		2,226,439.74	1,892,189.44
More: Other income	加：其他收益		15,591,424.78	16,033,891.50
Investment income (loss expressed with "-")	投資收益(損失以「-」號填列)	XVI.5		
		十六、5	56,329,703.03	60,842,297.42
Including: Share of profit of associates and joint ventures	其中：對聯營企業和合營企業的投資收益		-	-
Income from derecognition of financial assets at amortised cost	以攤餘成本計量的金融資產終止確認收益			
Net open hedge income (loss expressed with "-")	淨敞口套期收益(損失以「-」號填列)			
Gain from changes in fair values (loss expressed with "-")	公允價值變動收益(損失以「-」號填列)			
Credit impairment loss (loss expressed with "-")	信用減值損失(損失以「-」號填列)		-27,839,825.43	-22,325,716.23
Asset impairment loss (loss expressed with "-")	資產減值損失(損失以「-」號填列)		-	-
Income from disposal of assets (loss expressed with "-")	資產處置收益(損失以「-」號填列)		-177,690.45	1,897,894.04
II. Operating profits (loss expressed with "-")	二、營業利潤(虧損以「-」號填列)		-22,884,449.41	41,567,926.54
More: Non-operating revenue	加：營業外收入		2,262,586.40	1,880,734.09
Less: Non-operating expense	減：營業外支出		68,365.74	238,540.38
III. Total profits (total loss expressed with "-")	三、利潤總額(虧損總額以「-」號填列)		-20,690,228.75	43,210,120.25
Less: Income tax expense	減：所得稅費用		-3,056,990.96	-2,409,403.05

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Income Statement of Parent Company (Continued)

母公司利潤表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
IV. Net profits (net loss expressed with “-”)	四、淨利潤(淨虧損以“-”號填列)		-17,633,237.79	45,619,523.30
(1) Net profit from continuing operations (net loss expressed with “-”)	(一)持續經營淨利潤(淨虧損以“-”號填列)		-17,633,237.79	45,619,523.30
(2) Net profit from discontinued operations (net loss expressed with “-”)	(二)終止經營淨利潤(淨虧損以“-”號填列)			
V. Other comprehensive income, net after tax	五、其他綜合收益的稅後淨額		24,695.98	-
(1) Other comprehensive income that cannot be reclassified into profit or loss	(一)不能重分類進損益的其他綜合收益		24,695.98	-
1. Changes in re-measurement of defined benefit plans	1. 重新計量設定受益計劃變動額			
2. Other comprehensive income that cannot be transferred to profit or loss under equity method	2. 權益法下不能轉損益的其他綜合收益			
3. Changes in fair value of investments in other equity instruments	3. 其他權益工具投資公允價值變動		24,695.98	-
4. Changes in fair value of the enterprise's own credit risk	4. 企業自身信用風險公允價值變動			
5. Others	5. 其他			

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Income Statement of Parent Company (Continued)
母公司利潤表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
(2) Other comprehensive income that will be subsequently reclassified into profit or loss	(二) 將重分類進損益的其他綜合收益		-	-
1. Other comprehensive income that can be transferred to profit or loss under equity method	1. 權益法下可轉損益的其他綜合收益			
2. Changes in fair value of other investments in debt	2. 其他債權投資公允價值變動			
3. Amount of financial assets reclassified into other comprehensive income	3. 金融資產重分類計入其他綜合收益的金額			
4. Credit impairment provisions for other debt investment	4. 其他債權投資信用減值準備			
5. Cash flow hedge reserve (effective portion of profit or loss on cash flow hedge)	5. 現金流量套期儲備(現金流量套期損益的有效部分)			
6. Differences on translation of foreign currency financial statements	6. 外幣財務報表折算差額			
7. Others	7. 其他			
VI. Total comprehensive income	六、綜合收益總額		-17,608,541.81	45,619,523.30

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Cash Flow Statement

合併現金流量表

Prepared by: Luzhou Xinglu Water (Group) Co., Ltd.
編制單位：瀘州市興瀘水務(集團)股份有限公司

Unit: RMB
單位：人民幣元

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Cash received from sales of goods and rendering of services	銷售商品、提供勞務收到的現金		1,213,255,414.34	1,183,777,467.20
Tax rebates received	收到的稅費返還		23,713,700.31	4,400,235.41
Cash received concerning other operating activities	收到其他與經營活動有關的現金	V.48(1) 五、48(1)	51,925,842.34	121,323,624.94
Subtotal of cash inflows from operating activities	經營活動現金流入小計		1,288,894,956.99	1,309,501,327.55
Cash paid for purchases of commodities and receipt of labor services	購買商品、接受勞務支付的現金		406,694,544.72	435,579,945.43
Cash paid to and for employees	支付給職工以及為職工支付的現金		166,260,331.53	161,366,380.86
Taxes paid	支付的各項稅費		105,888,444.85	130,581,870.60
Cash paid concerning other operating activities	支付其他與經營活動有關的現金	V.48(1) 五、48(1)	46,853,200.45	45,720,441.76
Subtotal of cash outflows from operating activities	經營活動現金流出小計		725,696,521.55	773,248,638.65
Net cash flows from operating activities	經營活動產生的現金流量淨額		563,198,435.44	536,252,688.90

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Cash Flow Statement (Continued)

合併現金流量表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
II. Cash flow from investing activities:	二、投資活動產生的現金流量：			
Cash received from recovery of investments	收回投資收到的現金		10,000,000.00	1,200,000.00
Cash received from investment income	取得投資收益收到的現金		-	1,700,000.00
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額		26,972.00	12,750.09
Net cash received from disposals of subsidiaries and other operation units	處置子公司及其他營業單位收到的現金淨額		-	5,611,506.80
Cash received concerning other investing activities	收到其他與投資活動有關的現金	V.48(1) 五、48(1)	-	-
Subtotal of cash inflows from investing activities	投資活動現金流入小計		10,026,972.00	8,524,256.89
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金		276,338,010.21	352,536,157.30
Cash paid for investments	投資支付的現金		-	-
Net increase in pledged loans	質押貸款淨增加額			
Net cash paid to acquire subsidiaries and other operation units	取得子公司及其他營業單位支付的現金淨額			
Cash paid concerning other investing activities	支付其他與投資活動有關的現金		-	-
Subtotal of cash outflows from investing activities	投資活動現金流出小計		276,338,010.21	352,536,157.30
Net cash flows from investing activities	投資活動產生的現金流量淨額		-266,311,038.21	-344,011,900.41

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Cash Flow Statement (Continued)

合併現金流量表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
III. Cash flows from financing activities:	三、籌資活動產生的現金流量：			
Cash received from capital contribution	吸收投資收到的現金		-	-
Including: Cash contribution to subsidiaries from minority shareholders' investment	其中：子公司吸收少數股東投資收到的現金		-	-
Cash received from borrowings	取得借款所收到的現金		591,644,493.32	620,637,894.53
Cash received concerning other financing activities	收到其他與籌資活動有關的現金	V.50(2) 五、50(2)	210,000.00	3,150,000.00
Subtotal of cash inflows from financing activities	籌資活動現金流入小計		591,854,493.32	623,787,894.53
Cash paid for repayment of debts	償還債務所支付的現金		599,215,979.09	619,089,759.79
Cash paid for distribution of dividends, profits or payment of interest expenses	分配股利、利潤或償付利息所支付的現金		127,954,120.55	140,262,862.32
Including: Dividends and profits paid to minority shareholders by subsidiaries	其中：子公司支付給少數股東的股利、利潤		14,827,850.00	6,199,159.80
Cash paid concerning other financing activities	支付其他與籌資活動有關的現金	V.50(2) 五、50(2)	2,765,042.54	-
Subtotal of cash outflows from financing activities	籌資活動現金流出小計		729,935,142.18	759,352,622.11
Net cash flows from financing activities	籌資活動產生的現金流量淨額		-138,080,648.86	-135,564,727.58
IV. Effects of foreign exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響		-	
V. Net increase in cash and cash equivalents	五、現金及現金等價物淨增加額		158,806,748.37	56,676,060.91
More: Balance of cash and cash equivalents at the beginning of the period	加：期初現金及現金等價物餘額		447,177,187.90	390,501,126.99
VI. Balance of cash and cash equivalents at the end of the period	六、期末現金及現金等價物餘額		605,983,936.27	447,177,187.90

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Cash Flow Statement of Parent Company

母公司現金流量表

Prepared by: Luzhou Xinglu Water (Group) Co., Ltd.

Unit: RMB

編制單位：瀘州市興瀘水務(集團)股份有限公司

單位：人民幣元

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Cash received from sales of goods and rendering of services	銷售商品、提供勞務收到的現金		397,741,241.89	454,999,481.56
Tax rebates received	收到的稅費返還		-	-
Cash received concerning other operating activities	收到其他與經營活動有關的現金		21,636,330.65	75,281,276.94
Subtotal of cash inflows from operating activities	經營活動現金流入小計		419,377,572.54	530,280,758.50
Cash paid for purchases of commodities and receipt of labor services	購買商品、接受勞務支付的現金		148,813,285.01	184,436,911.64
Cash paid to and for employees	支付給職工以及為職工支付的現金		69,258,831.92	68,320,646.93
Taxes paid	支付的各項稅費		33,071,866.95	37,854,807.07
Cash paid concerning other operating activities	支付其他與經營活動有關的現金		25,544,994.77	23,460,125.66
Subtotal of cash outflows from operating activities	經營活動現金流出小計		276,688,978.65	314,072,491.30
Net cash flows from operating activities	經營活動產生的現金流量淨額		142,688,593.89	216,208,267.20

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Cash Flow Statement of Parent Company (Continued)

母公司現金流量表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
II. Cash flow from investing activities:	二、投資活動產生的現金流量：			
Cash received from recovery of investments	收回投資收到的現金		10,601,178.63	1,200,000.00
Cash received from investment income	取得投資收益收到的現金		56,728,524.40	60,448,424.63
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額		16,992.00	11,504.09
Net cash received from disposals of subsidiaries and other operation units	處置子公司及其他營業單位收到的現金淨額		-	8,893,934.00
Cash received concerning other investing activities	收到其他與投資活動有關的現金		2,373,804.17	4,850,940.29
Subtotal of cash inflows from investing activities	投資活動現金流入小計		69,720,499.20	75,404,803.01
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金		40,318,891.71	110,603,246.40
Cash paid for investments	投資支付的現金		-	3,000,000.00
Net cash paid to acquire subsidiaries and other operation units	取得子公司及其他營業單位支付的現金淨額			
Cash paid concerning other investing activities	支付其他與投資活動有關的現金		1,000,000.00	-
Subtotal of cash outflows from investing activities	投資活動現金流出小計		41,318,891.71	113,603,246.40
Net cash flows from investing activities	投資活動產生的現金流量淨額		28,401,607.49	-38,198,443.39

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Cash Flow Statement of Parent Company (Continued)

母公司現金流量表(續)

Items	項目	NOTES 附註	2025 2025年度	2024 2024年度
III. Cash flows from financing activities:	三、籌資活動產生的現金流量：			
Cash received from capital contribution	吸收投資收到的現金			
Cash received from borrowings	取得借款收到的現金		417,000,000.00	442,500,000.00
Cash received concerning other financing activities	收到其他與籌資活動有關的現金			
Subtotal of cash inflows from financing activities	籌資活動現金流入小計		417,000,000.00	442,500,000.00
Cash paid for repayment of borrowings	償還債務支付的現金		502,142,256.14	518,385,458.14
Cash paid for distribution of dividends, profits or payment of interest expenses	分配股利、利潤或償付利息支付的現金		79,993,586.12	99,657,610.05
Cash paid concerning other financing activities	支付其他與籌資活動有關的現金		1,109,013.91	2,386,611.14
Subtotal of cash outflows from financing activities	籌資活動現金流出小計		583,244,856.17	620,429,679.33
Net cash flows from financing activities	籌資活動產生的現金流量淨額		-166,244,856.17	-177,929,679.33
IV. Effects of foreign exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響		-	
V. Net increase in cash and cash equivalents	五、現金及現金等價物淨增加額		4,845,345.21	80,144.48
More: Balance of cash and cash equivalents at the beginning of the period	加：期初現金及現金等價物餘額		179,658,799.97	179,578,655.49
VI. Balance of cash and cash equivalents at the end of the period	六、期末現金及現金等價物餘額		184,504,145.18	179,658,799.97

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Statement of Changes in Owners' Equity

合併股東權益變動表

Unit: RMB
單位：人民幣元

2025 2025年度																	
Equity attributable to shareholders of the parent company 歸屬於母公司股東權益																	
Other equity instruments																	
Items	項目	Share capital	Preferred shares	Perpetual debits	Other equity instruments	Less			Other			Total					
						Others	Capital reserve	Treasury shares	comprehensive income	Special reserves	Surplus reserves		Undistributed profit	Minority interests	shareholders' equity		
		股本	優先股	永續債	其他權益工具	其他	資本公積	溢：庫存股	其他綜合收益	專項儲備	盈餘公積	一般風險準備	未分配利潤	其他	小計	少數股東權益	股東權益合計
I. Ending balance of the previous year	一、上年年末餘額	859,710,000.00					420,447,214.35		-69,936.74	8,837,310.54	70,043,308.25	1,592,387,016.57		2,929,352,912.97	219,120,081.04	3,148,482,994.01	
More: Changes in accounting policies	加：會計政策變更														-	-	-
Correction for error in the previous period	前期差錯更正														-	-	-
Business combination under common control	同一控制下企業合併														-	-	-
Others	其他														-	-	-
II. Opening balance of the current year	二、本年年初餘額	859,710,000.00					420,447,214.35		-69,936.74	8,837,310.54	70,043,308.25	-1,592,387,016.57		-2,929,352,912.97	219,120,081.04	3,148,482,994.01	
III. Changes in the current year (decrease expressed with "-")	三、本年增減變動金額(減少以“-”填列)																
(1) Total comprehensive income	(一) 綜合收益總額								24,655.98	-1,695,918.77			-74,804,555.28	-73,133,332.49	-7,870,359.70	65,262,972.79	
(2) Shareholders' contributions and capital reduction	(二) 股東投入和減少資本								24,655.98			109,192,953.28		109,217,691.26	7,068,657.61	116,286,308.87	
1. Ordinary shares contributed by shareholders	1. 股東投入的普通股																
2. Capital contributions by holders of other equity instruments	2. 其他權益工具持有者投入資本																
3. Amount of share-based payment included in shareholders' equity	3. 股份支付計入股東權益的金額																
4. Others	4. 其他																

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Consolidated Statement of Changes in Owners' Equity (Continued)
合併股東權益變動表(續)[illegible]

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Consolidated Statement of Changes in Owners' Equity (Continued)
合併股東權益變動表(續)

2024 2024年度																
Equity attributable to shareholders of the parent company 歸屬於母公司股東權益																
Other equity instruments																
Items	項目	Share capital 股本	Preferred shares 優先股	Perpetual debts 其他權益工具 永續債	Others 其他	Capital reserve 資本公積	Treasury shares 減：庫存股	Other comprehensive income 其他綜合收益	Special reserves 專項儲備	Surplus reserves 盈餘公積	Provision for general risks 一般風險準備	Undistributed profit 未分配利潤	Others 其他	Subtotal 小計	Minority interests 少數股東權益	Total shareholders' equity 股東權益合計
I. Ending balance of the previous year	一、上年年末餘額	859,710,000.00	-	-	-	-420,447,214.35	-	-66,335.74	12,276,204.77	73,486,355.92	-	-1,432,696,431.17	2,738,549,270.47	214,084,098.16	3,012,633,368.63	
More: Changes in accounting policies	加：會計政策變更															
Correction for error in the previous period	前期差錯更正															
Business combination under common control	同一控制下企業合併															
Others	其他															
II. Opening balance of the current year	二、本年初餘額	859,710,000.00	-	-	-	-420,447,214.35	-	-66,335.74	12,276,204.77	73,486,355.92	-	-1,432,696,431.17	-2,738,549,270.47	214,084,098.16	3,012,633,368.63	
III. Changes in the current year (decrease expressed with "-")	三、本年增減變動金額(減少以“-”填列)	-	-	-	-	-	-	-3,438,894.23	4,561,952.33	4,561,952.33	-	123,800,594.40	-	130,819,642.50	5,035,982.88	135,849,625.38
(1) Total comprehensive income	(一) 綜合收益總額															
(2) Shareholders' contributions and capital reduction	(二) 股東投入和減少資本															
1. Ordinary shares contributed by shareholders	1. 股東投入的普通股															
2. Capital contributions by holders of other equity instruments	2. 其他權益工具持有者投入資本															
3. Amount of share-based payment included in shareholders' equity	3. 股份支付計入股東權益的金額															
4. Others	4. 其他															
(3) Profit distribution	(三) 利潤分配															
1. Appropriation of surplus reserve	1. 提取盈餘公積															
2. Appropriation of general risk provisions	2. 提取一般風險準備															
3. Distribution to shareholders	3. 對股東分配															
4. Others	4. 其他															

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Consolidated Statement of Changes in Owners' Equity (Continued)
合併股東權益變動表(續)

2024 2024年度 Equity attributable to shareholders of the parent company 歸屬於母公司股東權益																
Other equity instruments																
Items	項目	Share capital 股本	Preferred shares 優先股	Perpetual debts 其他權益工具 永續債	Others 其他	Capital reserve 資本公積	Treasury shares 減：庫存股	Less: Other comprehensive income 其他綜合收益	Special reserves 專項儲備	Surplus reserves 盈餘公積	Provision for general risks 一般風險準備	Undistributed profit 未分配利潤	Others 其他	Subtotal 小計	Minority interests 少數股東權益	Total shareholders' equity 股東權益合計
(四) Transfer of shareholders' equity																
1. Transfer to share capital from capital reserve																
2. Transfer to share capital from surplus reserve																
3. Surplus reserves for making up losses																
4. Changing amount of defined benefit plan carried forward to retained earnings																
5. Other comprehensive income carried forward to retained earnings																
6. Others																
(五) Special reserve																
1. Appropriated during the current year																
2. Used during the current year																
(六) Others																
IV. Ending balance of the current year																

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Statement of Changes in Parent Company's Equity

母公司股東權益變動表

Unit: RMB
單位：人民幣元

2025 2025年度												
Other equity instruments												
Items	項目	股本	優先股	永續債 其他權益工具	其他	資本公積	減：庫存股	Less:		未分配利潤	Total	
								Treasury shares	Other comprehensive income			Special reserves
I. Ending balance of the previous year	一、上年年末餘額	859,710,000.00				413,655,709.96		-66,935.74	7,090,186.77	78,048,308.25	515,066,870.39	1,873,504,139.63
More Changes in accounting policies	加：會計政策變更											-
Correction for error in the previous period	前期差錯更正											-
Others	其他											-
II. Opening balance of the current year	二、本年初餘額	859,710,000.00				413,655,709.96		-66,935.74	7,090,186.77	78,048,308.25	515,066,870.39	1,873,504,139.63
III. Changes in the current year (decrease expressed with "-")	三、本年增減變動金額(減少以“-”號填列)											
(1) Total comprehensive income	(一)綜合收益總額							24,695.98	-1,378,434.75	-	-52,021,637.79	-53,375,376.56
(2) Shareholders' contributions and capital reduction	(二)股東投入和減少資本							24,695.98		-17,633,237.79		-17,608,541.81
1. Ordinary shares contributed by shareholders	1. 股東投入的普通股											-
2. Capital contributions by holders of other equity instruments	2. 其他權益工具持有者投入資本											-
3. Amount of share-based payment included in shareholders' equity	3. 股份支付計入股東權益的金額											-
4. Others	4. 其他											-

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Statement of Changes in Parent Company's Equity (Continued)

母公司股東權益變動表(續)

2025 2025年度													
Other equity instruments													
Items	項目	Share capital	Preferred shares	Perpetual debits 其他權益工具	Others	Capital reserve	Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total shareholders' equity 股東權益合計
		股本	優先股	永續債	其他	資本公積	減：庫存股	其他綜合收益	專項儲備	盈餘公積	未分配利潤	其他	
(3) Profit distribution	(三) 利潤分配	-	-	-	-	-	-	-	-	-	-34,388,400.00	-	-34,388,400.00
1. Appropriation of surplus reserve	1. 提取盈餘公積												
2. Distribution to shareholders	2. 對股東的分配												
3. Others	3. 其他										-34,388,400.00		-34,388,400.00
(4) Transfer of shareholders' equity	(四) 股東權益內部結轉	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer to share capital from capital reserve	1. 資本公積轉增股本												
2. Transfer to share capital from surplus reserve	2. 盈餘公積轉增股本												
3. Surplus reserves for making up losses	3. 盈餘公積彌補虧損												
4. Changing amount of defined benefit plan carried forward to retained earnings	4. 設定受益計劃變動額結轉留存收益								-1,378,434.75				-1,378,434.75
5. Other comprehensive income carried forward to retained earnings	5. 其他綜合收益結轉留存收益												
6. Others	6. 其他												
(5) Special reserve	(五) 專項儲備	-	-	-	-	-	-	-	-1,378,434.75	-	-	-	-1,378,434.75
1. Appropriated during the current year	1. 本年提取												
2. Used during the current year	2. 本年使用								1,378,434.75				1,378,434.75
(6) Others	(六) 其他												
IV. Ending balance of the current year	四、本年年終餘額	859,710,000.00	-	-	-	413,655,708.96	-	-42,239.76	5,711,752.02	78,048,308.25	463,045,232.60	-	1,820,128,763.07

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Statement of Changes in Parent Company's Equity (Continued)
母公司股東權益變動表(續)

Other equity instruments												
Items	項目	股本	Preferred shares	Perpetual debits	Capital		Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total shareholders' equity
					Others	reserve						
			優先股	永續債	其他	資本公積	減：庫存股	其他綜合收益	專項儲備	盈餘公積	未分配利潤	其他
I. Ending balance of the previous year	一 上年年末餘額	859,710,000.00				413,655,709.96		-66,935.74	8,313,036.42	73,486,355.92	516,934,739.42	1,872,092,965.98
More: Changes in accounting policies	加：會計政策變更											-
Correction for error in the previous period	前期差錯更正											-
Others	其他											-
II. Opening balance of the current year	二 本年年初餘額	859,710,000.00	-	-	-	413,655,709.96	-	-66,935.74	8,313,036.42	73,486,355.92	516,934,739.42	1,872,092,965.98
III. Changes in the current year (decrease expressed with "-")	三 本年增減變動金額(減少以“-”號填列)											
(1) Total comprehensive income	(一) 綜合收益總額	-	-	-	-	-	-	-	-1,222,849.65	4,561,952.33	-1,927,929.03	1,411,173.65
(2) Shareholders' contributions and capital reduction	(二) 股東投入和減少資本	-	-	-	-	-	-	-	-	45,619,523.30	45,619,523.30	45,619,523.30
1. Ordinary shares contributed by shareholders	1. 股東投入的普通股	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributions by holders of other equity instruments	2. 其他權益工具持有者投入資本	-	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	3. 股份支付計入股東權益的金額	-	-	-	-	-	-	-	-	-	-	-
4. Others	4. 其他	-	-	-	-	-	-	-	-	4,561,952.33	-47,547,462.33	-42,985,500.00
(3) Profit distribution	(三) 利潤分配									4,561,952.33	-4,561,952.33	-
1. Appropriation of surplus reserve	1. 提取盈餘公積									4,561,952.33	-4,561,952.33	-
2. Distribution to shareholders	2. 對股東的分配									-42,985,500.00	-42,985,500.00	-42,985,500.00
3. Others	3. 其他									-	-	-

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Statement of Changes in Parent Company's Equity (Continued)
母公司股東權益變動表(續)

Items	項目	2024 2024年度							Total shareholders' equity
		Share capital	Preferred shares	Perpetual debits	Capital reserve	Less: Treasury shares	Other comprehensive income	Undistributed profit	
		股本	優先股	其他權益工具 永續債	資本公積	減：庫存股	其他綜合收益	未分配利潤	股東權益合計
					其他		專項儲備	盈餘公積	其他
Other equity instruments									
(4) Transfer of shareholders' equity	(四) 股東權益內部結轉	-	-	-	-	-	-	-	-
1. Transfer to share capital from capital reserve	1. 資本公積轉增股本	-	-	-	-	-	-	-	-
2. Transfer to share capital from surplus reserve	2. 盈餘公積轉增股本	-	-	-	-	-	-	-	-
3. Surplus reserves for making up losses	3. 盈餘公積彌補虧損	-	-	-	-	-	-	-	-
4. Charging amount of defined benefit plan carried forward to retained earnings	4. 設定受益計畫變動額結轉留存收益	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	5. 其他綜合收益結轉留存收益	-	-	-	-	-	-	-	-
6. Others	6. 其他	-	-	-	-	-	-	-	-
(5) Special reserve	(五) 专项儲備	-	-	-	-	-	-	-	-
1. Appropriated during the current year	1. 本年提取	-	-	-	-	-	-	-	-
2. Used during the current year	2. 本年使用	-	-	-	-	-	-	-	-
(6) Others	(六) 其他	-	-	-	-	-	-	-	-
IV. Ending balance of the current year	四 本年年終餘額	859,710,000.00	-	-	413,655,709.96	-	-66,935.74	78,048,308.25	515,066,870.39
									- 1,873,504,139.63

Legal representative: Chen Qinan
法定代表人：陳棋楠

Chief financial officer: Ouyang Peng
主管會計工作負責人：歐陽鵬

Accounting supervisor: Li Xia
會計機構負責人：黎霞

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements

財務報表附註

I. BASIC INFORMATION OF THE COMPANY

Luzhou Xinglu Water (Group) Co., Ltd. (hereinafter referred to as the “Company”, and together with its subsidiaries, the “Group”) is a wholly state-owned company established by the former Beijiao Water Supply Company and Urban Pipe Network Branch with the approval for reform by the document L.S.F.H [2002] No. 79 issued by the Luzhou Municipal People’s Government. The registered capital of the Company was RMB66.28 million, which was invested by the Luzhou Planning and Construction Bureau as the authorised state-owned asset investor, which was verified by the capital verification report (C.Y.K.Z (2002) No. 080) issued by Sichuan Yulong Certified Public Accountants. It was incorporated with the Administration for Industry and Commerce of Luzhou on 31 July 2002.

After several times of capital increase and equity transfer, according to the resolution of the fourth extraordinary general meeting of the Company in 2016, it was resolved to publicly issue overseas listed foreign invested shares (H Shares) and the same to be listed on the main board of the Stock Exchange of Hong Kong Limited. On 3 November 2016, the China Securities Regulatory Commission issued the Approval on Issuing Overseas Listed Foreign Invested Shares of Luzhou Xinglu Water (Group) Co., Ltd. (Z.J.X.K [2016] No. 2530), approving the Company to issue overseas listed foreign invested shares (H Shares). According to the announcement of the Company on the issue results of overseas listed foreign invested shares (H Shares), the Company initially issued 214,940,000 shares under the public issue of overseas listed foreign invested shares (H Shares) (including 195,400,000 H Shares issued by the Company and 19,540,000 H Shares sold by the selling shareholders due to the reduction of state-owned shares), with a face value of RMB1 each and an issue price of HK\$2.30 per share. As of 31 December 2017, the Company has completed the issue of 214,940,000 overseas listed foreign invested shares (H Shares), and has registered the same with Luzhou Administration of Industry and Commerce on 22 May 2017.

一、公司基本情況

瀘州市興瀘水務(集團)股份有限公司(以下簡稱「本公司」,在包含子公司時統稱「本集團」)是經瀘州市人民政府「瀘市府函[2002]79號」文批准改制,與原北郊制水分公司和城市管網分公司共同組建成立的國有獨資公司,由瀘州市規劃建設局作為國有資產授權投資主體投入註冊資本6,628.00萬元,由四川裕龍會計師事務所出具[川裕會證(2002)字第080號]驗資報告驗證,於2002年7月31日在瀘州市工商行政管理局註冊成立。

經過多次增資及股權轉讓,根據本公司2016年股東大會第四次臨時會議決議,決定公開發行境外上市外資股(H股)並在香港聯合交易所有限公司主板上市,中國證券監督管理委員會於2016年11月3日出具《關於核准瀘州市興瀘水務(集團)股份有限公司發行境外上市外資股的批覆》(證監許可[2016]2530號)核准 貴公司發行境外上市外資股(H股)。根據本公司關於境外上市外資股(H股)發行結果的公告,本公司本次公開發行境外上市外資股(H股)初始發行規模為214,940,000股(包括本公司發行的195,400,000股H股及售股股東因國有股減持售出的19,540,000股H股),每股面值為人民幣1元,每股發行價格為港幣2.30元。截至2017年12月31日本公司已完成發行214,940,000股境外上市外資股(H股)的工作,且已於2017年5月22日在瀘州市工商行政管理局辦理了變更登記。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

I. BASIC INFORMATION OF THE COMPANY (Continued)

As of 31 December 2025, both the registered capital and paidin capital of the Company were RMB859.71 million. The unified social credit code is 91510500204702995Y. The registered address and headquarter address is 16 Baizi Road, Luzhou City, Sichuan Province.

The Group operates in the water industry and is mainly engaged in wastewater treatment operation, tap water supply and engineering installation.

The controlling shareholder of the Company is Luzhou City Xinglu Assets Management Co., Ltd., a wholly-owned subsidiary of a wholly state-owned company incorporated in the PRC; the ultimate controller is Luzhou State-owned Assets Supervision and Administration Commission.

In accordance with the Articles of Association of the Company, the financial statements will be submitted to the general meeting for consideration.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements of the Group have been prepared based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises and its application guide, explanation and related regulations (hereinafter referred to as "ASBEs") issued by the Ministry of Finance, and relevant disclosures required by the Hong Kong Companies Ordinance and the Listing Rules of the Stock Exchange of Hong Kong.

一、公司基本情況(續)

截止2025年12月31日，本公司註冊資本及實收資本均為人民幣859,710,000.00元，統一社會信用代碼為91510500204702995Y。註冊地和總部地址均為四川省瀘州市百子路16號。

本集團屬水務行業，主要從事污水處理運營、自來水供應及工程安裝等相關業務。

本公司控股股東為興瀘資產管理有限公司，是一家在中國註冊成立的國有獨資公司全資子公司；最終控制人為瀘州市國有資產監督管理委員會。

根據本公司章程，本財務報表將提交股東大會審議。

二、財務報表的編制基礎

1. 編制基礎

本公司財務報表根據實際發生的交易和事項，按照財政部頒布的《企業會計準則》及其應用指南、解釋及其他相關規定（以下合稱「企業會計準則」），以及香港《公司條例》和香港聯合交易所《上市規則》所要求之相關披露相關規定編制。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2. Going-concern

The Group has evaluated its ability of going concern for the next 12 month since 31 December 2025. There is no indication of major events that may affect the ability of going concern. The financial statements have been prepared under the assumption of going concern.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The accounting policies and accounting estimates developed by the Group according to relevant provisions of accounting standards in combination of characteristics of actual production and operation include business cycle, recognition and measurement of bad debt provision for receivables, fixed assets classification and depreciation methods, amortisation of intangible assets, recognition and measurement of incomes, etc.

1. Declaration on Compliance with the Accounting Standards for Business

The Company have prepared the financial statements in accordance with the ASBEs, which gives a true and complete view of the financial position as at 31 December 2025, trading results, cash flows and other information in 2025 of the Company and of the Group.

2. Accounting period

The Group's accounting period is from January 1 to December 31 of the Western calendar.

二、財務報表的編制基礎(續)

2. 持續經營

本集團對自2025年12月31日起12個月的持續經營能力進行了評價，未發現對持續經營能力產生重大懷疑的事項和情況。本財務報表以持續經營為基礎列報。

三、重要會計政策及會計估計

本集團根據會計準則的相關規定結合實際生產經營特點制定的具體會計政策和會計估計包括營業周期、應收款項壞賬準備的確認和計量、固定資產分類及折舊方法、無形資產攤銷、收入確認和計量等。

1. 遵循企業會計準則的聲明

本公司編制的財務報表符合企業會計準則的要求，真實、準確、完整地反映了本公司及本集團於2025年12月31日的財務狀況以及2025年度經營成果和現金流量等有關信息。

2. 會計期間

本集團的會計期間為公曆1月1日至12月31日。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3. Operating cycle

The Group adopts a 12-month period as its business cycle and the basis for liquidity classification between assets and liabilities.

4. Reporting currency

The Group uses Renminbi as the local currency of accounts.

5. Accounting treatment for business combinations involving entities under common and not under common control

(1) *Business combination involving entities under common control*

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The assets and liabilities obtained by the Group as the merging party in a business combination are measured at the combination-date book value of the merged party in the consolidated statement of ultimate controller. The difference between the book value of net assets obtained and the book value of the combination consideration paid shall adjust capital reserve; if the capital reserve is not sufficient for offsetting, the retained earnings shall be adjusted.

三、重要會計政策及會計估計(續)

3. 營業周期

本集團營業周期為12個月，並以其作為資產和負債的流動性劃分標準。

4. 記帳本位幣

本集團以人民幣為記帳本位幣。

5. 同一控制下和非同一控制下企業合併的會計處理方法

(1) 同一控制下的企業合併

參與合併的企業在合併前後均受同一方或相同的多方最終控制且該控制並非暫時性的，為同一控制下的企業合併。

本集團作為合併方，在同一控制下企業合併中取得的資產和負債，在合併日按被合併方在最終控制方合併報表中的賬面價值計量。取得的淨資產賬面價值與支付的合併對價賬面價值的差額，調整資本公積；資本公積不足沖減的，調整留存收益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Accounting treatment for business combinations involving entities under common and not under common control (Continued)

(2) *Business combination not involving entities under common control*

A business combination not involving entities under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The acquiree's identifiable assets, liabilities and contingent liabilities obtained by the Group as the purchaser in a business combination not under common control shall be measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's share of the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is less than the acquirer's share of the fair value of the acquiree's identifiable net assets, the measurement of the fair values of all the identifiable assets, liabilities and contingent liabilities obtained in the business combination and the combination cost is firstly reviewed. If, after that review, the cost of combination is still less than the acquirer's share of the fair value of the acquiree's identifiable net assets in the business combination, the difference shall be included in the consolidated non-operating revenue for the period.

三、重要會計政策及會計估計(續)

5. 同一控制下和非同一控制下企業合併的會計處理方法(續)

(2) 非同一控制下的企業合併

參與合併的各方在合併前後不受同一方或相同的多方最終控制的，為非同一控制下的企業合併。

本集團作為購買方，在非同一控制下企業合併中取得的被購買方可辨認資產、負債及或有負債在收購日以公允價值計量。合併成本大於合併中取得的被購買方可辨認淨資產公允價值份額的差額，確認為商譽；合併成本小於合併中取得的被購買方可辨認淨資產公允價值份額的，首先對合併中取得的各項可辨認資產、負債及或有負債的公允價值、以及合併成本進行覆核，經覆核後，合併成本仍小於合併中取得的被購買方可辨認淨資產公允價值份額的，將其差額計入合併當期營業外收入。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Criteria for judging control and basis for preparation of consolidated financial statements

The scope of consolidated financial statements of the Group is determined on the basis of control, including the Company and all subsidiaries controlled by the Company. The Group's criteria for judging control are that the Group has power over the, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power to affect its returns.

When preparing the consolidated financial statements, where the accounting policy and the accounting period that subsidiaries adopted are inconsistent with the Company, necessary adjustments are made to the financial statements of those subsidiaries according to the accounting policies or accounting period of the Company.

The impact of internal transactions between the Company and subsidiaries and internal transactions among subsidiaries on the consolidated financial statements is offset at the time of consolidation. Proportion of shareholder's equity of the subsidiaries which do not belong to the Company, and proportion of profit or loss for current period, other comprehensive income and total comprehensive income which belong to the equity of minority shareholders, which shall be listed under "equity of minority shareholders, gain or loss attributable to minority interests, other comprehensive income attributable to minor shareholders and total comprehensive income attributable to the minority shareholders" in the consolidated financial statements.

三、重要會計政策及會計估計(續)

6. 控制的判斷標準及合併財務報表的編制方法

本集團合併財務報表的合併範圍以控制為基礎予以確定，包括本公司及本公司控制的所有子公司。本集團判斷控制的標準為，本集團擁有對被投資方的權力，通過參與被投資方的相關活動而享有可變回報，並且有能力運用對被投資方的權力影響其回報金額。

在編制合併財務報表時，子公司與本公司採用的會計政策或會計期間不一致的，按照本公司的會計政策或會計期間對子公司財務報表進行必要的調整。

本公司與子公司及子公司相互之間發生的內部交易對合併財務報表的影響於合併時抵消。子公司的所有者權益中不屬於母公司的份額以及當期淨損益、其他綜合收益及綜合收益總額中屬於少數股東權益的份額，分別在合併財務報表「少數股東權益、少數股東損益、歸屬於少數股東的其他綜合收益及歸屬於少數股東的綜合收益總額」項目列示。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Criteria for judging control and basis for preparation of consolidated financial statements (Continued)

For subsidiaries acquired through business combination under common control, the operating results and cash flows of the acquiree shall be consolidated into the consolidated financial statements since the beginning of the period of combination. When preparing comparative consolidated financial statements, adjustment shall be made to the related items in the financial statements for the last year, regarding as the reporting subject which was formed after combination has existed since the ultimate controller started control.

For subsidiaries acquired through business combination not under common control, its operating results and cash flows shall be included in the consolidated financial statements since the Group obtained its control. When preparing consolidated financial statements, adjustment shall be made to financial statements of the subsidiaries using the fair values of each identifiable assets, liabilities and contingent liabilities as basis, which were determined on date of acquisition.

Proceeds from disposal of part of the equity investment in the subsidiaries without losing control and the disposal of long-term equity investment should enjoy the difference between the proportion of net assets calculated from the date of acquisition or date of combination in the consolidated financial statements, and adjust the share premium. In case the capital reserve is insufficient for offset, retained earnings will be adjusted.

三、重要會計政策及會計估計(續)

6. 控制的判斷標準及合併財務報表的編制方法(續)

對於同一控制下企業合併取得的子公司，其經營成果和現金流量自合併當期期初納入合併財務報表。編制比較合併財務報表時，對上年財務報表的相關項目進行調整，視同合併後形成的報告主體自最終控制方開始控制時點起一直存在。

對於非同一控制下企業合併取得子公司，經營成果和現金流量自本集團取得控制權之日起納入合併財務報表。在編制合併財務報表時，以購買日確定的各項可辨認資產、負債及或有負債的公允價值為基礎對子公司的財務報表進行調整。

本集團在不喪失控制權的情況下部分處置對子公司的長期股權投資，在合併財務報表中，處置價款與處置長期股權投資相對應享有子公司自購買日或合併日開始持續計算的淨資產份額之間的差額，調整資本溢價或股本溢價，資本公積不足沖減的，調整留存收益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Criteria for judging control and basis for preparation of consolidated financial statements (Continued)

When the Group loss control in the acquiree due to reasons such as disposal of part of the equity investment, remaining shareholding will be re-measured based on the fair value on the date of loss of control when preparing the consolidated financial statements. The sum of proceeds obtained from the disposal of equity and fair value of the remaining shareholding, and less the difference of the proportion of net assets of the subsidiary calculated from the date of acquisition or combination according to the original shareholding proportion, and included into the investment profit or loss of loss of control for current period, and also goodwill will be written off. Other comprehensive income related to the original equity investment in the subsidiary, will be changed to investment profit or loss for current period upon loss of control.

For loss of control by the Group through different transactions and disposed shareholding in subsidiaries in stages, in case when each transaction that the Group loss control through disposal of shareholding in subsidiaries belongs to a series of transactions, accounting treatment for each transaction shall be treated as one transaction which involves disposal of subsidiary with loss of control. However, the difference between the proceeds for each disposal before loss of control and the proportion of net assets corresponding to the disposal of such subsidiary shall be recognised as other comprehensive income in the consolidated financial statements, and transfer to investment profit or loss of loss of control for current period upon loss of control. The Group disposes of its subsidiary's equity investment step by step through multiple transactions until it loses control, if it belongs to a package deal, the transaction shall be treated separately based on whether the control is lost.

三、重要會計政策及會計估計(續)

6. 控制的判斷標準及合併財務報表的編制方法(續)

本集團因處置部分股權投資等原因喪失了對被投資方的控制權的，在編制合併財務報表時，對於剩餘股權，按照其在喪失控制權日的公允價值進行重新計量。處置股權取得的對價與剩餘股權公允價值之和，減去按原持股比例計算應享有原有子公司自購買日或合併日開始持續計算的淨資產的份額之間的差額，計入喪失控制權當期的投資損益，同時沖減商譽。與原有子公司股權投資相關的其他綜合收益等，在喪失控制權時轉為當期投資損益。

本集團通過多次交易分步處置對子公司股權投資直至喪失控制權的，如果處置對子公司股權投資直至喪失控制權的各項交易屬於一攬子交易的，應當將各項交易作為一項處置子公司並喪失控制權的交易進行會計處理；但是，在喪失控制權之前每一次處置價款與處置投資對應的享有該子公司淨資產份額的差額，在合併財務報表中確認為其他綜合收益，在喪失控制權時一並轉入喪失控制權當期的投資損益。通過多次交易分步處置對子公司股權投資直至喪失控制權，不屬於一攬子交易的，對每一項交易按照是否喪失控制權分別進行會計處理。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

7. Classification of joint arrangements and accounting treatment for joint operations

Joint arrangement of the Group includes joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

As for joint operation, the Group, as the party in the joint operation, recognises assets and liabilities that it holds and assumes individually, and the assets and liabilities that it holds or assume in proportion, and income and fees will be recognised according to the related agreed individual or in proportion assets and liabilities. For assets transactions that are purchased or sale under joint operation that do not constitute business, only when profit or loss incurred from that transaction attributable to the other parties under the joint operation.

8. Cash and cash equivalents

Cash in the cash flow statement of the Group represents the cash on hand and the deposit in bank available for payment at any time. Cash equivalents cash flow statement are terms which are less than three months, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of value change.

三、重要會計政策及會計估計(續)

7. 合營安排分類及共同經營會計處理方法

本集團的合營安排包括共同經營和合營企業。共同經營，是指合營方享有該安排相關資產且承擔該安排相關負債的合營安排。合營企業，是指合營方僅對該安排的淨資產享有權利的合營安排。

對於共同經營項目，本集團作為共同經營中的合營方確認單獨持有的資產和承擔的負債，以及按份額確認持有的資產和承擔的負債，根據相關約定單獨或按份額確認相關的收入和費用。與共同經營發生購買、銷售不構成業務的資產交易的，僅確認因該交易產生的損益中歸屬於共同經營其他參與方的部分。

8. 現金及現金等價物

本集團現金流量表之現金指庫存現金以及可以隨時用於支付的存款。現金流量表之現金等價物指持有期限不超過3個月、流動性強、易於轉換為已知金額現金且價值變動風險很小的投資。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Foreign currency transactions

The foreign currency transactions of the Group, when initially recognised, are translated into the functional currency at the prevailing spot exchange rate on the date of exchange, i.e. the middle price of RMB exchange rate published by the People's Bank of China on that date in general and the same hereinafter. As at the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rate at the balance sheet date. Translation differences arising thereon are directly included in the profit or loss for the period, except that exchange differences arising from specific borrowings in foreign currency attributable to the construction or production of a qualifying asset for capitalization are dealt with based on the capitalization principle. The foreign currency non-monetary items measured at historical cost shall still be translated at the spot exchange rate on the date of the transaction, and the amount measured by the functional currency is not changed. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be treated as changes in fair value (including changes in foreign exchange rates) and recognised in profit or loss for the period. The capital invested in foreign currency by the investor shall be converted at the spot rate on the date of the transaction, and there is no translation difference between the capital invested in foreign currency and the amount of the corresponding monetary item measured by the functional currency.

三、重要會計政策及會計估計(續)

9. 外幣業務

本集團外幣交易在初始確認時，採用交易發生日的即期匯率（通常指中國人民銀行公佈的當日外匯牌價的中間價，下同）將外幣金額折算為記帳本位幣金額。於資產負債表日，外幣貨幣性項目採用資產負債表日的即期匯率折算為記帳本位幣，所產生的折算差額除了為購建或生產符合資本化條件的資產而借入的外幣專門借款產生的匯兌差額按資本化的原則處理外，直接計入當期損益。以歷史成本計量的外幣非貨幣性項目，仍採用交易發生日的即期匯率折算，不改變其記帳本位幣金額；以公允價值計量的外幣非貨幣性項目，採用公允價值確定日的即期匯率折算，折算後的記帳本位幣金額與原記帳本位幣金額的差額，作為公允價值變動（含匯率變動）處理，計入當期損益；收到投資者以外幣投入的資本，採用交易發生日即期匯率折算，外幣投入資本與相應的貨幣性項目的記帳本位幣金額之間不產生外幣資本折算差額。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument

(1) *Recognition and Derecognition of Financial Instrument*

The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

When the following conditions are satisfied, financial assets (or part of the financial assets or part of a group of similar financial assets) are derecognised, i.e. transferred out of the account and balance sheet: 1) the rights to receive cash flows from the financial assets expire; 2) the rights to receive cash flows from the financial assets have been transferred, or the obligation to promptly pay all of the cash flows to a third party has been assumed under a "passthrough" agreement; and substantially all of the risks and rewards of ownership of the financial assets have been transferred, or substantially all of the risks and rewards of ownership of the financial assets have not been transferred or retained but the control over such financial assets has been renounced.

A financial liability is derecognised when the obligation is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference shall be included in the current profit or loss.

三、重要會計政策及會計估計(續)

10. 金融工具

(1) 金融工具的確認和終止確認

本集團成為金融工具合同的一方時確認一項金融資產或金融負債。

滿足下列條件的，終止確認金融資產（或金融資產的一部分，或一組類似金融資產的一部分），即從其賬戶和資產負債表內予以轉銷：1）收取金融資產現金流量的權利屆滿；2）轉移了收取金融資產現金流量的權利，或在「過手協議」下承擔了及時將收取的現金流量全額支付給第三方的義務；並且實質上轉讓了金融資產所有權上幾乎所有的風險和報酬，或雖然實質上既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，但放棄了對該金融資產的控制。

如果金融負債的責任已履行、撤銷或屆滿，則對金融負債進行終止確認。如果現有金融負債被同一債權人以實質上幾乎完全不同條款的另一金融負債所取代，或現有負債的條款幾乎全部被實質性修改，則此類替換或修改作為終止確認原負債和確認新負債處理，差額計入當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(1) *Recognition and Derecognition of Financial Instrument (Continued)*

Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

(2) *Classification, recognition and measurement of financial assets*

The Group classifies financial assets into financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

In making judgments about the business model, the Group considers, among other things, the way the enterprise evaluates and reports the performance of financial assets to key management personnel, the risks affecting the performance of financial assets and the way they are managed, and the manner in which the relevant business management personnel are compensated. In evaluating whether the objective is to collect contractual cash flows, the Group is required to analyze and judge the reasons, timing, frequency, and value of sales of financial assets before their maturity dates.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(1) 金融工具的確認和終止確認(續)

以常規方式買賣金融資產，按交易日會計進行確認和終止確認。

(2) 金融資產的分類、確認和計量

本集團根據管理金融資產的業務模式和金融資產的合同現金流特徵，將金融資產分類為以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他綜合收益的金融資產、以公允價值計量且其變動計入當期損益的金融資產。當且僅當本集團改變管理金融資產的業務模式時，才對所有受影響的相關金融資產進行重分類。

在判斷業務模式時，本集團考慮包括企業評價和向關鍵管理人員報告金融資產業績的方式、影響金融資產業績的風險及其管理方式以及相關業務管理人員獲得報酬的方式等。在評估是否以收取合同現金流量為目標時，本集團需要對金融資產到期日前的出售原因、時間、頻率和價值等進行分析判斷。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(2) Classification, recognition and measurement of financial assets (Continued)

In making judgments about the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including when assessing the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in the current profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(2) 金融資產的分類、確認和計量(續)

在判斷合同現金流量特徵時，本集團需要判斷合同現金流量是否僅為對本金和以未償付本金為基礎的利息的支付時，包含對(貨幣時間價值的修正進行評估時，需要判斷與基準現金流量相比是否具有顯著差異／對包含提前還款特徵的金融資產，需要判斷提前還款特徵的公允價值是否非常小)等。

金融資產在初始確認時以公允價值計量，但是因銷售商品或提供服務等產生的應收賬款或應收票據未包含重大融資成分或不考慮不超過一年的融資成分的，按照交易價格進行初始計量。

對於以公允價值計量且其變動計入當期損益的金融資產，相關交易費用直接計入當期損益，其他類別的金融資產相關交易費用計入其初始確認金額。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(2) *Classification, recognition and measurement of financial assets (Continued)*

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

① *Financial assets measured at amortised cost*

Financial assets that meet the following conditions are classified as financial assets measured at amortised cost: ① the financial assets are managed within a business model whose objective is achieved by collecting contractual cash flow; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding. The Group's financial assets in this category mainly include: monetary funds, accounts receivable, notes receivable, other receivables, debt investments, etc.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(2) 金融資產的分類、確認和計量(續)

金融資產的後續計量取決於其分類：

① 以攤餘成本計量的金融資產

金融資產同時符合下列條件的，分類為以攤餘成本計量的金融資產：①管理該金融資產的業務模式是以收取合同現金流量為目標。②該金融資產的合同條款規定，在特定日期產生的現金流量，僅為對本金和以未償付本金金額為基礎的利息的支付。本集團該分類的金融資產主要包括：貨幣資金、應收賬款、應收票據、其他應收款、債權投資等。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(2) *Classification, recognition and measurement of financial assets (Continued)*

② *Equity investments at fair value through other comprehensive income*

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Once this designation is made, it cannot be revoked. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in the current profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no provision for impairment is made. When the financial asset is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings. The Group's financial assets in this category are investments in other equity instruments.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(2) 金融資產的分類、確認和計量(續)

② 以公允價值計量且其變動計入其他綜合收益的權益工具投資

本集團不可撤銷地選擇將部分非交易性權益工具投資指定為以公允價值計量且其變動計入其他綜合收益的金融資產，該指定一經作出，不得撤銷。本集團僅將相關股利收入(明確作為投資成本部分收回的股利收入除外)計入當期損益，公允價值的後續變動計入其他綜合收益，不需計提減值準備。當金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從其他綜合收益轉出，計入留存收益。本集團該分類的金融資產為其他權益工具投資。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(2) Classification, recognition and measurement of financial assets (Continued)

③ Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss unless it is part of a hedging relationship. The Group's financial assets in this category mainly include: trading financial assets.

For the financial assets that consist of the contingent consideration recognised by the Group in the business combination not under common control, such financial assets are classified as the financial assets measured at FVTPL.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(2) 金融資產的分類、確認和計量(續)

③ 以公允價值計量且其變動計入當期損益的金融資產

本集團將除上述分類為以攤餘成本計量的金融資產和分類為以公允價值計量且其變動計入其他綜合收益的金融資產之外的金融資產，分類為以公允價值計量且其變動計入當期損益的金融資產。此類金融資產按照公允價值進行後續計量，除與套期會計有關外，所有公允價值變動計入當期損益。本集團該分類的金融資產主要包括：交易性金融資產。

本集團在非同一控制下的企業合併中確認的或有對價構成金融資產的，該金融資產分類為以公允價值計量且其變動計入當期損益的金融資產。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(3) *Classification, recognition and measurement of financial liabilities*

In addition to the issuance of financial guarantee contracts, the loan commitment with interest rates lower than market rates and financial liabilities arising from noncompliance with the conditions for termination of recognition of the transfer of financial assets or continued involvement in the transferred financial assets, the Group classifies financial liabilities as at fair value through profit or loss and financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For financial liabilities measured at amortised cost, transaction costs are recognised in the initial measurement.

The subsequent measurement of financial liabilities depends on their classification:

① *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are subsequently measured based on the amortized cost using the actual interest rate method.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(3) **金融負債分類、確認依據和計量方法**

除了簽發的財務擔保合同、以低於市場利率貸款的貸款承諾及由於金融資產轉移不符合終止確認條件或繼續涉入被轉移金融資產所形成的金融負債以外，本集團的金融負債於初始確認時分類為：以公允價值計量且其變動計入當期損益的金融負債、以攤餘成本計量的金融負債。對於以公允價值計量且其變動計入當期損益的金融負債，相關交易費用直接計入當期損益，以攤餘成本計量的金融負債的相關交易費用計入其初始確認金額。

金融負債的後續計量取決於其分類：

① **以攤餘成本計量的金融負債**

以攤餘成本計量的金融負債，採用實際利率法，按照攤餘成本進行後續計量。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(3) Classification, recognition and measurement of financial liabilities (Continued)

② Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include transactional financial liabilities (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Transactional financial liabilities (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. Changes in fair value of such financial liabilities are recognised in profit or loss, except for those of the financial liabilities designated as hedging instruments.

Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value, with changes in fair value included in profit or loss, except for changes in fair value arising from the Group's own credit risk which are presented in other comprehensive income. If changes in fair value arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand the accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(3) 金融負債分類、確認依據和計量方法(續)

② 以公允價值計量且其變動計入當期損益的金融負債

以公允價值計量且其變動計入當期損益的金融負債，包括交易性金融負債(含屬於金融負債的衍生工具)和初始確認時指定為以公允價值計量且其變動計入當期損益的金融負債。交易性金融負債(含屬於金融負債的衍生工具)，按照公允價值進行後續計量，除與套期會計有關外，公允價值變動計入當期損益。

對於指定為以公允價值計量且其變動計入當期損益的金融負債，按照公允價值進行後續計量，除由本集團自身信用風險變動引起的公允價值變動計入其他綜合收益之外，其他公允價值變動計入當期損益；如果由本集團自身信用風險變動引起的公允價值變動計入其他綜合收益會造成或擴大損益中的會計錯配，本集團將所有公允價值變動(包括自身信用風險變動的影響金額)計入當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(3) Classification, recognition and measurement of financial liabilities (Continued)

② Financial liabilities at fair value through profit or loss (Continued)

Only if one of the following conditions is met, financial liabilities will be designated by the Group as financial liabilities at fair value through profit or loss on initial recognition:

① it can eliminate or significantly reduce the accounting mismatch; ② the formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value; ③ a hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments; ④ hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or subsequent balance sheet date.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(3) 金融負債分類、確認依據和計量方法(續)

② 以公允價值計量且其變動計入當期損益的金融負債(續)

只有符合以下條件之一，本集團才將金融負債在初始計量時指定為以公允價值計量且其變動計入當期損益的金融負債：①能夠消除或顯著減少會計錯配；②風險管理或投資策略的正式書面文件已載明，該金融工具組合以公允價值為基礎進行管理、評價並向關鍵管理人員報告；③包含一項或多項嵌入衍生工具的混合工具，除非嵌入衍生工具對混合工具的現金流量沒有重大改變，或所嵌入的衍生工具明顯不應當從相關混合工具中分拆；④包含需要分拆但無法在取得時或後續的資產負債表日對其進行單獨計量的嵌入衍生工具的混合工具。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(3) *Classification, recognition and measurement of financial liabilities (Continued)*

② *Financial liabilities at fair value through profit or loss (Continued)*

In accordance with the above conditions, such financial liabilities designated by the Group mainly include (specify the circumstances of designation, including the nature of the designated financial liabilities, criteria and how to meet the designated criteria, refer to the financial assets section for details). If the contingent consideration recognized by the Group as an acquirer in a business combination not under common control forms a financial liability, it shall be accounted for at fair value through profit or loss.

(4) *Impairment of financial instruments*

Financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and financial guarantee contracts are impaired and provisions for losses are recognised based on expected credit losses.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(3) 金融負債分類、確認依據和計量方法(續)

② 以公允價值計量且其變動計入當期損益的金融負債(續)

按照上述條件，本集團指定的這類金融負債主要包括(具體描述指定的情況，包含指定的金融負債的性質、標準以及如何滿足指定標準，具體參考金融資產部分)。本集團將在非同一控制下的企業合併中作為購買方確認的或有對價形成金融負債的，按照以公允價值計量且其變動計入當期損益進行會計處理。

(4) 金融工具減值

本集團以預期信用損失為基礎，對以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他綜合收益的債權投資、合同資產、租賃應收款、貸款承諾及財務擔保合同進行減值處理並確認損失準備。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(4) *Impairment of financial instruments (Continued)*

Expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). The following elements are reflected in the Group's consideration of method of measuring expected credit loss: ① an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes; ② the time value of money; and ③ reasonable and reliable information about past events, current conditions and projected future economic conditions that can be obtained at the balance sheet date without unnecessary additional costs.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

預期信用損失，是指以發生違約的風險為權重的金融工具信用損失的加權平均值。信用損失，是指本集團按照原實際利率折現的、根據合同應收的所有合同現金流量與預期收取的所有現金流量之間的差額，即全部現金短缺的現值。本集團考慮預期信用損失計量方法時反映如下要素：①通過評價一系列可能的結果而確定的無偏概率加權平均金額；②貨幣時間價值；③在資產負債表日無須付出不必要的額外成本或即可獲得的有關過去事項、當前狀況以及未來經濟狀況預測的合理且有依據的信息。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(4) *Impairment of financial instruments (Continued)*

The Group assesses the expected credit losses of financial instruments on an individual basis and a collective basis. When the assessment is performed on a collective basis, the Group categorizes financial instruments into different groups based on shared credit risk characteristics. The shared credit risk characteristics adopted by the Group include: type of financial instruments, credit risk ratings, geographical location of the debtor, industry of the debtor, overdue information, ageing of receivables, etc.

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

本集團基於單項和組合評估金融工具的預期信用損失，以組合為基礎進行評估時，本集團基於共同信用風險特徵將金融工具分為不同組別。本集團採用的共同信用風險特徵包括：金融工具類型、信用風險評級、債務人所處地理位置、債務人所處行業、逾期信息、應收款項賬齡等。

本集團採用預期信用損失模型對金融工具和合同資產的減值進行評估需要做出重大判斷和估計，需考慮所有合理且有依據的信息，包括前瞻性信息。在做出這些判斷和估計時，本集團根據歷史還款數據結合經濟政策、宏觀經濟指標、行業風險等因素推斷債務人信用風險的預期變動。不同的估計可能會影響減值準備的計提，已計提的減值準備可能並不等於未來實際的減值損失金額。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(4) Impairment of financial instruments (Continued)

① Impairment testing methods for receivables and contract assets

For accounts receivable, bills receivable, receivables financing, contract assets, etc. that do not contain a significant financing component and are generated from ordinary operating activities, such as sales of goods and rendering of services, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

For lease receivables, receivables and contract assets with significant financing components, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

① 應收款項和合同資產的減值測試方法

對於因銷售商品、提供勞務等日常經營活動形成的不含重大融資成分的應收賬款、應收票據、應收款項融資、合同資產等應收款項，本集團運用簡化計量方法，按照相當於整個存續期內的預期信用損失金額計量損失準備。

對於租賃應收款、包含重大融資成分的應收款項以及合同資產，本集團選擇運用簡化計量方法，按照相當於整個存續期內的預期信用損失金額計量損失準備。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(4) Impairment of financial instruments (Continued)

① Impairment testing methods for receivables and contract assets (Continued)

For receivables, expected credit losses are generally calculated on the basis of a portfolio of common credit risk characteristics by taking into account the elements that should be reflected in the expected credit loss measurement methodology and by reference to historical credit loss experience and preparing a reconciliation of the number of days past due on accounts receivable/aging of accounts receivable to the default loss rate, except for amounts that are individually significant and for which credit impairment has occurred, in which case the credit losses shall be determined separately. If the credit risk characteristics of a customer are significantly different from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of the customer, for example, if the customer is in severe financial difficulty and the expected credit loss rate on receivables from this customer has significantly exceeded the expected credit loss rate for the aging and overdue ranges in which the customer is located, etc., the Group makes a provision for losses on an individual basis on the receivables from this customer.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

① 應收款項和合同資產的減值測試方法(續)

對於應收款項，除對單項金額重大且已發生信用減值的款項單項確定其信用損失外，通常按照共同信用風險特徵組合的基礎上，考慮預期信用損失計量方法應反映的要素，參考歷史信用損失經驗，編制應收賬款逾期天數／應收賬款賬齡與違約損失率對照表，以此為基礎計算預期信用損失。若某一客戶信用風險特徵與組合中其他客戶顯著不同，或該客戶信用風險特徵發生顯著變化，例如客戶發生嚴重財務困難，應收該客戶款項的預期信用損失率已顯著高於其所處於賬齡、逾期區間的預期信用損失率等，本集團對應收該客戶款項按照單項計提損失準備。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

三、重要會計政策及會計估計(續)

10. Financial instrument (Continued)

10. 金融工具(續)

(4) Impairment of financial instruments (Continued)

(4) 金融工具減值(續)

① Impairment testing methods for receivables and contract assets (Continued)

① 應收款項和合同資產的減值測試方法(續)

- A. Combination category and determination basis of accounts receivable (and contract assets)

- A. 應收賬款(與合同資產)的組合類別及確定依據

The Group groups account receivable (and contract assets) by similarity and relevance of credit risk characteristics based on information such as aging, nature of payment, credit risk exposure, and historical payment collection. For trade receivables (and contract assets), the Group determines that aging is the main factor affecting its credit risk. Therefore, the Group assesses its expected credit losses based on the aging group.

本集團根據應收賬款(與合同資產)的賬齡、款項性質、信用風險敞口、歷史回款情況等信息為基礎，按信用風險特徵的相似性和相關性進行分組。對於應收賬款(與合同資產)，本集團判斷賬齡為其信用風險主要影響因素，因此，本集團以賬齡組合為基礎評估其預期信用損失。

The ageing of receivable by ageing groups verse ECL rates in the life period:

應收款項賬齡組合的賬齡與整個存續期預期信用損失率對照表：

Ageing	賬齡	ECL rate (%) 預期信用損失率(%)
Within 1 year (inclusive)	1年以內(含1年)	5.00
1-2	1-2年	10.00
2-3	2-3年	20.00
3-4	3-4年	50.00
4-5	4-5年	80.00
Over 5 years	5年以上	100.00

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(4) Impairment of financial instruments (Continued)

① Impairment testing methods for receivables and contract assets (Continued)

B. Combination category and determination basis of bills receivable

Based on the credit risk of acceptors of bills receivable as a common risk feature, the Group classifies them into different combinations and determines the accounting estimation policy for expected credit losses: a. For bank acceptance bills of acceptors' commercial banks, which are assessed by the Group as having low credit risk, no expected credit losses are recognized; b. For commercial acceptance notes, the expected loss rate is determined and loss provisions are made with reference to the Group's accounts receivable policy, which is the same as the combination classification of accounts receivable.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

① 應收款項和合同資產的減值測試方法(續)

B. 應收票據的組合類別及確定依據

本集團基於應收票據的承兌人信用風險作為共同風險特徵，將其劃分為不同組合，並確定預期信用損失會計估計政策：a.承兌人商業銀行的銀行承兌匯票，本集團評價該類款項具有較低的信用風險，不確認預期信用損失；b.商業承兌匯票，參照本集團應收賬款政策確認預期損失率計提損失準備，與應收賬款的組合劃分相同。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(4) Impairment of financial instruments (Continued)

② Impairment testing methods for investments in debt and other investments in debt, loan commitments and financial guarantee contracts

Except for the financial assets (such as investments in debt and other investments in debt), loan commitments and financial guarantee contracts for which the simplified measurement method is adopted as mentioned above, the Group adopts the general method (three-stage method) for the provision of expected credit losses. The Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate. If the credit risk of financial instruments is low at the balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

② 債權投資、其他債權投資、貸款承諾及財務擔保合同的減值測試方法

除上述採用簡化計量方法以外的金融資產(如債權投資、其他債權投資)、貸款承諾及財務擔保合同，本集團採用一般方法(三階段法)計提預期信用損失。在每個資產負債表日，本集團評估其信用風險自初始確認後是否已經顯著增加，如果信用風險自初始確認後未顯著增加，處於第一階段，本集團按照相當於未來12個月內預期信用損失的金額計量損失準備，並按照賬面餘額和實際利率計算利息收入；如果信用風險自初始確認後已顯著增加但尚未發生信用減值的，處於第二階段，本集團按照相當於整個存續期內預期信用損失的金額計量損失準備，並按照賬面餘額和實際利率計算利息收入；如果初始確認後發生信用減值的，處於第三階段，本集團按照相當於整個存續期內預期信用損失的金額計量損失準備，並按照攤餘成本和實際利率計算利息收入。對於資產負債表日只具有較低信用風險的金融工具，本集團假設其信用風險自初始確認後未顯著增加。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(4) *Impairment of financial instruments (Continued)*

- ② *Impairment testing methods for investments in debt and other investments in debt, loan commitments and financial guarantee contracts (Continued)*

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Future 12-month expected credit losses are the expected credit losses that result from all possible default events on a financial instrument within the 12 months after the balance sheet date (or the expected life of the instrument, if it is less than 12 months), and are portion of lifetime expected credit losses.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

- ② 債權投資、其他債權投資、貸款承諾及財務擔保合同的減值測試方法(續)

整個存續期預期信用損失，是指因金融工具整個預計存續期內所有可能發生的違約事件而導致的預期信用損失。未來12個月內預期信用損失，是指因資產負債表日後12個月內(若金融工具的預計存續期少於12個月，則為預計存續期)可能發生的金融工具違約事件而導致的預期信用損失，是整個存續期預期信用損失的一部分。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(5) *Recognition and measurement of transfer of financial assets*

For a transaction involving the transfer of a financial asset, if substantially all of the risks and rewards of ownership of the financial asset has been transferred, the Group derecognizes the financial asset; if it has retained substantially all of the risks and rewards of ownership of the financial asset, the financial asset will not be derecognized; if it has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset, but control over the financial asset has been waived, the Group would derecognize the financial asset and recognize the resulting assets and liabilities; where control over the financial asset has not been waived, the Group would recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognize the related liability accordingly.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(5) **金融資產轉移的確認依據和計量方法**

對於金融資產轉移交易，本集團已將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方的，終止確認該金融資產；保留了金融資產所有權上幾乎所有的風險和報酬的，不終止確認該金融資產；既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬的，放棄了對該金融資產控制的，終止確認該金融資產並確認產生的資產和負債，未放棄對該金融資產控制的，按照其繼續涉入所轉移金融資產的程度確認有關金融資產，並相應確認有關負債。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(5) *Recognition and measurement of transfer of financial assets (Continued)*

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the book value of the transferred financial assets on the date of termination of recognition and the sum of the consideration received from the transfer and the accumulative amount of the changes of the fair value originally included in other comprehensive income which shall be apportioned to the derecognized portion (if the transferred financial assets meet both of the following conditions: ① the business model of the Group managing the financial assets whose objective is collecting contractual cash flows and selling the financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding.) The difference between the sum of the two is included in profit or loss for the period.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(5) *金融資產轉移的確認依據和計量方法(續)*

金融資產整體轉移滿足終止確認條件的，將所轉移金融資產在終止確認日的賬面價值，與因轉移而收到的對價及原直接計入其他綜合收益的公允價值變動累計額中對應終止確認部分的金額(涉及轉移的金融資產同時符合下列條件：①集團管理該金融資產的業務模式既以收取合同現金流量為目標又以出售該金融資產為目標；②該金融資產的合同條款規定，在特定日期產生的現金流量，僅為對本金和以未償付本金金額為基礎的利息的支付。)之和的差額計入當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(5) Recognition and measurement of transfer of financial assets (Continued)

If the transfer of financial asset partially satisfies the conditions of derecognition, the entire book value of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the sum of the consideration received from the transfer and the accumulative amount of the changes of the fair value originally included in other comprehensive income which shall be apportioned to the derecognized portion (if the transferred financial assets meet both of the following conditions: ① the business model of the Group managing the financial assets whose objective is collecting contractual cash flows and selling the financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding). The difference between the sum and the overall book value of the financial assets amortised is recognized in profit or loss for the period.

When a continuing involvement is recognized by means of a financial guarantee over the transferred financial assets, assets resulting from the continuing involvement are recognized at the lower of the carrying amount of the financial assets and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration received that will be required to be repaid.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(5) 金融資產轉移的確認依據和計量方法(續)

金融資產部分轉移滿足終止確認條件的，將所轉移金融資產整體的賬面價值，在終止確認部分和未終止確認部分之間，按照各自的相對公允價值進行分攤，並將因轉移而收到的對價及應分攤至終止確認部分的原計入其他綜合收益的公允價值變動累計額中對應終止確認部分的金額(涉及轉移的金融資產同時符合下列條件：①集團管理該金融資產的業務模式既以收取合同現金流量為目標又以出售該金融資產為目標；②該金融資產的合同條款規定，在特定日期產生的現金流量，僅為對本金和以未償付本金金額為基礎的利息的支付。)之和，與分攤的前述金融資產整體賬面價值的差額計入當期損益。

通過對所轉移金融資產提供財務擔保方式繼續涉入的，按照金融資產的賬面價值和財務擔保金額兩者之中的較低者，確認繼續涉入形成的資產。財務擔保金額，是指所收到的對價中，將被要求償還的最高金額。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(6) *Classification and treatment of financial liabilities and equity instruments*

The Group classifies financial liabilities and equity instruments on the following principles: ① Where the Group is unable to unconditionally avoid delivering cash or another financial asset to fulfil a contractual obligation, the contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly include the terms and conditions imposing the contractual obligation to deliver cash or another financial asset, they may indirectly give rise to the contractual obligation through other terms and conditions. ② Where a financial instrument will or may be settled in the Group's own equity instrument, consideration shall be given to whether the Group's own equity instrument as used to settle the instrument is a substitute of cash or another financial asset or the residual interest in the assets of an entity after deducting all of its liabilities. In the former case, the instrument shall be the issuer's financial liability; in the latter case, the instrument shall be the equity instrument of the issuer. Under certain circumstances whereby a financial instrument contract stipulates that the Group will or may use its own equity instrument to settle the financial instrument, and the amount of the contractual right or obligation equal to the number of its own equity instruments to be received or delivered multiplied by their fair value at the time of settlement, the contract shall be classified as a financial liability, regardless of whether the amount of the contractual right or obligation is fixed, or fluctuates in full or in partly in response to changes in a variable other than the market price of the Group's own equity instruments (for example an interest rate, a commodity price or a financial instrument rate).

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(6) *金融負債與權益工具的區分及相關處理方法*

本集團按照以下原則區分金融負債與權益工具：①如果本集團不能無條件地避免以交付現金或其他金融資產來履行一項合同義務，則該合同義務符合金融負債的定義。有些金融工具雖然沒有明確地包含交付現金或其他金融資產義務的條款和條件，但有可能通過其他條款和條件間接地形成合同義務。②如果一項金融工具須用或可用本集團自身權益工具進行結算，需要考慮用於結算該工具的本集團自身權益工具，是作為現金或其他金融資產的替代品，還是為了使該工具持有方享有在發行方扣除所有負債後的資產中的剩餘權益。如果是前者，該工具是發行方的金融負債；如果是後者，該工具是發行方的權益工具。在某些情況下，一項金融工具合同規定本集團須用或可用自身權益工具結算該金融工具，其中合同權利或合同義務的金額等於可獲取或需交付的自身權益工具的數量乘以其結算時的公允價值，則無論該合同權利或義務的金額是固定的，還是完全或部分地基於除本集團自身權益工具的市場價格以外的變量（例如利率、某種商品的價格或某項金融工具的價格）的變動而變動，該合同分類為金融負債。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(6) *Classification and treatment of financial liabilities and equity instruments (Continued)*

When classifying a financial instrument (or a component thereof) in consolidated financial statements, the Group shall consider all terms and conditions agreed between members of the Group and the holders of the financial instrument. If the Group as a whole has an obligation in respect of the instrument to settle it by delivering cash or another financial asset or in such a way that it would be a financial liability, such instrument shall be classified as a financial liability.

The Group classifies these financial instruments or their components into financial assets, financial liabilities or equity instruments at initial recognition according to the contractual terms of the preferred shares and perpetual shares issued and the economic substance reflected by them, as well as the definitions of financial assets, financial liabilities and equity instruments.

If the financial instrument or its component is attributable to the financial liability, the relevant interests, dividends, gains or losses, and gains or losses arising from redemption or refinancing, shall be recorded in the profit or loss of the current period.

If the financial instrument or its component is attributable to equity instrument, the Group shall treat it as change in equity when it is issued (including refinanced), repurchased, sold or cancelled, and shall not recognize changes in fair value of equity instrument.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(6) *金融負債與權益工具的區分及相關處理方法(續)*

本集團在合併報表中對金融工具(或其組成部分)進行分類時,考慮了集團成員和金融工具持有方之間達成的所有條款和條件。如果集團作為一個整體由於該工具而承擔了交付現金、其他金融資產或者以其他導致該工具成為金融負債的方式進行結算的義務,則該工具應當分類為金融負債。

本集團根據所發行的優先股、永續債的合同條款及其所反映的經濟實質,結合金融資產、金融負債和權益工具的定義,在初始確認時將這些金融工具或其組成部分分類為金融資產、金融負債或權益工具。

金融工具或其組成部分屬於金融負債的,相關利息、股利(或股息)、利得或損失,以及贖回或再融資產生的利得或損失等,本集團計入當期損益。

金融工具或其組成部分屬於權益工具的,其發行(含再融資)、回購、出售或註銷時,本集團作為權益的變動處理,不確認權益工具的公允價值變動。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instrument (Continued)

(7) *Derivative financial instruments*

The Group uses derivative financial instruments, for example, to hedge exchange-rate risks, commodity price risk and interest rate risks through foreign exchange forward contracts, commodity forward contract and interest rate swaps, which are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of these derivatives are recognised in profit or loss unless it is related to hedge accounting.

(8) *Offsetting of financial assets and financial liabilities*

Financial assets and financial liabilities of the Group shall be presented separately in the balance sheet and shall not be offset. However, when all of the following conditions are met, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet: ① the Group has a legal right that is currently enforceable to set off the recognized amount, and ② the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(7) 衍生金融工具

本集團使用衍生金融工具，例如以外匯遠期合同、商品遠期合同和利率互換，分別對匯率風險、商品價格風險和利率風險進行套期。衍生金融工具初始以衍生交易合同簽訂當日的公允價值進行計量，並以其公允價值進行後續計量。公允價值為正數的衍生金融工具確認為一項資產，公允價值為負數的確認為一項負債。

除與套期會計有關外，衍生工具公允價值變動產生的利得或損失直接計入當期損益。

(8) 金融資產和金融負債的抵銷

本集團的金融資產和金融負債在資產負債表內分別列示，不相互抵銷。但同時滿足下列條件時，以相互抵銷後的淨額在資產負債表內列示：①本集團具有抵銷已確認金額的法定權利，且該種法定權利是當前可執行的；②本集團計劃以淨額結算，或同時變現該金融資產和清償該金融負債。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Inventories

The inventories of the Group mainly include raw materials closely related to the Company's principal business, including materials and low value consumables used in the course of business of water production, wastewater treatment and household meter installation, as well as the inputs for installation works that are yet to be recognised as sales income.

Inventories adopt the perpetual inventory system, and are valued by the actual cost when acquired. The actual costs of requisitioned or issued inventories are determined by the weighted average method at the end of each month. Low value consumables are amortised by the one-off write-off method.

On each balance sheet date, inventories are valued by the cost or net realisable value, whichever is lower. For the estimated irrecoverable part of cost due to inventory damage, obsolescence of all or partial inventories, or sale price lower than the cost, provisions for impairment of inventories are accrued. Provisions for impairment of inventories for bulk raw materials are accrued based on the difference between the cost of single inventory item and its net realisable value; for other numerous raw and auxiliary materials with low prices, inventory impairment provisions are accrued based on their categories.

三、重要會計政策及會計估計(續)

11. 存貨

本集團存貨主要包括在制水及污水處理、戶表安裝等業務過程中耗用的材料、低值易耗品等與公司主要業務密切相關的原材料，安裝工程施工過程中尚未確認銷售收入的工程施工投入。

存貨實行永續盤存制，存貨在取得時按實際成本計價；領用或發出存貨，採用月末一次加權平均法確定其實際成本。低值易耗品採用一次轉銷法進行攤銷。

資產負債表日存貨按成本與可變現淨值孰低原則計價，對於存貨因遭受毀損、全部或部分陳舊過時或銷售價格低於成本等原因，預計其成本不可收回的部分，提取存貨跌價準備。大宗原材料的存貨跌價準備按單個存貨項目的成本高於其可變現淨值的差額提取；其他數量繁多、單價較低的原輔材料按類別提取存貨跌價準備。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

12. Contract assets and contract liabilities

(1) Contract assets

A contract asset represents the Group's right, which depends on factors other than the passage of time, to receive consideration in exchange for goods that the Group has transferred to a customer. If the Group sells two clearly distinguishable goods to customers, it is entitled to receive payment for one of the goods that has been delivered, but the payment is also dependent on the delivery of the other of the goods, the Group regards the right to receive payment as a contract asset. Contractual assets of the Group mainly comprise completed but unsettled assets of engineering business and guarantee deposits receivable.

For method of determination and accounting for expected credit loss of contract assets, please refer to Note III.10. Financial asset impairment above.

(2) Contract liabilities

A contract liability reflects the Group's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If the customer has paid the contract consideration or the Group has obtained the unconditional rights to consideration before the Group transfers goods to the customer, the Group will present the amount received or receivable as a contract liability at the time of actual payment by the customer or the due date of the amount to be paid by the customer, which is the earlier.

三、重要會計政策及會計估計(續)

12. 合同資產與合同負債

(1) 合同資產

合同資產，是指本集團已向客戶轉讓商品而有權收取對價的權利，且該權利取決於時間流逝之外的其他因素。如本集團向客戶銷售兩項可明確區分的商品，因已交付其中一項商品而有權收取款項，但收取該款項還取決於交付另一項商品的，本集團將該收款權利作為合同資產。

合同資產的預期信用損失的確定方法和會計處理方法，詳見上述附註三、10.金融資產減值相關內容。

(2) 合同負債

合同負債反映本集團已收或應收客戶對價而應向客戶轉讓商品的義務。本集團在向客戶轉讓商品之前，客戶已經支付了合同對價或本集團已經取得了無條件收取合同對價權利的，在客戶實際支付款項與到期應支付款項孰早時點，按照已收或應收的金額確認合同負債。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

13. Assets relating to contract costs

(1) *Method of determination of amount of assets relating to contract costs*

The Group's assets relating to contract costs mainly include contract performance cost. Contract performance costs are reported separately in inventory based on their liquidity.

Contract performance cost refers to the cost incurred by the Group to perform a contract which does not fall under the scope of the Accounting Standards for inventory, fixed assets or intangible assets and meets all of the following conditions, which is recognised as an asset as contract performance cost: the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract; the costs generate resources of the Group that will be used in satisfying performance obligations in the future; the costs are expected to be recovered.

(2) *Amortisation of assets relating to contract costs*

The Group's assets relating to contract costs are amortised using the same basis as that for recognition of the revenue from goods relating to the assets, which are included in profit or loss.

三、重要會計政策及會計估計(續)

13. 與合同成本有關的資產

(1) *與合同成本有關的資產金額的確定方法*

本集團與合同成本有關的資產主要包括合同履約成本。根據其流動性，合同履約成本分別列報在存貨中。

合同履約成本，即本集團為履行合同發生的成本，不屬於存貨、固定資產或無形資產等相關會計準則規範範圍且同時滿足下列條件的，作為合同履約成本確認為一項資產：該成本與一份當前或預期取得的合同直接相關，包括直接人工、直接材料、製造費用（或類似費用）、明確由客戶承擔的成本以及僅因該合同而發生的其他成本；該成本增加了本集團未來用於履行履約義務的資源；該成本預期能夠收回。

(2) *與合同成本有關的資產的攤銷*

本集團與合同成本有關的資產採用與該資產相關的商品收入確認相同的基礎進行攤銷，計入當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

13. Assets relating to contract costs (Continued)

(3) *Impairment of assets relating to contract costs*

The Group makes impairment provisions and recognises an impairment loss on asset to the extent that the carrying amount of an asset related to contract costs exceeds: ① The remaining amount of consideration that the corporation expects to receive in exchange for the goods to which the assets relates; less ② the estimated costs to be incurred for the exchange of the related goods.

14. Long-term equity investment

Long-term equity investments of the Group are the investments in subsidiaries and investment in associates and investment in joint ventures.

(1) *Significant influence or joint control judgement*

The Group's equity investments that have a significant impact on the investee are investments in associates. Significant influence is the power to participate in decision making in the financial and operating policies of the investee but is not the power to control or joint control with other parties over those policies. When the Group directly or indirectly throughout its subsidiary owns 20% (inclusive) or more but less than 50% shares with voting rights in the investee, it is generally considered that the Group has significant influence on the investee, unless there is clear evidence that the Group cannot participate in the production and operation decisions of the investee or form control over the investee.

三、重要會計政策及會計估計(續)

13. 與合同成本有關的資產(續)

(3) 與合同成本有關的資產的減值

本集團與合同成本有關的資產，其賬面價值高於下列兩項差額的，本集團將超出部分計提減值準備，並確認為資產減值損失：①企業因轉讓與該資產相關的商品預期能夠取得的剩餘對價；②為轉讓該相關商品估計將要發生的成本。

14. 長期股權投資

本集團長期股權投資主要是對子公司的投資、對聯營企業的投資和對合營企業的投資。

(1) 重大影響、共同控制的判斷

本集團對被投資單位具有重大影響的權益性投資，即對聯營企業投資。重大影響，是指本集團對被投資方的財務和經營政策有參與決策的權力，但並不能夠控制或者與其他方一起共同控制這些政策的制定。本集團直接或通過子公司間接擁有被投資單位20%以上但低於50%的表決權時，通常認為對被投資單位具有重大影響，除非有明確的證據表明本集團不能參與被投資單位的生產經營決策或形成對被投資單位的控制。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investment (Continued)

(1) Significant influence or joint control judgement (Continued)

The Group together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, the equity investments are investments in joint ventures. Joint control is the relevant agreed sharing of control over an arrangement, and relevant activities of such arrangement shall be decided upon the unanimous consent of the parties sharing control. The Group judges joint control on the basis that all participants or combinations of participants collectively control the arrangement, and decisions on activities related to the arrangement must be unanimously agreed upon by the participants who collectively control the arrangement.

(2) Accounting treatment method

The Group initially measures long-term equity investments acquired at the initial investment cost.

For long-term equity investments obtained through business combination under common control, proportion of carrying value of net assets obtained on the date of combination in the consolidated financial statements of the ultimate controller shall be accounted as the initial investment cost; if the combination-date carrying value of net assets of the merged part is negative, the initial investment cost is determined at zero. For long-term equity investment acquired through business combination not under common control, cost of combination will be treated as the initial investment cost.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

(1) 重大影響、共同控制的判斷(續)

本集團與其他合營方一同對被投資單位實施共同控制且對被投資單位淨資產享有權利的權益性投資，即對合營企業投資。共同控制，是指按照相關約定對某項安排所共有的控制，並且該安排的相關活動必須經過分享控制權的參與方一致同意後才能決策。本集團對共同控制的判斷依據是所有參與方或參與方組合集體控制該安排，並且該安排相關活動的決策必須經過這些集體控制該安排的參與方一致同意。

(2) 會計處理方法

本集團按照初始投資成本對取得的長期股權投資進行初始計量。

通過同一控制下的企業合併取得的長期股權投資，以合併日取得被合併方在最終控制方合併報表中淨資產的賬面價值的份額作為初始投資成本；被合併方在合併日的淨資產賬面價值為負數的，初始投資成本按零確定。通過非同一控制下的企業合併取得的長期股權投資，以合併成本作為初始投資成本；。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investment (Continued)

(2) Accounting treatment method (Continued)

In addition to long-term equity investments formed by business combination, long-term equity investments acquired by payment of cash will be treated as initial investment costs based on the actual purchase price paid and expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investments; For long-term equity investments obtained from the issuance of equity securities, the fair value of the issuance of equity securities will be treated as the investment cost.

The Group's investments in subsidiaries are accounted for using the cost method in individual financial statements. When using the cost method, long-term equity investments are valued at the initial investment cost. When making additional investment, carrying value of the long-term equity investments will be increased according to the fair value of cost of additional investment and the related expenses incurred by related transactions. For cash dividend or profit paid by the investee, it shall be recognised as investment income for current period using the amount which it entitles.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

(2) 會計處理方法(續)

除企業合併形成的長期股權投資外，以支付現金取得的長期股權投資，按照實際支付的購買價款及與取得長期股權投資直接相關的費用、稅金及其他必要支出作為初始投資成本；以發行權益性證券取得的長期股權投資，按照發行權益性證券的公允價值作為投資成本。

本集團對子公司投資在個別財務報表中採用成本法核算。採用成本法時，長期股權投資按初始投資成本計價。在追加投資時，按照追加投資支付的成本額公允價值及發生的相關交易費用增加長期股權投資成本的賬面價值。被投資單位宣告分派的現金股利或利潤，按照應享有的金額確認為當期投資收益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investment (Continued)

(2) Accounting treatment method (Continued)

The Group's investments in joint ventures and associates are accounted for using the equity method. When using the equity method, if the initial investment cost of a long-term equity investment exceeds the share of the fair value of the investee's identifiable net assets at the time of investment, the carrying value of the long-term equity investment will not be adjusted; If the initial investment cost of a long-term equity investment is less than the share of the fair value of the investee's identifiable net assets, the difference will be adjusted to the carrying value of the long-term equity investment and included in the current profit and loss of the investment.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

(2) 會計處理方法(續)

本集團對合營企業及聯營企業的投資採用權益法核算。採用權益法時，長期股權投資初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值的份額的，不調整長期股權投資賬面價值；長期股權投資初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值的份額的，差額調增長期股權投資的賬面價值，同時計入取得投資當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investment (Continued)

(2) Accounting treatment method (Continued)

For long-term equity investment for which the subsequent measurement is accounted for under equity method, during the period when the investment is held, carrying value of long-term equity investment shall be increased or decreased accordingly according to the change in the shareholders' equity of the investee. When determining the amount of proportion of net profit or loss in the investee which it entitles, fair value of each identifiable assets of the investee at the time when the investment is obtained shall be used as basis, and according to the accounting policies and accounting period of the Group, and after offsetting profit or loss incurred in unrealized internal transaction between associates and joint ventures that do not constitute business and calculate the proportion which is attributable to the Group (if the internal transaction losses are asset impairment losses, the full amount is recognized) according to the shareholding, and recognised after adjustment is made to the net profit of the investee. The Group recognizes the net loss incurred by the investee until the carrying value of the long-term equity investment and other long-term interests that essentially constitute the net investment in the investee are reduced to zero, except where the Group is obliged to bear additional losses.

When a long-term equity investment is disposed of, the difference between its carrying value and the actual purchase price shall be included in the current investment income.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

(2) 會計處理方法(續)

後續計量採用權益法核算的長期股權投資，在持有投資期間，隨著被投資單位所有者權益的變動相應調整增加或減少長期股權投資的賬面價值。其中在確認應享有被投資單位淨損益的份額時，以取得投資時被投資單位各項可辨認資產等的公允價值為基礎，按照本集團的會計政策及會計期間，並抵銷與聯營企業及合營企業之間發生的不構成業務的交易產生的未實現內部交易損益按照應享有比例計算歸屬於本集團的部分（內部交易損失屬於資產減值損失的，全額確認），對被投資單位的淨利潤進行調整後確認。本集團確認被投資單位發生的淨虧損，以長期股權投資的賬面價值以及其他實質上構成對被投資單位淨投資的長期權益減記至零為限，本集團負有承擔額外損失義務的除外。

處置長期股權投資，其賬面價值與實際取得價款的差額，計入當期投資收益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investment (Continued)

(2) Accounting treatment method (Continued)

For long-term equity investments accounted for under equity method, the relevant other comprehensive income accounted for by the original equity method shall be accounted for on the same basis as the investee's direct disposal of related assets or liabilities when the equity method is terminated. The owner's equity recognised by changes in other owner's equity other than profit and loss, other comprehensive income and profit distribution shall be all transferred to the current investment gain when the equity method is terminated.

If the remaining equity after the disposal of part of the equity is still accounted for using the equity method, the relevant other comprehensive income originally accounted for using the equity method will be treated on the same basis as the investee's direct disposal of relevant assets or liabilities and carried forward on a proportional basis. Owners' equity recognized due to changes in other owners' equity other than profit and loss, other comprehensive income and profit distribution will be carried forward to the investment income of the current period on a proportional basis.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

(2) 會計處理方法(續)

採用權益法核算的長期股權投資，原權益法核算的相關其他綜合收益在終止採用權益法核算時採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理，因被投資方除淨損益、其他綜合收益和利潤分配以外的其他所有者權益變動而確認的所有者權益，在終止採用權益法核算時全部轉入當期投資收益。

因處置部分股權後剩餘股權仍採用權益法核算的，原權益法核算的相關其他綜合收益採用與被投資單位直接處置相關資產或負債相同的基礎處理並按比例結轉，因被投資方除淨損益、其他綜合收益和利潤分配以外的其他所有者權益變動而確認的所有者權益，按比例結轉入當期投資收益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investment (Continued)

(2) Accounting treatment method (Continued)

When the Group loss common control or significant influence over in the investee due to disposal of part of the equity, remaining shareholding after disposal of will be accounted for under ASBE 22 – Recognition and Measurement of Financial Instruments (Cai Kuai [2017] No.7), difference between fair value and the carry value on the date of loss of common control or significant influence will be included in the profit or loss for current period.

For loss of control in the investee due to partly disposed long-term equity investment, for remaining shareholding which can apply common control or impose significant influence to the investee after disposal, shall be accounted for under equity method. Difference between the carrying value of equity disposal and the disposal consideration shall be included as investment income. For remaining shareholding which cannot apply common control or impose significant influence after disposal, it can be accounted as under ASBE 22 – Recognition and Measurement of Financial Instruments (Cai Kuai [2017] No.7), and difference between carrying value of equity disposal and the disposal consideration shall be included as investment income, difference between fair value and the carrying value of remaining shareholding on the date loss of control shall be included in the investment profit or loss for such period.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

(2) 會計處理方法(續)

因處置部分股權後喪失了對被投資單位的共同控制或重大影響的，處置後的剩餘股權適用《企業會計準則第22號—金融工具確認和計量(財會[2017]7號)》核算的，剩餘股權在喪失共同控制或重大影響之日的公允價值與賬面價值之間的差額計入當期損益。

因處置部分長期股權投資喪失了對被投資單位控制的，處置後的剩餘股權能夠對被投資單位實施共同控制或施加重大影響的，改按權益法核算，處置股權賬面價值和處置對價的差額計入投資收益，並對該剩餘股權視同自取得時即採用權益法核算進行調整；處置後的剩餘股權不能對被投資單位實施共同控制或施加重大影響的，適用《企業會計準則第22號—金融工具確認和計量(財會[2017]7號)》進行會計處理，處置股權賬面價值和處置對價的差額計入投資收益，剩餘股權在喪失控制之日的公允價值與賬面價值間的差額計入當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investment (Continued)

(2) Accounting treatment method (Continued)

If the transactions from the step-by-step disposal of equity to the loss of controlling equity do not fall under a series of transactions, the Group shall separately carry out accounting treatment for each transaction. If the transaction falls under a series of transactions, each transaction is accounted for as a disposal of subsidiary with control lost. However, the difference between the consideration for each transaction before losing control and the carrying value of the long-term equity investments corresponding to the equity disposed of is recognised as other comprehensive income and transferred to profit or loss upon loss of control.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

(2) 會計處理方法(續)

本集團對於分步處置股權至喪失控股權的各項交易不屬於一攬子交易的，對每一項交易分別進行會計處理。屬於「一攬子交易」的，將各項交易作為一項處置子公司並喪失控制權的交易進行會計處理，但是，在喪失控制權之前每一次交易處置價款與所處置的股權對應的長期股權投資賬面價值之間的差額，確認為其他綜合收益，到喪失控制權時再一並轉入喪失控制權的當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

三、重要會計政策及會計估計(續)

15. Properties held for investment

Investment properties of the Group includes land use rights and buildings which have been rented.

Investment properties of the Group are subject to subsequent measurement on a cost basis, and depreciated or amortised based on their estimated useful life and net residual rate by straight-line method. The estimated useful life, net residual rate and annual depreciation (amortisation) rate of the investment properties are as follows:

Category	類別	Depreciable life (year) 折舊年限(年)	Rate of residual value (%) 預計殘值率(%)	Annual depreciation rates (%) 年折舊率(%)
Land use rights	土地使用權	30-50	0	3.33-2.00
Building and structures	房屋建築物	30-50	5	3.17-1.90

16. Fixed assets

Fixed assets of the Group are tangible assets that held for production of goods or provision of services, leasing to others, or for administrative purposes; have useful life over one accounting year with unit value over RMB3,000.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets of the Group comprise buildings and structures, special equipment, general equipment, pipeline assets, transport equipment, office equipment, etc.

15. 投資性房地產

本集團投資性房地產包括已出租的土地使用權和已出租的房屋建築物。

本集團對投資性房地產採用成本模式進行後續計量，按其預計使用壽命及淨殘值率採用平均年限法計提折舊或攤銷。投資性房地產的預計使用壽命、淨殘值率及年折舊(攤銷)率如下：

16. 固定資產

本集團固定資產是指同時具有以下特徵，即為生產商品、提供勞務、出租或經營管理而持有的，使用年限超過一年，單位價值超過3,000元的有形資產。

固定資產在與其有關的經濟利益很可能流入本集團、且其成本能夠可靠計量時予以確認。本集團固定資產包括房屋及建築物、專用設備、通用設備、管網資產、運輸設備、辦公設備等。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

三、重要會計政策及會計估計(續)

16. Fixed assets (Continued)

Apart from fixed assets which are provided in full and continue to be in use and lands that are accounted separately, the Group made provision for all the fixed assets. The Group made provision for depreciation using straight-line method. The useful life, estimated residual value ratio and depreciation rate of fixed assets of the Group are classified as below:

No 序號	Category 類別	Depreciable life (year) 折舊年限 (年)	Rate of residual value (%) 預計殘值率 (%)	Annual depreciation rates (%) 年折舊率 (%)
1	Office facilities	辦公設備	3-8	3-4
2	Building and structures	房屋構築物	20-30	3-5
3	Pipeline assets	管網資產	15-25	3-4
4	General equipment	通用設備	5-10	0-5
5	Transport equipment	運輸設備	5-10	3-5
6	Special equipment	專用設備	4-10	0-5

The Group makes the assessment on the estimated useful life, estimated rate of salvage value and the depreciation method of fixed assets at each financial year-end. If any changes occur, they will be regarded as changes on accounting estimates.

除已提足折舊仍繼續使用的固定資產和單獨計價入帳的土地外，本集團對所有固定資產計提折舊。計提折舊時採用平均年限法。本集團固定資產的分類折舊年限、預計淨殘值率、折舊率如下：

本集團於每年年度終了，對固定資產的預計使用壽命、預計淨殘值和折舊方法進行覆核，如發生改變，則作為會計估計變更處理。

17. Construction in progress

Construction in progress is transferred to the fixed assets when the assets are ready for their intended use at an estimated amount based on the project budget or actual cost of construction. Depreciation is calculated from the next month of the transfer. The cost of the asset is adjusted when the construction finalization procedures are completed.

17. 在建工程

在建工程在達到預定可使用狀態之日起，根據工程預算、造價或工程實際成本等，按估計的價值結轉固定資產，次月起開始計提折舊，待辦理了竣工決算手續後再對固定資產原值差異進行調整。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

17. Construction in progress (Continued)

As the licensee of BOT projects, if there are any intangible assets after the construction of the project is completed, the input from the Group will be temporarily included in the project during the construction period, and transferred to intangible assets after the construction is completed and the project starts to operate or meets the operation state as expected.

18. Borrowing costs

The Group capitalizes the borrowing costs directly attributable to the construction or production of assets that meet the capitalization conditions and includes them in the cost of the relevant assets. Other borrowing costs are included in the current profits and losses. The assets determined by the Group to qualify for capitalization include borrowing cost incurred from fixed assets, investment properties and inventories which require construction or production activities for over 1 year, and can reached usable or sale condition after that. Borrowing costs start capitalization when the assets expense and borrowing costs were incurred and the construction or production activities, in order to make assets to reach the expected usable or sale condition have started; When construction or assets that fulfil the capitalization conditions reached the expected usable or sale condition, the capitalization have to be terminated. Borrowing costs incurred afterward are included into the profit or loss for current period. If assets that fulfil capitalization conditions interrupted abnormally during construction or production progress, and such interruption occurred for more than three consecutive months, capitalization of borrowing costs have to terminate, until construction of assets or production activities resumed.

三、重要會計政策及會計估計(續)

17. 在建工程(續)

本集團作為BOT項目的被授與方，在項目建造完工後形成無形資產的，在建設期間將本集團的投入暫列入本項目，待建設完成開始運營或達到預定運營狀態後，轉入無形資產。

18. 借款費用

本集團將發生的可直接歸屬於符合資本化條件的資產的構建或者生產的借款費用予以資本化，計入相關資產成本，其他借款費用計入當期損益。本集團確定的符合資本化條件的資產包括需要經過1年以上的購建或者生產活動才能達到預定可使用或者可銷售狀態的固定資產、投資性房地產和存貨等的借款費用，在資產支出已經發生、借款費用已經發生、為使資產達到預定可使用或可銷售狀態所必要的購建或生產活動已經開始時，開始資本化；當購建或生產符合資本化條件的資產達到預定可使用或可銷售狀態時，停止資本化，其後發生的借款費用計入當期損益。如果符合資本化條件的資產在購建或者生產過程中發生非正常中斷、且中斷時間連續超過3個月，暫停借款費用的資本化，直至資產的購建或生產活動重新開始。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Borrowing costs (Continued)

In each accounting period within the capitalization period, the Group recognizes the capitalized amount of borrowing costs in accordance with the following method: The amount of interest, accrued from the funds borrowed under a specific-purpose, to be capitalised is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. The Group determines the amount of interest, accrued from the funds borrowed under general-purpose, to be determined by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate shall be calculated and determined according to the weighted average interest rate of the general borrowing.

三、重要會計政策及會計估計(續)

18. 借款費用(續)

在資本化期間內的每一會計期間，本集團按照以下方法確認借款費用的資本化金額：借入專門借款的，按照當期實際發生的利息費用，扣除尚未動用的借款資金存入銀行取得的利息收入或進行暫時性投資取得的投資收益後的金額確定；佔用一般借款的，根據累計資產支出超過專門借款部分的資產支出加權平均數乘以所佔用一般借款的資本化率確定，其中資本化率根據一般借款加權平均利率計算確定。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Right-of-use assets

The right-of-use asset is defined as the right of underlying assets in the lease term for the Group as a lessee.

(1) Initial measurement

At the commencement date, the Group shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise: ① the amount of the initial measurement of the lease liability; ② any lease payments made at or before the commencement date, less any lease incentives received; ③ any initial direct costs incurred by the lessee, which is defined as incremental costs arising due to the obtaining lease; and ④ an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, while costs of production of inventory are excluded.

(2) Subsequent measurement

At the commencement date, the Group shall measure the right-of-use asset at cost, which is the measurement of right-of-use assets at cost less accumulated depreciation and accumulated impairment losses. If the Group re-measures lease liability in accordance with the relevant provisions of the lease standards, the book value of the right-of-use assets shall be adjusted accordingly.

三、重要會計政策及會計估計(續)

19. 使用權資產

使用權資產，是指本集團作為承租人可在租賃期內使用租賃資產的權利。

(1) 初始計量

在租賃期開始日，本集團按照成本對使用權資產進行初始計量。該成本包括下列四項：①租賃負債的初始計量金額；②在租賃期開始日或之前支付的租賃付款額，存在租賃激勵的，扣除已享受的租賃激勵相關金額；③發生的初始直接費用，即為達成租賃所發生的增量成本；④為拆卸及移除租賃資產、復原租賃資產所在場地或將租賃資產恢復至租賃條款約定狀態預計將發生的成本，屬於為生產存貨而發生的除外。

(2) 後續計量

在租賃期開始日後，本集團採用成本模式對使用權資產進行後續計量，即以成本減累計折舊及累計減值損失計量使用權資產。本集團按照租賃準則有關規定重新計量租賃負債的，相應調整使用權資產的賬面價值。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Right-of-use assets (Continued)

(2) Subsequent measurement (Continued)

Depreciation of right-of-use asset

At the commencement date, the Group depreciates the right-of-use asset. Right-of-use assets are usually depreciated starting from the month of the lease term. The depreciation amount accrued is included in the cost of the relevant asset or current profit or loss based on the use of the right-of-use asset.

When determining the depreciation method of the right-of-use assets, the Group makes decision based on the expected consumption method of the economic benefits related to such right-of-use assets, and depreciates the right-of-use assets by the straight-line method.

When determining the depreciation period of the right-of-use assets, the Group follows the following principles: If there is reasonable certainty that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise the asset is depreciated over the shorter of the lease term and its remaining useful life.

三、重要會計政策及會計估計(續)

19. 使用權資產(續)

(2) 後續計量(續)

使用權資產的折舊

自租賃期開始日起，本集團對使用權資產計提折舊。使用權資產通常自租賃期開始的當月計提折舊。計提的折舊金額根據使用權資產的用途，計入相關資產的成本或者當期損益。

本集團在確定使用權資產的折舊方法時，根據與使用權資產有關的經濟利益的預期消耗方式做出決定，以直線法對使用權資產計提折舊。

本集團在確定使用權資產的折舊年限時，遵循以下原則：能夠合理確定租賃期屆滿時取得租賃資產所有權的，在租賃資產剩餘使用壽命內計提折舊；無法合理確定租賃期屆滿時能夠取得租賃資產所有權的，在租賃期與租賃資產剩餘使用壽命兩者孰短的期間內計提折舊。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Right-of-use assets (Continued)

(2) Subsequent measurement (Continued)

Impairment of right-of-use assets

If the right-of-use asset is impaired, the Group performs subsequent depreciation based on the book value of the right-of-use assets after deducting the impairment loss.

20. Intangible assets

The Group's intangible assets mainly include land use right, concessions, application software, etc. Intangible assets are measured at the actual costs at acquisition. For purchased intangible assets, actual paid cost and other relevant expenses are used as the actual cost. For intangible assets invested by investors, the actual cost is determined according to the values specified in the investment contract or agreement, while for the unfair agreed value in contract or agreement, the actual cost is determined at the fair value.

For the intangible asset which is owned by an acquiree in a corporate combination not under common control but is not confirmed in its financial statement, the Group recognises it as intangible asset at fair value upon the initial recognition of the acquiree's assets if it meets one of the following conditions after thorough identification and reasonable judgement on intangible asset: (1) it is generated from contractual rights or other legal rights; (2) it can be separated or divided from the acquiree and be sold, transferred, licensed, rented or exchanged individually or together with the related contracts, assets and liabilities.

三、重要會計政策及會計估計(續)

19. 使用權資產(續)

(2) 後續計量(續)

使用權資產的減值

如果使用權資產發生減值，本集團按照扣除減值損失之後的使用權資產的賬面價值，進行後續折舊。

20. 無形資產

本集團無形資產包括土地使用權、特許經營權、應用軟件等，按取得時的實際成本計量，其中，購入的無形資產，按實際支付的價款和相關的其他支出作為實際成本；投資者投入的無形資產，按投資合同或協議約定的價值確定實際成本，但合同或協議約定價值不公允的，按公允價值確定實際成本。

本集團對非同一控制下企業合併中取得的被購買方擁有的但在其財務報表中未確認的無形資產，在對被購買方資產進行初始確認時，對無形資產進行充分辨認和合理判斷，滿足以下條件之一的，按公允價值確認為無形資產：(一)源於合同性權利或其他法定權利；(二)能夠從被購買方中分離或者劃分出來，並能單獨或與相關合同、資產和負債一起，用於出售、轉移、授予許可、租賃或交換。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Intangible assets (Continued)

(1) Land use rights

Land use rights are amortised on the straightline basis over its remaining term since the commencement date of transfer. If the acquisition costs of the land and the buildings cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

(2) Franchising

The Group engages in public infrastructure business through build-operate-transfer (BOT) model. Project companies obtain concessions of public infrastructure projects from government departments and engage in the building and operation of the projects. After the expiration of the concessions, the project companies are required to transfer the relevant infrastructure to the governments or the government designated departments.

三、重要會計政策及會計估計(續)

20. 無形資產(續)

(1) 土地使用權

土地使用權從出讓起始日起，按其出讓年限平均攤銷。外購土地及建築物的價款難以在土地使用權與建築物之間合理分配的，全部作為固定資產。

(2) 特許經營權

本集團採用建設－經營－移交方式（BOT），參與公共基礎設施業務，項目公司從政府部門獲取公共基礎設施項目的特許經營權，參與項目的建設和運營。在特許經營權期滿後，項目公司需要將有關基礎設施移交給政府或政府指定部門。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Intangible assets (Continued)

(2) Franchising (Continued)

Under the contracts, project companies have a right to receive fees from those who receive services during the operation period after the construction of relevant infrastructure is completed. However, if the amount of fees is uncertain, such right does not constitute an unconditional right to receive cash. The costs paid by project companies in the process of purchasing and constructing infrastructure are recognised as intangible assets. If the contract stipulates that within a certain period after the infrastructure is completed, the project company can unconditionally receive a determined amount of cash or other financial assets from the contract grantor, or in the case that the fee charged by the project company for providing operating services is lower than a certain limited amount, and the contract grantor is responsible for compensating the shortfall to the project company in accordance with the provisions of the contract, the project company shall recognise a financial asset. The Group and the project company make a comprehensive judgment according to the provisions of the BOT contracts and the actual situation to determine whether the project company can unconditionally receive a determined amount of cash or other financial assets from the contract grantor, and, in the case that the fee charged by the project company for providing operating services is lower than a certain limited amount, whether the contract grantor is responsible for compensating the shortfall to the project company in accordance with the provisions of the contract to meet the determined amount of cash or other financial assets.

三、重要會計政策及會計估計(續)

20. 無形資產(續)

(2) 特許經營權(續)

合同規定項目公司在有關基礎設施建成後，從事經營的一定期間內有權利向獲取服務的對象收取費用，但收費金額不確定的，該權利不構成一項無條件收取現金的權利，項目公司在按照購建基礎設施過程中支付的價款確認無形資產。合同規定基礎設施建成後的一定期間內，項目公司可以無條件地自合同授予方收取確定金額的貨幣資金或其他金融資產的；或在項目公司提供經營服務的收費低於某一限定金額的情況下，合同授予方按照合同規定負責將有關差價補償給項目公司的，項目公司確認一項金融資產。是否可以無條件地自合同授予方收取確定金額的貨幣資金或其他金融資產，以及項目公司提供經營服務的收費低於某一限定金額的情況下，合同授予方是否按照合同規定負責將有關差價補償給項目公司達到確定金額的貨幣資金或其他金融資產，本集團及項目公司根據BOT合同的約定和實際經營情況綜合判斷。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Intangible assets (Continued)

(2) Franchising (Continued)

Most BOT wastewater treatment projects of the Group stipulate commitments for the basic water volume. The Group does not recognise such commitments as a financial asset, but recognises the contract as an intangible asset as a whole based on the following considerations: 1. the basic water volume commitment is only to restrict the contract grantor to fulfill its obligations as the grantor of the wastewater treatment project to ensure that the project invested by the Group has the designed minimum wastewater treatment volume, and does not provide the grantor has to unconditionally pay the corresponding determined amount of wastewater treatment fee; 2. the grantor is only the government procurement entity and pays the procurement fees based on the services provided by the Group, and the grantor does not recognise the corresponding financial liabilities; 3. separating the basic water volume as a financial asset involves the estimation of converting the basic water volume into future cash flow. The estimation process is highly subjective and unreliable. Subsequent adjustments during the contract period are frequent, which is difficult to provide comprehensible and fair financial information for report users. BOT concession projects recognised as intangible assets are amortised by the straight-line method within the concession period stipulated in the contracts.

三、重要會計政策及會計估計(續)

20. 無形資產(續)

(2) 特許經營權(續)

本集團多數BOT污水處理項目均有基本水量的約定，對於該項約定，本集團基於以下方面考慮，並未將該部分確認為金融資產，仍將合同整體確認為一項無形資產：一是基本水量的約定僅為約束合同授予方履行其作為污水處理項目授予方保證本集團所投資的項目擁有其設計要求的最低污水處理量，並不代表授予方無條件支付相應的確定金額污水處理費；二是作為授予方的政府部門並不認為其有支付與該投資所約定基本水量相關的確定金額的無條件義務，授予方僅為政府採購主體，基於本集團提供的服務時支付採購費用，授予方並不會確認相應金融負債；三是拆分該項基本水量作為金融資產涉及到將基本水量轉換為未來現金流量的估計，估計過程主觀性強，可靠性差，合同期間的後續調整較為頻繁，難以為報告使用者提供便於理解且公允的財務信息。確認為無形資產的BOT特許經營權項目在合同約定的特許經營期限內按照直線法平均攤銷。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Intangible assets (Continued)

(3) Office and other software

The Group's application software and other intangible assets are amortised on the straightline basis over of shorter of estimated useful life, stipulated beneficial year by contract, and legal available year. Any changes will be dealt with as changes on accounting estimates.

The Group makes the assessment on the estimated useful life and the depreciation method of intangible assets with limited life at the end of each year. If any changes occur, they will be regarded as changes on accounting estimates.

21. Impairment of long-term assets

The Group would assess intangible assets such as long-term equity investment, investment properties measured by the cost model, fixed assets, construction in progress, right-to-use assets and intangible assets with limited useful lives at each of the balance sheet date. When there is indication that there is impairment, the Group would perform impairment test. Impairment test should be made for goodwill and intangible assets with uncertain useful life, at the period end regardless of whether there is indication of impairment loss.

三、重要會計政策及會計估計(續)

20. 無形資產(續)

(3) 辦公及其他軟件

本集團應用軟件和其他無形資產按預計使用年限、合同規定的受益年限和法律規定的有效年限三者中最短者分期平均攤銷。攤銷金額按其受益對象計入相關資產成本和當期損益。

對使用壽命有限的無形資產的預計使用壽命及攤銷方法於每年年度終了進行覆核，如發生改變，則作為會計估計變更處理。

21. 長期資產減值

本集團於每一資產負債表日對長期股權投資、採用成本模式計量的投資性房地產、固定資產、在建工程、使用權資產、使用壽命有限的無形資產等項目進行檢查，當存在減值跡象時，本集團進行減值測試。對商譽和使用壽命不確定的無形資產，無論是否存在減值跡象，每年末均進行減值測試。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

21. Impairment of long-term assets (Continued)

(1) *Impairment of non-current assets other than financial assets (except goodwill) (Continued)*

When the Group conducts an impairment test, the recoverable amount is the higher of the fair value of the asset less costs of disposal and the present value of the estimated future cash flow expected to be derived from the cash-generating units. After impairment testing, if the asset's book value exceeds its recoverable amount, the difference is recognized as impairment loss.

The Group estimates the recoverable amount on the basis of individual asset. When it is difficult to estimate the recoverable amount individually, the recoverable value of the cash generating units to which the asset belongs will be estimated. The recognition of a group of assets shall base on whether the main cash flow generated by the group of assets is independent from those generated by other assets or groups of assets.

The net amount of fair value minus disposal costs is determined by reference to the agreement price or observable market price of similar assets in the fair trade. When estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or assets group and select the appropriate discount rate to determine the present value of future cash flows.

三、重要會計政策及會計估計(續)

21. 長期資產減值(續)

(1) *除金融資產之外的非流動資產減值(除商譽外)*

本集團在進行減值測試時，按照資產的公允價值減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間的較高者確定其可收回金額。減值測試後，若該資產的賬面價值超過其可收回金額，其差額確認為減值損失。

本集團以單項資產為基礎估計其可收回金額，難以對單項資產的可回收金額進行估計的，以該資產所屬資產組為基礎確定資產組的可回收金額。資產組的認定，以資產組產生的主要現金流入是否獨立於其他資產或者資產組的現金流入為依據。

公允價值減去處置費用後的淨額，參考公平交易中類似資產的銷售協議價格或可觀察到的市場價格，減去可直接歸屬於該資產處置的增量成本確定。預計未來現金流量現值時，管理層必須估計該項資產或資產組的預計未來現金流量，並選擇恰當的折現率確定未來現金流量的現值。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

21. Impairment of long-term assets (Continued)

(2) Goodwill impairment

The Group shall, as of the purchasing day, allocate on a reasonable basis the carrying value of the goodwill formed by merger of enterprises to the relevant asset groups, or if there is a difficulty in allocation, to allocate it to the relevant sets of asset groups. In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, if there is evidence of impairment in relation to goodwill, the Group shall first test the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment. It shall determine and compare the recoverable amount with the related carrying amount and compare with the relevant book value, and recognise any impairment loss. After that, the Group shall test the asset group or set of asset groups including the goodwill for impairment. The carrying amount is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, an impairment loss on goodwill shall be recognised. Firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups (excluding goodwill) on the basis of the proportion of the carrying amount of each asset in the asset group or set of asset groups.

For the methods, parameters and assumptions of goodwill impairment testing, please refer to Note V. 13.

Once the impairment loss of the above assets is recognized, it will not be reversed in subsequent accounting periods.

三、重要會計政策及會計估計(續)

21. 長期資產減值(續)

(2) 商譽減值

本集團對企業合併形成的商譽，自購買日起將其賬面價值按照合理的方法分攤至相關的資產組，難以分攤至相關的資產組的分攤至相關的資產組組合。在對包含商譽的相關資產組或者資產組組合進行減值測試時，如與商譽相關的資產組或者資產組組合存在減值跡象的，先對不包含商譽的資產組或者資產組組合進行減值測試，計算可收回金額，並與相關賬面價值相比較，確認相應的減值損失；再對包含商譽的資產組或者資產組組合進行減值測試，比較賬面價值與可收回金額，如可收回金額低於賬面價值的，減值損失金額首先抵減分攤至資產組或者資產組組合中商譽的賬面價值，再根據資產組或者資產組組合中除商譽之外的其他各項資產的賬面價值所佔比重，按比例抵減其他各項資產的賬面價值。

商譽減值測試的方法、參數與假設，詳見附註五、13。

上述資產的減值損失一經確認，在以後會計期間不予轉回。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

22. Long-term deferred expenses

Long-term deferred expenses of the Group are expenses which have incurred but shall be amortised over more than 1 year of amortisation period (not including 1 year) of the current and future periods. Such expenses are amortised on a straight-line basis over the estimated benefit period. If a long-term deferred expense item is not beneficial to the future accounting period, the amortised value of the unamortised item shall be transferred to the current profit or loss in full.

23. Employee compensation

Employee compensation of the Group mainly includes short-term remuneration, post-employment benefits, termination benefits and other long-term benefits.

(1) *Accounting treatment method for short-term compensation*

Short-term remuneration mainly includes salaries, bonuses, allowance and subsidies, staff welfare, medical insurance premium, maternity insurance premium, work-related injury insurance premium, housing provident funds, union operation costs, employee education costs, and non-monetary benefits, etc. Short-term remuneration incurred during the accounting period in which the staff provided services is recognised as a liability, and included in profit or loss for the current period or as related asset cost in accordance with beneficiaries.

三、重要會計政策及會計估計(續)

22. 長期待攤費用

本集團長期待攤費用是指已經支出，但應由當期及以後各期承擔的攤銷期限在1年以上（不含1年）的各項費用，該等費用在受益期內平均攤銷。如果長期待攤費用項目不能使以後會計期間受益，則將尚未攤銷的該項目的攤餘價值全部轉入當期損益。

23. 職工薪酬

本集團職工薪酬包括短期薪酬、離職後福利、辭退福利和其他長期福利。

(1) *短期薪酬的會計處理方法*

短期薪酬主要包括職工工資、獎金、津貼和補貼、職工福利費、醫療保險費、生育保險費、工傷保險費、住房公積金、工會經費和職工教育經費、非貨幣性福利等，在職工提供服務的會計期間，將實際發生的短期薪酬確認為負債，並按照受益對象計入當期損益或相關資產成本。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Employee compensation (Continued)

(2) Accounting treatment method for post-employment benefits

Post-employment benefits mainly include pension insurance premium. According to the Company's risks and obligations, they are classified as defined contribution plans and defined benefit plans. As for the defined contribution plans, the contributions which are made for individual subjects in exchange for the staff's services rendered in the accounting period shall be recognized as liabilities on the balance sheet date and included in profits or losses in the current period or relevant asset costs according to the beneficiaries.

① Defined contribution plan

During the accounting period when employees provide services, the Group recognizes the deposit amount payable based on the defined contribution plan as a liability and includes it in the current profit and loss or related asset costs. If the entire payable deposit amount is not expected to be paid within twelve months after the end of the annual reporting period in which the employee provides relevant services, the entire payable deposit amount will be measured as the discounted amount based on the determined discount rate.

三、重要會計政策及會計估計(續)

23. 職工薪酬(續)

(2) 離職後福利的會計處理方法

離職後福利主要包括基本養老保險費等，按照公司承擔的風險和義務，分類為設定提存計劃、設定受益計劃。對於設定提存計劃在根據在資產負債表日為換取職工在會計期間提供的服務而向單獨主體繳存的提存金確認為負債，並按照受益對象計入當期損益或相關資產成本。

① 設定提存計劃

本集團在職工為其提供服務的會計期間，將根據設定提存計劃計算的應繳存金額確認為負債，並計入當期損益或相關資產成本。預期不會在職工提供相關服務的年度報告期結束後十二個月內支付全部應繳存金額的，按確定的折現率將全部應繳存金額以折現後的金額計量應付職工薪酬。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Employee compensation (Continued)

(2) Accounting treatment method for post-employment benefits (Continued)

② Defined benefit plans

At the end of the reporting period, the Group recognizes the employee compensation costs generated by the defined benefit plan as the following components: A. Service costs, including current service costs, past service costs and settlement gains or losses; B. Net interest on net liabilities or net assets of defined benefit plans, including interest income on plan assets, interest expenses on defined benefit plan obligations, and interest affected by the asset caps; C. Changes resulting from re-measurement of net liabilities or net assets of defined benefit plans; Unless other accounting standards require or allow employee benefit costs to be included in asset costs, the above items A and B are included in current profits and losses; item C is included in other comprehensive income.

三、重要會計政策及會計估計(續)

23. 職工薪酬(續)

(2) 離職後福利的會計處理方法(續)

② 設定受益計劃

報告期末，本集團將設定受益計劃產生的職工薪酬成本確認為下列組成部分：A.服務成本，包括當期服務成本、過去服務成本和結算利得或損失；B.設定受益計劃淨負債或淨資產的利息淨額，包括計劃資產的利息收益、設定受益計劃義務的利息費用以及資產上限影響的利息；C.重新計量設定受益計劃淨負債或淨資產所產生的變動；除非其他會計準則要求或允許職工福利成本計入資產成本，上述A項和B項計入當期損益；C項計入其他綜合收益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Employee compensation (Continued)

(3) Accounting treatment method for dismissal benefits

The termination of the employment relationship with the employee before the expiration of the employee's employment contract, or the proposal of compensation to encourage the employee to voluntarily accept the reduction, at the date that the Group is unable to unilaterally withdraw the termination benefits provided as a result of the termination plan or the reduction proposal, or the date that the Group recognizes the costs associated with the restructuring involving the payment of termination benefits (whichever is earlier), the employee compensation liabilities arising from dismissal benefits will be recognized and included in the current profit and loss. However, if dismissal benefits are not expected to be fully paid twelve months after the end of the annual reporting period, they will be treated as other long-term employee benefits. Internal employee retirement plans will be treated on the same principles as the above-mentioned dismissal benefits. The Group will include the wages and social insurance premiums to be paid to early retirees during the period from the date the employee ceases to provide service to the normal retirement date in the current profit and loss (dismissal benefits) when the conditions for recognition of estimated liabilities are met.

Other long-term employee benefits provided by the Group to employees that meet the defined contribution plan will be accounted in accordance with the defined contribution plan; otherwise, they shall be accounted for in accordance with the defined benefit plan.

三、重要會計政策及會計估計(續)

23. 職工薪酬(續)

(3) 辭退福利的會計處理方法

在職工勞動合同到期之前解除與職工的勞動關係，或為鼓勵職工自願接受裁減而提出給予補償的建議，在本集團不能單方面撤回因解除勞動關係計劃或裁減建議所提供的辭退福利時，和本集團確認與涉及支付辭退福利的重組相關的成本兩者孰早日，確認辭退福利產生的職工薪酬負債，並計入當期損益。但辭退福利預期在年度報告期結束後十二個月不能完全支付的，按照其他長期職工薪酬處理。職工內部退休計劃採用與上述辭退福利相同的原則處理。本集團將自職工停止提供服務日至正常退休日的期間擬支付的內退人員工資和繳納的社會保險費等，在符合預計負債確認條件時，計入當期損益(辭退福利)。

本集團向職工提供的其他長期職工福利，符合設定提存計劃的，按照設定提存計劃進行會計處理，除此之外按照設定受益計劃進行會計處理。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Lease liabilities

Lease liability reflects the closing carrying value of the Group's outstanding lease payment.

(1) Initial measurement

The lease liability is initially measured at the present value of the outstanding lease payments on the commencement date of the lease term.

1) Lease payment

The lease payment refers to the amount paid by the Group to the lessor in relation to the right to use the leased asset during the lease term, including: ① The fixed payment and the substantial fixed payment, net of the lease incentive amount when there is a lease incentive; ② Variable lease payments depending on the index or ratio, and such amounts, are determined at the initial measurement based on the index or proportion at the beginning of the lease period; ③ The Group reasonably determines the exercise price of the purchase option when exercising the purchase option; ④ The amount payable to exercise the option to terminate a lease, provided that the lease term reflects that the Group will exercise the option to terminate the lease; ⑤ The amount payable based on the residual value of the security provided by the Group.

三、重要會計政策及會計估計(續)

24. 租賃負債

租賃負債反映本集團企業尚未支付的租賃付款額的期末賬面價值。

(1) 初始計量

本集團按照租賃期開始日尚未支付的租賃付款額的現值對租賃負債進行初始計量。

1) 租賃付款額

租賃付款額，是指本集團向出租人支付的與在租賃期內使用租賃資產的權利相關的款項，包括：① 固定付款額及實質固定付款額，存在租賃激勵的，扣除租賃激勵相關金額；② 取決於指數或比率的可變租賃付款額，該款項在初始計量時根據租賃期開始日的指數或比率確定；③ 本集團合理確定將行使購買選擇權時，購買選擇權的行權價格；④ 租賃期反映出本集團將行使終止租賃選擇權時，行使終止租賃選擇權需支付的款項；⑤ 根據本集團提供的擔保餘值預計應支付的款項。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Lease liabilities (Continued)

(1) Initial measurement (Continued)

2) Discount rate

In calculating the present value of the lease payment, if it is impossible to determine the interest rate implicit in lease, the incremental borrowing rate of the Group shall be adopted as the discount rate. The incremental borrowing rate is defined as the rate of interest that the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment. Such rate is related to ① The Group's conditions, including its solvency and credit status; ② the term of "borrowing", being the lease term; ③ the amount of "borrowing", being the amount of the lease liabilities; ④ "mortgage condition", namely, the nature and quality of the underlying assets; ⑤ the economic environment, including the jurisdiction where the lessee is located, the denominated currency, and the timing when contract was signed, etc. The Group takes the bank loan interest rate as the basis and adjusts the above factors to achieve the incremental borrowing interest rate.

三、重要會計政策及會計估計(續)

24. 租賃負債(續)

(1) 初始計量(續)

2) 折現率

在計算租賃付款額的現值時，本集團因無法確定租賃內含利率的，採用增量借款利率作為折現率。該增量借款利率，是指本集團在類似經濟環境下為獲得與使用權資產價值接近的資產，在類似期間以類似抵押條件借入資金須支付的利率。該利率與下列事項相關：①本集團自身情況，即集團的償債能力和信用狀況；②「借款」的期限，即租賃期；③「借入」資金的金額，即租賃負債的金額；④「抵押條件」，即標的資產的性質和質量；⑤經濟環境，包括承租人所處的司法管轄區、計價貨幣、合同簽訂時間等。本集團以銀行貸款利率為基礎，考慮上述因素進行調整而得出該增量借款利率。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Lease liabilities (Continued)

(2) Subsequent measurement

After the commencement date, the Group conducts subsequent measurement of the lease liabilities according to the following principles: ① When confirming the interest of the lease liabilities, increase the book value of the lease liabilities; ② When paying the lease payment, reduce the book value of the lease liabilities; ③ When the lease payment changes due to revaluation or lease changes, the book value of the lease liability is remeasured.

The lessee shall calculate the interest expenses of the lease liabilities for each period of the lease term at a cyclically fixed interest rate and include them in profit or loss for the current period, except for those subjected to capitalization. The cyclical interest rate refers to the discount rate used by the Group in the initial measurement of lease liabilities, or the amended discount rate used by the Group when lease liabilities need to be remeasured at the revised discount rate due to changes in lease payment or change of lease.

三、重要會計政策及會計估計(續)

24. 租賃負債(續)

(2) 後續計量

在租賃期開始日後，本集團按以下原則對租賃負債進行後續計量：①確認租賃負債的利息時，增加租賃負債的賬面金額；②支付租賃付款額時，減少租賃負債的賬面金額；③因重估或租賃變更等原因導致租賃付款額發生變動時，重新計量租賃負債的賬面價值。

本集團按照固定的周期性利率計算租賃負債在租賃期內各期間的利息費用，並計入當期損益，但應當資本化的除外。周期性利率是指本集團對租賃負債進行初始計量時所採用的折現率，或者因租賃付款額發生變動或因租賃變更而需按照修訂後的折現率對租賃負債進行重新計量時，本集團所採用的修訂後的折現率。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Lease liabilities (Continued)

(3) Remeasurement

After the commencement date, the Group remeasures the lease liability based on the present value of the lease payment after the change and the revised discount rate, if the following situation arises. If the book value of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss. ① a modification in the in-substance fixed lease payments (In this case, discounted using the original discount rate); ② a change in the amounts expected to be paid under residual value guarantees; ③ a change in future lease payments arising from change in an index or rate (In this case, discounted using the revised discount rate); ④ a change in assessment of the purchase option (In this case, discounted using the revised discount rate); ⑤ changes in the evaluation result or actual exercise of the option to renew or terminate the lease (In this case, discounted using the revised discount rate).

三、重要會計政策及會計估計(續)

24. 租賃負債(續)

(3) 重新計量

在租賃期開始日後，發生下列情形時，本集團按照變動後租賃付款額的現值重新計量租賃負債，並相應調整使用權資產的賬面價值。使用權資產的賬面價值已調減至零，但租賃負債仍需進一步調減的，本集團將剩餘金額計入當期損益。①實質固定付款額發生變動(該情形下，採用原折現率折現)；②擔保餘值預計的應付金額發生變動(該情形下，採用原折現率折現)；③用於確定租賃付款額的指數或比率發生變動(該情形下，採用修訂後的折現率折現)；④購買選擇權的評估結果發生變化(該情形下，採用修訂後的折現率折現)；⑤續租選擇權或終止租賃選擇權的評估結果或實際行使情況發生變化(該情形下，採用修訂後的折現率折現)。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. Estimated liabilities

The Group recognises provision for external guarantee, commercial acceptance bill discount, pending litigation or arbitration and product quality assurance after comprehensively judges based on the specific situation whether the Group undertakes any current obligation and whether the amount of such obligation can be reliably measured. According to the requirements of the contracts of the Group's BOT projects, the Group has obligations to maintain the relevant infrastructure in a certain service capacity or in a certain useful state before transfer the same to the contract grantor. For this obligation, the Group recognises estimated liabilities based on the outflow of economic benefits that is very likely to be incurred and the time value of money according to the contract terms and the specific conditions of the project facilities.

A provision shall be initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as risk, uncertainties, and time value of money shall be taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. As at the balance sheet date, the book value of the estimated liabilities is reviewed and adjusted (if any change) to reflect the current best estimate.

三、重要會計政策及會計估計(續)

25. 預計負債

本集團對發生的對外擔保、商業承兌匯票貼現、未決訴訟或仲裁、產品質量保證，根據具體情況綜合判斷本集團是否承擔現時義務且該義務的金額能否可靠計量確認預計負債。本集團BOT項目按照合同規定，本集團有義務使有關基礎設施保持一定的服務能力或在移交給合同授予方之前保持一定的使用狀態，針對該項義務，本集團根據合同約定和項目設施的具體情況，將預計很可能發生的經濟利益流出並考慮貨幣的時間價值確認預計負債。

預計負債按照履行相關現時義務所需支出的最佳估計數進行初始計量，並綜合考慮與或有事項有關的風險、不確定性和貨幣時間價值等因素。貨幣時間價值影響重大的，通過對相關未來現金流出進行折現後確定最佳估計數。每個資產負債表日對預計負債的賬面價值進行覆核，如有改變則對賬面價值進行調整以反映當前最佳估計數。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

26. Recognition and measurement of revenue

The Group recognizes revenue when a performance obligation in the contract is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customers. Obtaining control over relevant goods or services means being able to direct the use of the goods or the provision of the services and obtain almost all economic benefits from them.

The revenue of the Group mainly included tap water sales revenue, wastewater service revenue, pipeline and household meter installation revenue, etc. Operating income follows the "Accounting Standards for Business Enterprises 14 – Revenue".

The specific revenue recognition principles of the Group are as follows:

(1) Tap water sales revenue

The Group's tap water sales revenue is recognised monthly based on the actual sales volume recorded by the business department and the effective unit price (excluding value added tax, wastewater treatment fee collected for other parties, utility surcharge and other relevant taxes) approved by the pricing department.

(2) Wastewater treatment service revenue

Wastewater treatment service revenue is recognised in accordance with the concession agreements entered into with the concession grantors and based on the agreed treatment unit price and the settlement treatment volume confirmed by both parties.

三、重要會計政策及會計估計(續)

26. 收入確認原則和計量方法

本集團在履行了合同中的履約義務，即在客戶取得相關商品或服務的控制權時，確認收入。取得相關商品或服務的控制權，是指能夠主導該商品的使用或該服務的提供並從中獲得幾乎全部的經濟利益。

本集團的營業收入主要包括自來水銷售收入、污水處理服務收入、管道及戶表安裝收入等。營業收入執行《企業會計準則第14號—收入》。

本集團具體的收入確認原則如下：

(1) 自來水銷售收入

本集團銷售自來水根據營業部門統計的實際銷售水量，按照物價部門核定的執行單價(不含增值稅、代收污水處理費、公用事業附加費等相關稅費)確認當月銷售收入。

(2) 污水處理服務收入

根據與特許經營權授予方簽訂的特許經營協議，按照約定的處理單價和雙方確認的結算處理量確認污水處理服務收入。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

26. Recognition and measurement of revenue (Continued)

(3) Revenue from provision of labour service

The revenue from labour services of the Group is mainly generated from provision of pipeline and household meter installation services. The Group recognises the sales revenue after the works is completed and passed the completion acceptance. The accumulated work expenditure incurred before the recognition of sales revenue are presented as inventory.

27. Government grants

Where a government grant is in the form of a transfer of monetary asset, it is measured at the amount received. Where a government grant is made on the basis of fixed amount or there are conclusive evidence at the end of the year that the Group the conditions attaching to the grants are satisfied and it is expected the Group is entitled to receive the grant, it is measured at the amount receivable. Where a government grant is in the form of a transfer of nonmonetary asset, it is measured at fair value. If fair value cannot be determined reliably, it is measured at a nominal amount of RMB1.

Assets-related government grants are those grants obtained for the purpose of acquisition or construction or in other ways to form long-term assets. Income-related government grants are those government grants other than the asset related government grants. Where the document from the government has not specified the object to be granted, it will be determined according to the above principle. If it is difficult to distinguish, the whole group will be classified as government subsidies related to income.

三、重要會計政策及會計估計(續)

26. 收入確認原則和計量方法(續)

(3) 提供勞務收入

本集團提供勞務收入主要為管道及戶表安裝服務，本集團在工程完工並通過竣工驗收後確認銷售收入。確認銷售收入之前發生的累積工程支出，列報存貨。預計可收回金額小於工程支出的，計提存貨跌價準備。

27. 政府補助

政府補助在能夠滿足其所附的條件並且能夠收到時，予以確認。政府補助為貨幣性資產的，按照實際收到的金額計量，對於按照固定的定額標準撥付的補助，或對年末有確鑿證據表明能夠符合財政扶持政策規定的相關條件且預計能夠收到財政扶持資金時，按照應收的金額計量；政府補助為非貨幣性資產的，按照公允價值計量，公允價值不能可靠取得的，按照名義金額(1元)計量。

本集團與資產相關的政府補助，是指本集團取得的、用於購建或以其他方式形成長期資產的政府補助；與收益相關的政府補助，是指除與資產相關的政府補助之外的政府補助。如果政府文件中未明確規定補助對象，本集團按照上述區分原則進行判斷，難以區分的，整體歸類為與收益相關的政府補助。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Government grants (Continued)

Government subsidies related to assets will be offset against the book value of the relevant assets or recognized as deferred income. Government subsidies related to assets recognized as deferred income will be included in current profit and loss in a reasonable and systematic manner within the useful life of the relevant assets. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the undistributed balance of relevant deferred income will be transferred to the profit and loss of the current period of asset disposal.

Government subsidies related to income that are used to compensate for relevant costs, expenses or losses in subsequent periods are recognized as deferred income, and are included in the current profits and losses or offset related costs during the period in which the relevant costs, expenses or losses are recognized. Government subsidies related to daily activities will be included in other income or offset related costs and expenses according to the essence of economic business. Government subsidies unrelated to daily activities are included in non-operating income.

28. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are recognized based on the difference between the tax bases and the book value of assets and liabilities, as well as the difference between the tax bases of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with tax laws and the book value (temporary differences).

三、重要會計政策及會計估計(續)

27. 政府補助(續)

與資產相關的政府補助，沖減相關資產的賬面價值或確認為遞延收益，確認為遞延收益的與資產相關的政府補助，在相關資產使用壽命內按照合理、系統的方法分期計入當期損益。相關資產在使用壽命結束前被出售、轉讓、報廢或發生毀損的，將尚未分配的相關遞延收益餘額轉入資產處置當期的損益。

與收益相關的政府補助，用於補償以後期間的相關成本費用或損失的，確認為遞延收益，並在確認相關成本費用或損失的期間計入當期損益或沖減相關成本。與日常活動相關的政府補助，按照經濟業務實質，計入其他收益或沖減相關成本費用。與日常活動無關的政府補助，計入營業外收入。

28. 遞延所得稅資產和遞延所得稅負債

本集團遞延所得稅資產和遞延所得稅負債根據資產和負債的計稅基礎與其賬面價值之間的差額、以及未作為資產和負債確認但按照稅法規定可以確定其計稅基礎的項目的計稅基礎與其賬面價值之間的差額產生的(暫時性差異)計算確認。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

28. Deferred tax assets and deferred tax liabilities (Continued)

The Group recognizes deferred income tax liabilities for all taxable temporary differences except in the following situations: (1) the temporary difference arising from the initial recognition of goodwill, or the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). (2) taxable temporary differences related to investments in subsidiaries, associates and joint ventures, where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for the following circumstances, (1) the temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). (2) when it is probable that the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures cannot meet the following conditions at the same time, temporary differences will be reversed in the foreseeable future and that the deductible taxable profit will be available in the future against which the temporary differences can be utilized.

三、重要會計政策及會計估計(續)

28. 遞延所得稅資產和遞延所得稅負債(續)

本集團對除以下情形外的所有應納稅暫時性差異確認遞延所得稅負債：(1)暫時性差異產生於商譽的初始確認或既不影響會計利潤也不影響應納稅所得額(或可抵扣虧損)的非企業合併的交易中產生的資產或負債的初始確認；(2)與子公司、聯營企業及合營企業投資相關的應納稅暫時性差異，本集團能夠控制暫時性差異轉回的時間且該暫時性差異在可預見的未來很可能不會轉回的。

本集團以很可能取得用來抵扣可抵扣暫時性差異、可抵扣虧損和稅款抵減的未來應納稅所得額為限，對除以下情形外產生的可抵扣暫時性差異、可抵扣虧損和稅款抵減確認遞延所得稅資產：(1)暫時性差異產生於既不影響會計利潤也不影響應納稅所得額(或可抵扣虧損)的非企業合併的交易中產生的資產或負債的初始確認；(2)與子公司、聯營企業及合營企業投資相關的可抵扣暫時性差異，不能同時滿足以下條件的：暫時性差異在可預見的未來很可能轉回、未來很可能獲得用來抵扣可抵扣暫時性差異的應納稅所得額。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

28. Deferred tax assets and deferred tax liabilities (Continued)

Deferred income tax assets are recognized for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Significant judgment is required to estimate the amount and timing of future taxable profit so as to determine, together with the tax planning strategies, the amount of deferred income tax assets to be recognized, thus, so there is uncertainty.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled at each balance sheet date.

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

三、重要會計政策及會計估計(續)

28. 遞延所得稅資產和遞延所得稅負債(續)

本集團在很可能有足夠的應納稅所得額用以抵扣可抵扣虧損的限度內，就所有尚未利用的可抵扣虧損確認遞延所得稅資產。管理層運用大量的判斷來估計未來取得應納稅所得額的時間和金額，結合納稅籌劃策略，決定應確認的遞延所得稅資產的金額，因此存在不確定性。

於資產負債表日，遞延所得稅資產和遞延所得稅負債，按照預期收回該資產或清償該負債期間的適用稅率計量。

在同時滿足下列條件時，本集團將遞延所得稅資產及遞延所得稅負債以抵消後的淨額列示：本集團擁有以淨額結算當期所得稅資產及當期遞延所得稅負債的法定權利；遞延所得稅資產和遞延所得稅負債是與同一稅收征管部門對同一納稅主體徵收的所得稅相關或者對不同的納稅主體相關，但在未來每一具有重要性的遞延所得稅資產和遞延所得稅負債轉回的期間內，涉及的納稅主體體意圖以淨額結算當期所得稅資產及當期所得稅負債或是同時取得資產、清償債務。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease

Lease refers to a contract under which the lessor transfers the right of use of assets to the lessee for consideration within a certain period of time. At the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. If a party to the contract transfers the right of use of an identified asset or several identified assets for consideration within a certain period of time, such contract is regarded as leasing or includes leasing. In order to determine whether the right to control the use of the identified assets within a certain period of time has been transferred in the contract, the Group assesses whether the customers in the contract are entitled to substantially all economic benefits arising from the use of the identified assets and have the right to dominate the use of identified assets during the period of use.

(1) Identification of lease

On the contract inception date, the Group evaluates whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract transfers the right to control the use of one or more identified assets for a certain period in exchange for consideration.

三、重要會計政策及會計估計(續)

29. 租賃

租賃，是指在一定期間內，出租人將資產的使用權讓與承租人以獲取對價的合同。在合同開始日，本集團評估合同是否為租賃或者包含租賃，如果合同中一方讓渡了在一定期間內控制一項或多項已識別資產使用的權利以換取對價，則該合同為租賃或者包含租賃。為確定合同是否讓渡了在一定期間內控制已識別資產使用的權利，本集團評估合同中的客戶是否有權獲得在使用期間內因使用已識別資產所產生的幾乎全部經濟利益，並有權在該使用期間主導已識別資產的使用。

(1) 租賃的識別

在合同開始日，本集團評估合同是否為租賃或者包含租賃。如果合同一方讓渡了在一定期間內控制一項或多項已識別資產使用的權利以換取對價，則該合同為租賃或者包含租賃。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease (Continued)

(1) Identification of lease (Continued)

Where a contract concurrently contains multiple separate leases, the Group splits the contract and conduct accounting treatment respectively for all separate leases. Where a contract concurrently includes both leased and non-leased parts, the Group shall split the leased and non-leased parts and conduct accounting treatment. Each part of the lease is accounted for in accordance with the lease standards, and the non-lease part is accounted for in accordance with other applicable business accounting standards. If the contract contains both lease and non-lease parts, the Group, as the lessor, will separate the lease and non-lease parts and conduct accounting treatment separately. Each lease part will be accounted for in accordance with the lease standards, and the non-lease part will be accounted for in accordance with other applicable business accounting standards. As a lessee, the Group chooses not to separate the lease and non-lease parts, and merges each lease part and its related non-lease parts into leases respectively, and conducts accounting treatment in accordance with the lease standards; however, the contract includes embedded derivatives that should be separated, the Group does not combine them with the lease component for accounting treatment.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(1) 租賃的識別(續)

合同中同時包含多項單獨租賃的，本集團將合同予以分拆，並分別各項單獨租賃進行會計處理。合同中同時包含租賃和非租賃部分的，本集團將租賃和非租賃部分分拆後進行會計處理。各租賃部分分別按照租賃準則進行會計處理，非租賃部分按照其他適用的企業會計準則進行會計處理。合同中同時包含租賃和非租賃部分的，本集團作為出租人的，將租賃和非租賃部分進行分拆後分別進行會計處理，各租賃部分分別按照租賃準則進行會計處理，非租賃部分按照其他適用的企業會計準則進行會計處理。本集團作為承租人的，選擇不分拆租賃和非租賃部分，將各租賃部分及與其相關的非租賃部分分別合併為租賃，按照租賃準則進行會計處理；但是，合同中包括應分拆的嵌入衍生工具的，本集團不將其與租賃部分合併進行會計處理。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease (Continued)

(1) Identification of lease (Continued)

In assessing whether it is reasonably certain that the renewal option will be exercised, the Group considers all relevant facts and circumstances relating to the economic benefits resulting from the renewal option, including anticipated changes in facts and circumstances between the commencement of the lease term and the date of exercise of the option. On the commencement date of the lease period, the Group believes that compared with the market price, the contract terms and articles are more economic, during the contract period, the Group has made or is expected to make significant improvements to the leased assets, and the leased assets are of great importance for the Group's operating and irreplaceable, the Group would reasonably certain to exercise the option to extension. Thus the lease term should include the period covered by the option to extend the lease. After the commencement of the lease term, if a major event or change occurs within the control of the Group and affects whether the Group is reasonably certain to exercise the corresponding lease renewal option, the Group will re-evaluate whether to exercise the lease renewal option and modify the lease term based on reassessment results.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(1) 租賃的識別(續)

本集團在評估是否合理確定將行使續租選擇權時，綜合考慮與本集團行使續租選擇權帶來經濟利益的所有相關事實和情況，包括自租賃期開始日至選擇權行使日之間的事實和情況的預期變化。租賃期開始日，本集團認為，由於與市價相比，續租選擇權期間的合同條款和條件更優惠(在合同期內，本集團進行或預期將進行重大租賃資產改良，租賃資產對本集團的運營重要，且不易獲取合適的替換資產，本集團能夠合理確定將行使續租選擇權)，因此，租賃期中包含續租選擇權涵蓋的期間。租賃期開始日後，如發生本集團可控範圍內的重大事件或變化，且影響本集團是否合理確定將行使相應續租選擇權的，本集團將對是否行使續租選擇權進行重新評估，並根據重新評估結果修改租賃期。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease (Continued)

(2) The Group as lessee

① Lease recognition

Except for short-term leases and leases of low-value assets, on the beginning date of the lease term, the Company recognizes the right-of-use assets and lease liabilities of the lease.

Right-of-use assets refer to the Group's right as a lessee to use the leased assets during the lease term, and are initially measured at cost. The cost includes: A. The initial measurement amount of the lease liability; B. The lease payment amount paid on or before the commencement date of the lease term less the amount related to the lease incentive already enjoyed; C. The initial direct costs incurred; D. Costs expected to be incurred to demolish and remove the leased asset, rehabilitate the site where the leased asset is located, or restore the leased asset to its condition as agreed in the lease terms (except those incurred for the production of inventory). If the Group remeasures lease liabilities in accordance with the relevant provisions of the lease standards, the book value of the right-of-use assets will be adjusted accordingly.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(2) 本集團作為承租人

① 租賃確認

除了短期租賃和低價值資產租賃，在租賃期開始日，本集團對租賃確認使用權資產和租賃負債。

使用權資產，是指本集團作為承租人可在租賃期內使用租賃資產的權利，按照成本進行初始計量。該成本包括：A.租賃負債的初始計量金額；B.在租賃期開始日或之前支付的租賃付款額扣除已享受的租賃激勵相關金額；C.發生的初始直接費用；D.為拆卸及移除租賃資產、復原租賃資產所在場地或將租賃資產恢復至租賃條款約定狀態預計將發生的成本（屬於為生產存貨而發生的除外）。本集團按照租賃準則有關規定重新計量租賃負債的，相應調整使用權資產的賬面價值。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease (Continued)

(2) The Group as lessee (Continued)

① Lease recognition (Continued)

The Group depreciates right-of-use assets on a straight-line basis based on the expected consumption pattern of the economic benefits related to the right-of-use assets. If can reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within its remaining useful life. If the lessee cannot reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within the lease term or its remaining useful life (whichever is shorter). The depreciation amount accrued shall be included in the cost of the relevant assets or the current profits and losses according to the purpose of the right-of-use assets.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(2) 本集團作為承租人(續)

① 租賃確認(續)

本集團根據與使用權資產有關的經濟利益的預期消耗方式以直線法對使用權資產計提折舊。能夠合理確定租賃期屆滿時取得租賃資產所有權的，在租賃資產剩餘使用壽命內計提折舊；無法合理確定租賃期屆滿時能夠取得租賃資產所有權的，在租賃期與租賃資產剩餘使用壽命兩者孰短的期間內計提折舊。計提的折舊金額根據使用權資產的用途，計入相關資產的成本或者當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease (Continued)

(2) The Group as lessee (Continued)

① Lease recognition (Continued)

The Group initially measures lease liabilities based on the present value of the unpaid lease payments at the commencement date of the lease term. Lease payments include: A. Fixed payments and substantive fixed payments, net of lease incentive-related amounts; B. Variable lease payments that depend on an index or ratio; C. The exercise price of the Purchase option when the Group reasonably determines that it will exercise the purchase option; D. The lease term reflects the amount required to be paid when the Group exercises the option to terminate the lease; E. The amount expected to be paid based on the residual value of the guarantee provided by the Group.

When calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the Group cannot determine the interest rate implicit in the lease, it uses the incremental borrowing rate as the discount rate. The Group calculates the interest expense of the lease liability for each period of the lease term according to a fixed periodic interest rate, and it is included in the current profit or loss, except for those that should be capitalized.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(2) 本集團作為承租人(續)

① 租賃確認(續)

本集團按照租賃期開始日尚未支付的租賃付款額的現值對租賃負債進行初始計量。租賃付款額包括：A.固定付款額及實質固定付款額，扣除租賃激勵相關金額；B.取決於指數或比率的可變租賃付款額；C.本集團合理確定將行使購買選擇權時，購買選擇權的行權價格；D.租賃期反映出本集團將行使終止租賃選擇權時，行使終止租賃選擇權需支付的款項；E.根據本集團提供的擔保餘值預計應支付的款項。

在計算租賃付款額的現值時，本集團採用租賃內含利率作為折現率。本集團因無法確定租賃內含利率的，採用增量借款利率作為折現率。本集團按照固定的周期性利率計算租賃負債在租賃期內各期間的利息費用，並計入當期損益，但應當資本化的除外。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease (Continued)

(2) The Group as lessee (Continued)

① Lease recognition (Continued)

After the commencement of the lease term, when the Group recognizes the interest on the lease liability, it increases the carrying amount of the lease liability; when it pays the lease payment, it reduces the carrying amount of the lease liability. When the actual fixed payment amount changes, the estimated amount payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, lease renewal option or termination option changes, the Group remeasures the lease liability based on the present value of the changed lease payments.

② Short-term leases and low-value asset leases

For short-term leases with a lease period of not more than 12 months and low-value asset leases which are brand new assets, the Group does not recognise the right-of-use assets and lease liabilities. During different periods in the lease term, lease payments on short-term leases and leases of low-value assets are recognised as relevant asset costs or current profit or loss on a straight-line basis or other systematic and reasonable methods over the lease term.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(2) 本集團作為承租人(續)

① 租賃確認(續)

在租賃期開始日後，本集團確認租賃負債的利息時，增加租賃負債的賬面金額；支付租賃付款額時，減少租賃負債的賬面金額。當實質固定付款額發生變動、擔保餘值預計的應付金額發生變化、用於確定租賃付款額的指數或比率發生變動、購買選擇權、續租選擇權或終止選擇權的評估結果或實際行權情況發生變化時，本集團按照變動後的租賃付款額的現值重新計量租賃負債。

② 短期租賃和低價值資產租賃

對於租賃期不超過12個月的短期租賃和單項租賃資產為全新資產時價值較低的低價值資產租賃，本集團選擇不確認使用權資產和租賃負債。本集團將短期租賃和低價值資產租賃的租賃付款額，在租賃期內各個期間按照直線法或其他系統合理的方法計入相關資產成本或當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Lease (Continued)

(3) The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset on the lease commencement date is classified as a finance lease. Other leases other than finance lease shall be classified as operating leases.

As an operating lease lessor, the rental income from operating leases is recognized as current profit and loss on a straight-line basis in each period during the lease term, and contingent rents is included in current profit and loss when actually occur.

The initial direct expenses incurred by the Group in connection with operating leases are capitalized into the cost of the underlying assets of the lease, and are included in the current profit and loss in installments during the lease term on the same recognition basis as rental income. The variable lease payments obtained by the Group related to operating leases and not charged to the lease receipts are charged to the current profits or losses when they are actually incurred.

Where an operating lease changes, the Group accounts for it as a new lease from the effective date of the change, and deems the advanced lease receipts or lease receivables related to the lease before the change as the new lease receipts.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(3) 本集團作為出租人

租賃開始日實質上轉移了與租賃資產所有權有關的幾乎全部風險和報酬的租賃為融資租賃，除此之外的均為經營租賃。

作為經營租賃出租人，經營租賃的租金收入在租賃期內各個期間按直線法確認為當期損益，或有租金在實際發生時計入當期損益。

本集團發生的與經營租賃有關的初始直接費用資本化至租賃標的資產的成本，在租賃期內按照與租金收入相同的確認基礎分期計入當期損益。本集團取得的與經營租賃有關的未計入租賃收款額的可變租賃付款額，在實際發生時計入當期損益。

經營租賃發生變更的，本集團自變更生效日起將其作為一項新租賃進行會計處理，與變更前租賃有關的預收或應收租賃收款額應當視為新租賃的收款額。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Assets held for sale

The Group classified a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction rather than through continuing use.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met: ① According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group must be available for immediate sale; ② Its sale is highly probable, that is, the Group has made a resolution on a sale plan and has obtained a firm purchase commitment. The sale is to be completed within one year. The relevant regulations require approval from relevant authorities or regulatory authorities before sales can be made. For non-current assets and disposal groups (other than financial assets and deferred tax assets) held by the Group, if the book value is higher than the net amount after the fair value minus the selling expenses, the book value is reduced to the net amount after the fair value minus the selling expenses. The amount of the write-down is recognized as the loss on disposal of assets and included in the current profit and loss. At the same time, provision for impairment of assets held for sale is made.

三、重要會計政策及會計估計(續)

30. 持有待售

本集團主要通過出售而非持續使用一項非流動資產或處置組收回其賬面價值的，將其劃分為持有待售類別。

本集團將同時符合下列條件的非流動資產或處置組劃分為持有待售：①根據類似交易中出售此類資產或處置組的慣例，在當前狀況下即可立即出售；②出售極可能發生，即已經就一項出售計劃作出決議且獲得確定的購買承諾，預計出售將在一年內完成。有關規定要求相關權力機構或者監管部門批准後方可出售的需要獲得相關批准。本集團持有的非流動資產或處置組賬面價值高於公允價值減去出售費用後的淨額的，將賬面價值減記至公允價值減去出售費用後的淨額，減記的金額確認為資產減值損失，計入當期損益，同時計提持有待售資產減值準備。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Assets held for sale (Continued)

When there is loss of control over a subsidiary due to disposal of investments in the subsidiary, and the proposed disposal of investment in the subsidiary satisfies classification criteria of held-for-sale category, the investments in subsidiaries are classified as held-for-sale category as a whole in the company's separate financial statement, and all assets and liabilities of subsidiaries are classified as held-for-sale category in the consolidated financial statements regardless that part of the equity investments are remained after the sale.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortized, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognized.

When non-current assets or disposal groups held for sale are derecognised, the unrecognized gains or losses will be included in the current profits and losses.

31. Discontinued operations

Discontinued operation refers to a component of the Group which meets one of the following requirements and can be distinguish separately and has been already disposed of or classified as held-for-sale: (1) the component represents an independent major line of business or a major independent geographical area of operations; (2) the component is part of a plan for the contemplated disposal of an independent major line of business or a major independent geographical area of operations; (3) the component is a subsidiary acquired exclusively for the purpose of resale.

三、重要會計政策及會計估計(續)

30. 持有待售(續)

本集團因出售對子公司的投資等原因導致喪失對子公司控制權的，無論出售後本集團是否保留部分權益性投資，在擬出售的對子公司投資滿足持有待售類別劃分條件時，在母公司個別財務報表中將對子公司投資整體劃分為持有待售類別，在合併財務報表中將子公司所有資產和負債劃分為持有待售類別。

持有待售的非流動資產或處置組中的非流動資產不計提折舊或攤銷，持有待售的處置組中負債的利息和其他費用繼續予以確認。

終止確認持有待售的非流動資產或處置組時，將尚未確認的利得或損失計入當期損益。

31. 終止經營

終止經營，是指本集團滿足下列條件之一的、能夠單獨區分的組成部分，且該組成部分已經處置或劃分為持有待售類別：(1)該組成部分代表一項獨立的主要業務或一個單獨的主要經營地區；(2)該組成部分是擬對一項獨立的主要業務或一個單獨的主要經營地區進行處置的一項相關聯計劃的一部分；(3)該組成部分是專為轉售而取得的子公司。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

31. Discontinued operations (Continued)

In the income statement, the Group added the items “net profit from continuing operations” and “net profit from discontinued operations” under the “net profit” item in the income statement to reflect the profits and losses related to continuing operations and the profits and losses related to discontinued operations in the net amount after tax. The profits and losses related to discontinued operations should be reported as profits and losses from discontinued operations. The reported profits and losses from discontinued operations include the entire reporting period, not just the reporting period after the discontinued operation.

32. Measurement of fair value

The Group invests in trading financial assets, other noncurrent financial assets, derivative financial instruments and other equity instruments at fair value on each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: the Level 1 input is the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in the active market; The Level 2 input is the direct or indirect observable input value of related assets or liabilities other than the Level 1 input; the Level 3 input is the unobservable input of related assets or liabilities.

三、重要會計政策及會計估計(續)

31. 終止經營(續)

在利潤表的中，本集團在利潤表「淨利潤」項下增設「持續經營淨利潤」和「終止經營淨利潤」項目，以稅後淨額分別反映持續經營相關損益和終止經營相關損益。終止經營的相關損益應當作為終止經營損益列報，列報的終止經營損益包含整個報告期間，而不僅包含認定為終止經營後的報告期間。

32. 公允價值的計量

本集團於每個資產負債表日以公允價值交易性金融資產、其他非流動金融資產、衍生金融工具和其他權益工具投資。公允價值，是指市場參與者在計量日發生的有序交易中，出售一項資產所能收到或者轉移一項負債所需支付的價格。

在財務報表中以公允價值計量或披露的資產和負債，根據對公允價值計量整體而言具有重要意義的最低層次輸入值，確定所屬的公允價值層次：第一層次輸入值，在計量日能夠取得的相同資產或負債在活躍市場上未經調整的報價；第二層次輸入值，除第一層次輸入值外相關資產或負債直接或間接可觀察的輸入值；第三層次輸入值，相關資產或負債的不可觀察輸入值。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

32. Measurement of fair value (Continued)

For assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels of measurement at fair value by reassessing categorisation as at balance sheet date.

33. Segment information

Operating segments are identified on the basis of internal organisation structure, management requirements and internal reporting policies. An operating segment represents a component of the Group that satisfied all of the following criteria: it engages in business activities from which it may earn revenue and incur expenses; whose operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segments and assess its performance; and whose accounting information such as financial position, operating results and cashflow is available to the Company.

The inter-segment transfer price is determined with reference to the market price. Expenses, other than those which is unable to be allocated reasonably, are allocated among segments on the basis of revenue proportion.

三、重要會計政策及會計估計(續)

32. 公允價值的計量(續)

每個資產負債表日，本集團對在財務報表中確認的持續以公允價值計量的資產和負債進行重新評估，以確定是否在公允價值計量層次之間發生轉換。

33. 分部信息

本集團根據內部組織架構、管理規定及內部匯報制度確定經營分部，以經營分部為基礎確定報告分部。經營分部，是指集團內同時滿足下列條件的組成部分：該組成部分能夠在日常活動中產生收入、發生費用；公司管理層能夠定期評價該組成部分的經營成果，以決定向其配置資源、評價其業績；公司能夠取得該組成部分的財務狀況、經營成果和現金流量等有關會計信息。

分部間轉移價格參照市場價格確定，共同費用除無法合理分配的部分外按照收入比例在不同的分部之間分配

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Safety production costs

The Group withholds the safety production cost according to the stipulated standards and the withheld safety production cost are included in the current profit or loss, as well as included in special reserves, which is presented separately under the owner's equity. If the withheld safety production cost is part of the expenses, it offsets special reserves directly when being used. If the use of the withheld safety production costs resulted in a fixed asset, through the construction in progress accounted of the expenses incurred, regarded as fixed asset when the safety projects reach the expected condition for use. At the same time, the cost of the formation of fixed assets offsets the special reserves, and confirm the cumulative depreciation as the same amount, the fixed assets shall be depreciated no longer in the subsequent period. If the amount of the special reserve is insufficient to be offset, it shall be directly included in the current profit or loss according to the actual amount.

三、重要會計政策及會計估計(續)

34. 安全生產費

本集團按規定標準提取安全生產費用，提取的安全生產費計入當期損益，同時記入專項儲備，在所有者權益項下單獨列示。實際使用提取的安全生產費時，屬於費用性支出的，直接沖減專項儲備。使用提取的安全生產費形成固定資產的，通過「在建工程」科目歸集所發生的支出，待安全項目完工達到預定可使用狀態時確認為固定資產；同時，按照形成固定資產的成本沖減專項儲備，並確認相同金額的累計折舊，該固定資產在以後期間不再計提折舊。提取的專項儲備餘額不足沖減的，按實際發生額直接計入當期損益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Changes in critical accounting policies and accounting estimates

(1) Changes in accounting estimates

Pursuant to the Accounting Standard for Enterprises No. 4 – Fixed Assets issued by the Ministry of Finance and past practical conventions, the Group applied a depreciation period of 20 years for its fixed assets such as water supply facilities. However, the actual useful lives of these facilities have significantly exceeded the estimated period. In order to present the Group's asset position and operating results more objectively and fairly, and with reference to the depreciation policies of listed peers in the same industry, the Group made a change in accounting estimate regarding the depreciation period of its fixed assets, and determined to adjust the depreciation period for water supply pipeline network facilities from 20 years to 25 years.

This change in accounting estimate was reviewed and approved by the Group at the 27th meeting of the second session of the Board and the 10th meeting of the second session of the Supervisory Committee held on August 29, 2025, and became effective from August 1, 2025.

Following this change in accounting estimate, the depreciation expense of the Group's water supply pipeline network equipment for 2025 will decrease by RMB8,866,418.25, and the Group's total profit for 2025 will accordingly increase by RMB8,866,418.25.

三、重要會計政策及會計估計(續)

35. 重要會計政策和會計估計變更

(1) 會計估計變更

根據財政部發佈的《企業會計準則第4號—固定資產》及過往實務操作慣例，本集團供水設施等固定資產折舊計提年限為20年，但相關設施的實際可使用年限已遠超過該等估計年限，為更加客觀、公允地反映本集團的資產狀況和經營成果，同時借鑒同行上市公司的相關折舊政策，本集團對固定資產折舊年限進行會計估計變更，決定將供水管網設施的折舊年限由20年調整為25年。

本次會計估計變更已經本集團於2025年8月29日召開第二屆董事會第二十七次會議、第二屆監事會第十次會議審議通過，於2025年8月1日起開始執行。

本次會計估計變更後本集團2025年供水管網設備折舊費將減少8,866,418.25元，本集團2025年度利潤總額將因此增加8,866,418.25元。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

三、重要會計政策及會計估計(續)

36. Critical accounting judgments and key sources of estimation uncertainty

36. 主要會計判斷及估計不確定性的主要來源

- (1) The application of the Group's accounting policies described in Note III requires the Group to make judgments, estimations and assumptions about the carrying value of statement items that cannot be measured accurately. These judgments, estimations and assumptions are based on the Group's management's historical experience and consideration of other relevant factors, and actual results may differ from the Group's estimates.
- (2) The key assumptions and uncertainties in the Group's accounting estimates that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in future periods are as follows:

1) *Impairment of financial instruments and contract assets*

The Group uses an expected credit loss model to assess the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgement and estimates, and to take into account all reasonable and substantiated information, including forward-looking information. In making these judgments and estimates, the Group inferred expected changes in debtors' credit risk based on historical repayment information combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment and the amount of impairment provision made may not equal the actual amount of future impairment loss.

- (1) 本集團在運用本附註三、所描述的會計政策中，本集團需要對無法準確計量的報表項目的賬面價值進行判斷、估計和假設。這些判斷、估計和假設是基於本集團管理層過去的歷史經驗，並在考慮其他相關因素的基礎上做出的，實際的結果可能與本集團的估計存在差異。
- (2) 本集團會計估計中很可能導致未來期間資產、負債賬面價值做出重大調整的關鍵假設和不確定性如下：

1) 金融工具和合同資產減值

本集團採用預期信用損失模型對金融工具和合同資產的減值進行評估，應用預期信用損失模型需要做出重大判斷和估計，需考慮所有合理且有依據的信息，包括前瞻性信息。在做出這些判斷和估計時，本集團根據歷史還款數據結合經濟政策、宏觀經濟指標、行業風險等因素推斷債務人信用風險的預期變動。不同的估計可能會影響減值準備的計提，已計提的減值準備可能並不等於未來實際的減值損失金額。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

36. Critical accounting judgments and key sources of estimation uncertainty (Continued)

(2) (Continued)

2) *Impairment of non-current assets other than financial assets*

The Group determines at the balance sheet date whether there is any indication that non-current assets, other than financial assets, may be impaired. Goodwill and intangible assets with uncertain useful life are tested for impairment in addition to the annual impairment test, when there is an indication of impairment. Non-current assets other than financial assets are tested for impairment when there is an indication that the book value may not be recoverable. An impairment is indicated when the carrying value of an asset or group of assets is greater than the recoverable amount, which is the higher of the net fair value less the cost of disposal and the present value of estimated future cash flows. The net fair value less the cost of disposal is determined by reference to the agreed sale price or observable market price of a similar asset in an arm's length transaction, less incremental costs directly attributable to the disposal of the asset. In estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or group of assets and select the appropriate discount rate to determine the present value of the future cash flows.

三、重要會計政策及會計估計(續)

36. 主要會計判斷及估計不確定性的主要來源(續)

(2) (續)

2) 除金融資產之外的非流動資產減值

本集團於資產負債表日對除金融資產之外的非流動資產判斷是否存在可能發生減值的跡象。對商譽和使用壽命不確定的無形資產，除每年進行的減值測試外，當其存在減值跡象時，也進行減值測試。其他除金融資產之外的非流動資產，當存在跡象表明其賬面金額不可收回時，進行減值測試。當資產或資產組的賬面價值高於可收回金額，即公允價值減去處置費用後的淨額和預計未來現金流量的現值中的較高者，表明發生了減值。公允價值減去處置費用後的淨額，參考公平交易中類似資產的銷售協議價格或可觀察到的市場價格，減去可直接歸屬於該資產處置的增量成本確定。預計未來現金流量現值時，管理層必須估計該項資產或資產組的預計未來現金流量，並選擇恰當的折現率確定未來現金流量的現值。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

36. Critical accounting judgments and key sources of estimation uncertainty (Continued)

(2) (Continued)

3) *Provision for decline in value of inventories*

In accordance with the Group's accounting policy on inventories, inventories are measured at the lower of cost or net realizable value, and provision for decline in value of inventories is made for inventories with cost higher than net realizable value and for obsolescence and slow-moving sales. The Group will re-estimate whether individual inventories are obsolete and slow-moving and whether net realizable value is lower than the cost of inventories at the balance sheet date. If there is a difference between the re-estimation result and the existing estimate, the difference will affect the carrying value of inventories in the period in which the estimate is changed.

三、重要會計政策及會計估計(續)

36. 主要會計判斷及估計不確定性的主要來源(續)

(2) (續)

3) 存貨跌價準備

本集團根據存貨會計政策，按照成本與可變現淨值孰低計量，對成本高於可變現淨值及陳舊和滯銷的存貨，計提存貨跌價準備。本集團將於資產負債表日對單個存貨是否陳舊和滯銷、可變現淨值是否低於存貨成本進行重新估計。如重新估計結果與現有估計存在差異，該差異將會影響估計改變期間的存貨賬面價值。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

36. Critical accounting judgments and key sources of estimation uncertainty (Continued)

(2) (Continued)

4) Goodwill impairment

The Group determines whether goodwill is impaired based on the recoverable amount of the estimated cash-generating unit to which goodwill has been allocated, being the higher of value in use or fair value less costs of disposal. The calculation of value in use requires the Group to estimate the future cash flows expected to be generated by each cash-generating unit and an appropriate discount rate to calculate the present value. Significant impairment could occur if actual future cash flows are less than expected or if there is a change in factual circumstances or government policy (resulting in a decrease in future cash flows related to operations).

三、重要會計政策及會計估計(續)

36. 主要會計判斷及估計不確定性的主要來源(續)

(2) (續)

4) 商譽減值

本集團根據估計已分配商譽的現金產生單元的可收回金額來確定商譽是否減值，即使用價值或公平值減去處置成本中較高者。使用價值的計算要求本集團估計每個現金產生單元預期產生的未來現金流量及合適的貼現率以計算現值。倘若實際未來現金流少於預期，或事實情況或政府政策發生變化（導致未來現金流下降的相關經營），則可能產生重大減值。

Chapter X

Financial Report (Continued)

第十章

財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION

四、稅項

1. Main types and rates of taxes

1. 主要稅種及稅率

Type of taxes	Tax basis	Tax rate
稅種	計稅依據	稅率
Value-added tax	Taxable value added	13%, 9%, 6%, 5%, 3%
增值稅	應納稅增值額	13%、9%、6%、5%、3%
City maintenance and construction tax	Flow-through tax payable	5%, 7%
城市維護建設稅	應納流轉稅額	5%、7%
Educational surcharges	Flow-through tax payable	3%
教育費附加	應納流轉稅額	3%
Local educational surcharges	Flow-through tax payable	2%
地方教育費附加	應納流轉稅額	2%
Enterprise income tax	Taxable income	15%, 20%
企業所得稅	應納稅所得額	15%、20%
Real estate tax	Based on 70% of the original value of fixed assets for own use	1.2%
房產稅	按照自用固定資產原值的70%	1.2%
	Based on rental income for fixed assets leased out	12%
	租出固定資產按照租金收入	12%

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION (Continued)

四、稅項(續)

2. Notes on taxpayers subject to different enterprise income tax rates

2. 不同企業所得稅稅率納稅主體說明

Name of taxpayer 納稅主體名稱	Income tax rate 所得稅稅率
Luzhou Xinglu Water (Group) Co., Ltd. (hereinafter referred to as "Water Headquarters") 瀘州市興瀘水務(集團)股份有限公司(以下簡稱「水務本部」)	15%
Luzhou Xinglu Water (Group) Co., Ltd. Lu County Branch (hereinafter referred to as "Lu County Branch") 瀘州市興瀘水務(集團)股份有限公司瀘縣分公司(以下簡稱「瀘縣分公司」)	15%
Luzhou Xinglu Water (Group) Hejiang Water Co., Ltd. (hereinafter referred to as "Hejiang Water") 瀘州市興瀘水務(集團)合江水業有限公司(以下簡稱「合江水業」)	15%
Luzhou Nanjiao Water Co., Ltd. (hereinafter referred to as "Nanjiao Water") 瀘州市南郊水業有限公司(以下簡稱「南郊水業」)	see 3.③ 詳見3.③
Luzhou Xinglu Water (Group) Beijiao Water Co., Ltd. (hereinafter referred to as "Beijiao Water") 瀘州市興瀘水務(集團)北郊水業有限公司(以下簡稱「北郊水業」)	15%
Luzhou Sitong Tap Water Engineering Co., Ltd. (hereinafter referred to as "Sitong Engineering") 瀘州市四通自來水工程有限公司(以下簡稱「四通工程」)	see 3.③ 詳見3.③
Luzhou Xinglu Wastewater Treatment Co., Ltd. (hereinafter referred to as "Xinglu Wastewater") 瀘州市興瀘污水處理有限公司(以下簡稱「興瀘污水」)	15%
Luzhou Xinghe Water Governance Co., Ltd. (hereinafter referred to as "Xinghe Water Governance") 瀘州市興合水環境治理有限公司(以下簡稱「興合水環境」)	15%
Xinglu Water (Group) Weiyuan Qingxi Water Co., Ltd. (hereinafter referred to as "Weiyuan Water") 興瀘水務(集團)威遠清溪水務有限公司(以下簡稱「威遠水務」)	15%
Luzhou Fanxing Environmental Development Co., Ltd. (hereinafter referred to as "Fanxing Environmental") 瀘州市繁星環保發展有限公司(以下簡稱「繁星環保」)	15%
Dechang Xinglu Water Co., Ltd. (hereinafter referred to as "Dechang Water") 德昌縣興瀘水務有限公司(以下簡稱「德昌水務」)	15%

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION (Continued)

四、稅項(續)

2. Notes on taxpayers subject to different enterprise income tax rates (Continued)

2. 不同企業所得稅稅率納稅主體說明(續)

Name of taxpayer 納稅主體名稱	Income tax rate 所得稅稅率
Chengdu Qingbaijiang Xinglu Water Co., Ltd. (hereinafter referred to as "Qingbaijiang Water") 成都市青白江興瀘水務有限公司(以下簡稱「青白江水務」)	see 3. ①②③ 詳見3.①②③
Leshan Xinglu Water Xingjia Environmental Protection Technology Co., Ltd. (hereinafter referred to as "Xingjia Environmental") 樂山市興瀘水務興嘉環保科技有限公司(以下簡稱「興嘉環保」)	see 3.③ 詳見3.③
Leibo Xinglu Water Co., Ltd. (hereinafter referred to as "Leibo Water") 雷波縣興瀘水務有限公司(以下簡稱「雷波水務」)	15% 15%
Luzhou Xinglu Zhihui Water Science and Technology Co., Ltd. (hereinafter referred to as "Zhihui Technology") 瀘州市興瀘智慧水務科技有限責任公司(以下簡稱「智慧科技」)	see 3.③ 詳見3.③
Luzhou Sitong Water Supply and Drainage Engineering Design Co., Ltd. (hereinafter referred to as "Sitong Design") 瀘州市四通給排水工程設計有限公司(以下簡稱「四通設計」)	see 3.③ 詳見3.③
Luzhou Xinglu Water (Group) Xingxu Water Co., Ltd. (hereinafter referred to as "Xingxu Water") 瀘州市興瀘水務(集團)興叙水業有限公司(以下簡稱「興叙水業」)	see 3.③ 詳見3.③
Xuyong Yongxing Water Governance Co., Ltd. (hereinafter referred to as "Yongxing Water Governance") 叙永縣永星水環境治理有限公司(以下簡稱「永星水環境」)	see 3.③ 詳見3.③
Luzhou Xinggang Environmental Protection Technology Co., Ltd. (hereinafter referred to as "Xinggang Environmental") 瀘州市興港環保科技有限公司(以下簡稱「興港環保」)	see 3.①②③ 詳見3.①②③
Leshan Jingyan Xinglu Wastewater Treatment Co., Ltd. (hereinafter referred to as "Jingyan Wastewater") 樂山井研興瀘污水處理有限公司(以下簡稱「井研污水」)	15% 15%
Luzhou Xinglu Water Quality Testing Co., Ltd. (hereinafter referred to as "Water Quality Testing") 瀘州市興瀘水質檢測有限公司(以下簡稱「水質檢測」)	see 3.③ 詳見3.③

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION (Continued)

3. Tax preferences

(1) Enterprise income tax

- ① Pursuant to the Notice of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on the Continuation of the Enterprise Income Tax for Implementation of Exploration and Development of Western Region (MOF Notice 2020 No. 23), enterprise income tax will be levied at a reduced rate of 15% on enterprises located in the western region in the encouraged industries from 1 January 2021 to 31 December 2030. Projects including Water Headquarters, Lu County Branch, Hejiang Water, Beijiao Water, Xinglu Wastewater, Xinghe Water Governance, Weiyuan Water, Fanxing Environmental, Dechang Water, Qingbaijiang Water, Leibo Water and Leshan Jingyan meet the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on the Continuation of the Enterprise Income Tax for Implementation of Exploration and Development of Western Region, and being in the encouraged industries as set out in the Catalogue of Industries Encouraged to Develop in the Western Region, they are entitled to enjoy the preferential tax policy under the Implementation of Exploration and Development of Western Region.

四、稅項(續)

3. 稅收優惠

(1) 企業所得稅

- ① 根據《財政部稅務總局國家發展改革委關於延續西部大開發企業所得稅政策的公告》(財政部公告2020年第23號)，自2021年1月1日至2030年12月31日，對設在西部地區的鼓勵類產業企業減按15%稅率徵收企業所得稅。興瀘水務本部、瀘縣分公司、合江水業、北郊水業、興瀘污水、興合水環境、威遠水務、繁星環保、德昌水務、青白江水務、雷波水務、樂山井研等項目符合《財政部稅務總局國家發展改革委關於延續西部大開發企業所得稅政策的公告》的規定，屬於《西部地區鼓勵類產業目錄》中的鼓勵類產業，享受西部大開發稅收優惠。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION (Continued)

3. Tax preferences (Continued)

(1) Enterprise income tax (Continued)

- ② Pursuant to Article 27 of the Enterprise Income Law (EIT Law), the income of enterprises engaged in the investment and operation of public infrastructure projects supported by the state and the income derived from environmental protection projects or energy and water saving projects which meet relevant requirements are entitled to the tax preference of exemption and reduction. According to Article 88 of the Implementation Regulations of the EIT Law, eligible environmental protection, energy and water conservation projects, including public sewage treatment, public waste treatment, integrated development and utilization of biogas, energy saving and emission reduction technology transformation, desalination of seawater, etc. The gains of an enterprise engaged in environmental protection, energy saving and water saving projects that meet the conditions above shall be exempted from enterprise income tax from the first year to the third year, and halved from the fourth year to the sixth year, starting from the tax year in which the project obtains the first amount of production and operation income.

四、稅項(續)

3. 稅收優惠(續)

(1) 企業所得稅(續)

- ② 《企業所得稅法》第二十七條規定，從事國家重點扶持的公共基礎設施項目投資經營所得和從事符合條件的環境保護、節能節水項目的所得，享受免徵、減徵稅收優惠政策。根據《企業所得稅法實施條例》第八十八條規定，符合條件的環境保護、節能節水項目，包括公共污水處理、公共垃圾處理、沼氣綜合開發利用、節能減排技術改造、海水淡化等。企業從事上述規定的符合條件的環境保護、節能節水項目的所得，自項目取得第一筆生產經營收入所屬納稅年度起，第一年至第三年免徵企業所得稅，第四年至第六年減半徵收企業所得稅。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION (Continued)

3. Tax preferences (Continued)

(1) Enterprise income tax (Continued)

② (Continued)

According to Article 34 of the Enterprise Income Tax Law, the investment amount of enterprises for the purchasing of special equipment for environmental protection, energy and water conservation and work safety may be offset against tax according to a proportion. According to Article 100 of the Regulation on the Implementation of the Enterprise Income Tax Law, where an enterprise purchases and actually uses special equipment for environmental protection, energy and water conservation and work safety stipulated in the Catalogue of Enterprise Income Tax Preferences for Special Equipment for Environmental Protection, the Catalogue of Enterprise Income Tax Incentives for Special Equipment for Energy and Water Conservation, and the Catalogue of Enterprise Income Tax Incentives for Special Equipment for Work Safety, 10% of the investment amount in such special equipment may be offset against its tax payable for the current year; where the tax payable is insufficient for the credit, the excess may be carried forward for credit in the following five taxable years.

If an enterprise meets the conditions for the 15% preferential tax rate under the Implementation of Exploration and Development of Western Region and also meets the tax preference conditions under the EIT Laws and its implementation regulations and the requirements of the State Council, it is entitled to the tax preferences simultaneously.

四、稅項(續)

3. 稅收優惠(續)

(1) 企業所得稅(續)

② (續)

根據《企業所得稅法》第三十四條，企業購置用於環境保護、節能節水、安全生產等專用設備的投資額，可以按一定比例實行稅額抵免。根據《企業所得稅法》實施條例第一百條，企業購置並實際使用《環境保護專用設備企業所得稅優惠目錄》、《節能節水專用設備企業所得稅優惠目錄》和《安全生產專用設備企業所得稅優惠目錄》規定的環境保護、節能節水、安全生產等專用設備的，該專用設備的投資額的10%可以從企業當年的應納稅額中抵免；當年不足抵免的，可以在以後5個納稅年度結轉抵免。

企業既符合西部大開發15%優惠稅率條件，又符合《企業所得稅法》及其實施條例和國務院規定的各項稅收優惠條件的，可以同時享受。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION (Continued)

四、稅項(續)

3. Tax preferences (Continued)

3. 稅收優惠(續)

(1) Enterprise income tax (Continued)

(1) 企業所得稅(續)

② (Continued)

② (續)

During the tax exemption period involving tax relief for a fixed period, the tax payable may be fully exempted from corporate income tax based on the tax rate applicable to the enterprise.

在涉及定期減免稅的減免期內，可以按照企業適用稅率計算的應納稅額免徵企業所得稅。

Name of taxpayer
納稅主體名稱

Tax reduction and exemption period
減免徵收期

Xinggang Environmental
興港環保

2025 – 2027
2025年－2027年

During the 50% reduction period involving tax relief for a fixed period, the tax payable may be reduced by 50% based on the tax rate applicable to the enterprise.

在涉及定期減免稅的減半期內，可以按照企業適用稅率計算的應納稅額減半徵稅。

Name of taxpayer
納稅主體名稱

50% tax reduction period
減半徵收期

Qingbaijiang Water
青白江水務

2023 – 2025
2023年－2025年

③ According to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Business ([2023] No. 12), the policy that small and low-profit enterprises shall pay the taxable income at a reduced rate of 25% and the enterprise income tax shall be paid at the tax rate of 20% will continue to be implemented until 31 December 2027.

③ 根據《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》(2023年第12號)，對小型微利企業減按25%計算應納稅所得額，按20%的稅率繳納企業所得稅政策，延續執行至2027年12月31日。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IV. TAXATION (Continued)

3. Tax preferences (Continued)

(2) Value-added tax

- ① According to the Notice on the Issuance of the Catalog of Value-added Tax Benefits for Products and Services for Comprehensive Utilization of Resources (Cai Shui [2021] No. 40) of the Ministry of Finance and the State Administration of Taxation, with effective from 1 March 2022, the Taxpayers who engage in the sale of self-produced products for comprehensive utilization of resources and provision of services for comprehensive utilization of resources are entitled to the policy of instant refund of value-added tax. Xinglu Wastewater which has provided services for sewage treatment since 1 March 2022 are entitled to the policy of instant refund of value-added tax with a tax refund rate of 70%.
- ② According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Continued Implementation of Preferential Tax Policies for Rural Drinking Water Safety Projects (MOF and SAT Announcement 2019 No. 67) and the Announcement of the Ministry of Finance and the State Administration of Taxation on the Extension of the Implementation Period of Certain Preferential Tax Policies (MOF and SAT Announcement 2021 No. 6), the revenue from the sale of tap water earned by the operation and management units responsible for drinking water projects in respect of the provision of domestic water to rural residents is exempt from value-added tax.

四、稅項(續)

3. 稅收優惠(續)

(2) 增值稅

- ① 根據財政部、國家稅務總局《關於完善資源綜合利用增值稅政策的公告》(財稅[2021]40號)，自2022年3月1日起增值稅一般納稅人銷售自產的資源綜合利用產品和提供資源綜合利用勞務，可享受增值稅即征即退政策。興瀘污水自2022年3月1日起提供污水處理勞務享受增值稅即征即退政策，退稅率70%。
- ② 根據《財政部稅務總局關於繼續實行農村飲水安全工程稅收優惠政策的公告》(財政部稅務總局公告2019年第67號)、《財政部稅務總局關於延長部分稅收優惠政策執行期限的公告》(財政部稅務總局公告2021年第6號)的規定，對飲水工程運營管理單位向農村居民提供生活用水取得的自來水銷售收入，免征增值稅。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS

五、合併財務報表主要項目註釋

For the following disclosed financial statement data, unless otherwise noted, "Beginning of the Year" refers to 1 January 2025; and "End of the Year" refers to 31 December 2025. "Current Year" refers to the period from 1 January to 31 December 2025; "Last Year" refers to the period from 1 January to 31 December 2024, with the currency denominated in RMB.

下列所披露的財務報表數據，除特別註明之外，「年初」系指2025年1月1日，「年末」系指2025年12月31日，「本年」系指2025年1月1日至12月31日，「上年」系指2024年1月1日至12月31日，貨幣單位為人民幣元。

1. Monetary funds

1. 貨幣資金

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Cash on hand	庫存現金		153.67
Bank deposits	銀行存款	605,983,936.27	447,177,034.23
Other monetary capitals	其他貨幣資金	2,000.00	2,000.00
Total	合計	605,985,936.27	447,179,187.90
Including: Total deposits overseas	其中：存放在境外的款項總額	1,510,198.47	1,565,737.34
Deposits with finance companies	存放於財務公司款項		

Note 1: The deposit of RMB39.7287 million in the Group's dedicated bank account was obtained as a special financing, of which RMB37.8204 million should be used exclusively for Luzhou City Urban Area Household Meter Renovation Project, and RMB1.9083 million should be used exclusively for the Luzhou Jiangyang District Water Supply Project.

註1、本集團的專用銀行賬戶中3,972.87萬元存款為專項融資獲得資金，其中3,782.04萬元需專項用於瀘州市主城區自來水戶表改造工程，190.83萬元需專項用於瀘州市江陽區全域供水項目。

Note 2: For details of the use of restricted monetary funds, see "Note V. 50. Assets with limited ownership or use rights".

註2、使用受到限制的貨幣資金詳見「附註五、50.所有權或使用權受到限制的資產」。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

2. Accounts receivable

(1) *Accounts receivable as shown by provision for bad debts*

2. 應收賬款

(1) *應收賬款按壞賬計提方法分類列示*

		Closing balance				
		Book balance		Provision for bad debts		
		賬面餘額		壞賬準備		
				Provision		
Category	類別	Amount	Proportion (%)	Amount	proportion (%)	Book value
		金額	比例(%)	金額	計提比例(%)	賬面價值
Separate provision for bad debts	按單項計提壞賬準備	3,200,361.34	0.35	3,200,361.34	100.00	
Provision for bad debts on a group basis	按組合計提壞賬準備	901,125,422.87	99.65	148,792,110.19	16.51	752,333,312.68
Total	合計	904,325,784.21	100.00	151,992,471.53		752,333,312.68

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

2. Accounts receivable (Continued)

(1) Accounts receivable as shown by provision for bad debts (Continued)

(Continued)

		Opening balance				
		Book balance		Provision for bad debts		
		賬面餘額		壞賬準備		
		Amount	Proportion (%)	Amount	Provision proportion (%)	Book value
Category	類別	金額	比例(%)	金額	計提比例(%)	賬面價值
Separate provision for bad debts	按單項計提壞賬準備	3,200,361.34	0.40	3,200,361.34	100.00	
Provision for bad debts on a group basis	按組合計提壞賬準備	801,533,576.91	99.60	103,872,570.91	12.96	697,661,006.00
Total	合計	804,733,938.25	100.00	107,072,932.25		697,661,006.00

2. 應收賬款(續)

(1) 應收賬款按壞賬計提方法分類列示(續)

(續表)

Opening balance

年初餘額

Provision for bad debts

壞賬準備

Provision

proportion (%)

Book value

賬面價值

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

2. Accounts receivable (Continued)

(1) Accounts receivable as shown by provision for bad debts (Continued)

- 1) Separate provision for bad debts for accounts receivable

2. 應收賬款(續)

(1) 應收賬款按壞賬計提方法分類列示(續)

- 1) 按單項計提應收賬款壞賬準備

Name	名稱	Book balance 賬面餘額	Closing balance 年末餘額		Reason for provision 計提理由
			Provision for bad debts 壞賬準備	Provision proportion (%) 計提比例(%)	
Sichuan Chuang Yu Real Estate Development Co., Ltd.	四川創宇房地產開發有限公司	146,800.00	146,800.00	100.00	Not expected to be recovered 預計無法收回
Sichuan Weiyuan Construction Group Co., Ltd.	四川省威遠建業集團有限公司	627,668.00	627,668.00	100.00	Not expected to be recovered 預計無法收回
Lu County Youhao Real Estate Co., Ltd.	瀘縣友豪置業有限公司	2,196,600.00	2,196,600.00	100.00	Not expected to be recovered 預計無法收回
Weiyuan County Sanwei Wine Company	威遠縣三維酒業有限公司	178,534.40	178,534.40	100.00	Not expected to be recovered 預計無法收回
Others petty in aggregate	其他零星匯總	50,758.94	50,758.94	100.00	Not expected to be recovered 預計無法收回
Total	合計	3,200,361.34	3,200,361.34		

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

2. Accounts receivable (Continued)

2. 應收賬款(續)

(1) Accounts receivable as shown by provision for bad debts (Continued)

(1) 應收賬款按壞賬計提方法分類列示(續)

2) Provision for bad debts of accounts receivables on a group basis

2) 按組合計提應收賬款壞賬準備

Ageing	賬齡	Book balance 賬面餘額	Closing balance 年末餘額	Provision proportion (%) 計提比例(%)
			Provision for bad debts 壞賬準備	
Within 1 year (inclusive)	1年以內(含1年)	466,097,538.13	23,304,876.91	5.00
1-2	1-2年	241,273,333.89	24,127,333.39	10.00
2-3	2-3年	67,797,029.75	13,559,405.95	20.00
3-4	3-4年	57,598,734.17	28,799,367.10	50.00
4-5	4-5年	46,788,300.44	37,430,640.35	80.00
Over 5 years	5年以上	21,570,486.49	21,570,486.49	100.00
Total	合計	901,125,422.87	148,792,110.19	

(Continued)

(續表)

Ageing	賬齡	Book balance 賬面餘額	Opening balance 年初餘額	Provision proportion (%) 計提比例(%)
			Provision for bad debts 壞賬準備	
Within 1 year (inclusive)	1年以內(含1年)	510,430,767.42	25,521,538.40	5.00
1-2	1-2年	142,394,973.56	14,239,497.35	10.00
2-3	2-3年	65,024,838.08	13,004,967.63	20.00
3-4	3-4年	56,740,760.60	28,370,380.31	50.00
4-5	4-5年	21,030,250.12	16,824,200.09	80.00
Over 5 years	5年以上	5,911,987.13	5,911,987.13	100.00
Total	合計	801,533,576.91	103,872,570.91	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

2. Accounts receivable (Continued)

(2) The aging analysis of accounts receivable based on the transaction date is as follows

Ageing	賬齡	Closing balance 年末餘額	Opening balance 年初餘額
Within 1 year (inclusive)	1年以內(含1年)	466,097,538.13	510,430,767.42
1-2	1-2年	241,273,333.89	142,400,626.72
2-3	2-3年	67,797,029.75	65,024,838.08
3-4	3-4年	57,598,734.17	58,037,107.44
4-5	4-5年	46,788,300.44	21,924,850.12
Over 5 years	5年以上	24,770,847.83	6,915,748.47
Total	合計	904,325,784.21	804,733,938.25

(3) Provision for bad debts of accounts receivable in the current year

(3) 本年應收賬款壞賬準備情況

Category	類別	Changes during the current year 本年變動金額					Closing balance 年末餘額
		Opening balance 年初餘額	Provision 計提	Recoveries or reversals 收回或轉回	Write off or charge off 轉銷或核銷	Others 其他	
Provision for bad debts	壞賬準備	107,072,932.25	44,919,539.28				151,992,471.53

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

2. Accounts receivable (Continued)

2. 應收賬款(續)

(4) Accounts receivable of top 5 closing balance by debtor

(4) 按欠款方歸集的年末餘額前五名的應收賬款情況

The total top 5 accounts receivable by debtor as at the end of the year amounted to RMB367,253,096.45, accounting for 40.61% of the closing balance of accounts receivable. A provision for bad debts of RMB57,443,280.85 in total was made as at the end of the year.

本年按欠款方歸集的年末餘額前五名應收賬款匯總金額367,253,096.45元，佔應收賬款年末餘額合計數的比例40.61%，相應計提的壞賬準備年末餘額匯總金額57,443,280.85元。

3. Prepayments

3. 預付款項

(1) Ageing of prepayment

(1) 預付款項賬齡

Items	項目	Closing balance 年末餘額		Opening balance 年初餘額	
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Proportion (%) 比例(%)
Within 1 year (inclusive)	1年以內(含1年)	26,518,976.27	71.15	9,053,143.76	27.74
1-2	1-2年	1,074,684.38	2.88	14,171,491.68	43.42
2-3	2-3年	603,168.90	1.62	1,121,878.99	3.44
Over 3 years	3年以上	9,074,367.60	24.35	8,289,802.62	25.40
Total	合計	37,271,197.15	100.00	32,636,317.05	100.00

(2) Prepayment of top 5 closing balances by prepaid items

(2) 按預付對象歸集的年末餘額前五名的預付款情況

The total top 5 prepayment by prepaid items as at the end of the year amounted to RMB32,041,889.70, accounting for 85.97% of the closing balance of prepayment.

本年按預付對象歸集的年末餘額前五名預付款項匯總金額32,041,889.70元，佔預付款項年末餘額合計數的85.97%。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

4. Other receivables

4. 其他應收款

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Interest receivable	應收利息		
Dividends receivable	應收股利		
Other receivables	其他應收款	43,067,530.29	71,979,301.85
Total	合計	43,067,530.29	71,979,301.85

4.1 Other receivables

4.1 其他應收款

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Other accounts	其他收賬款	84,854,829.32	105,245,884.31
Less: Provision for bad debts	減：壞賬準備	41,787,299.03	33,266,582.46
Total	合計	43,067,530.29	71,979,301.85

(1) Classification of other receivables by nature of the amount

(1) 其他應收款按款項性質分類

Nature of the amount	款項性質	Closing balance 年末餘額	Opening balance 年初餘額
Financial subsidy	財政補貼款項	74,701,943.53	84,602,883.30
Deposits, collateral	押金、保證金	2,163,243.50	1,617,252.02
Payments withheld	代扣代繳款	1,674,471.29	907,442.12
Others	其他	6,315,171.00	18,118,306.87
Total	合計	84,854,829.32	105,245,884.31

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

4. Other receivables (Continued)

4. 其他應收款(續)

4.1 Other receivables (Continued)

4.1 其他應收款(續)

(2) Provision for bad debts of other receivables

(2) 其他應收款壞賬準備計提情況

		Stage 1 第一階段	Stage 2 第二階段	Stage 3 第三階段	
		Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	Total
		未來12個月 預期信用損失	整個存續期 預期信用損失 (未發生信用減值)	整個存續期 預期信用損失 (已發生信用減值)	合計
Provision for bad debts	壞賬準備				
Balance as at 1 January 2025	2025年1月1日餘額	116,202.97	30,356,211.71	2,794,167.78	33,266,582.46
Book balance of other receivables as at 1 January 2025 in the current period	2025年1月1日其他應 收款賬面餘額在 本期				
- Transferred to stage 2	- 轉入第二階段				
- Transferred to stage 3	- 轉入第三階段				
- Reversed to stage 2	- 轉回第二階段				
- Reversed to stage 1	- 轉回第一階段				
Provision in the current year	本年計提	87,777.14	8,830,204.21		8,917,981.35
Reversal in the current year	本年轉回			397,264.78	397,264.78
Write-off in the current year	本年轉銷				
Charge-off in the current year	本年核銷				
Other changes	其他變動				
Balance as at 31 December 2025	2025年12月31日餘額	203,980.11	39,186,415.92	2,396,903.00	41,787,299.03

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

4. Other receivables (Continued)

4. 其他應收款(續)

4.1 Other receivables (Continued)

4.1 其他應收款(續)

(3) Other receivables presented by ageing

(3) 其他應收款按賬齡列示

Ageing	賬齡	Closing balance 年末餘額	Opening balance 年初餘額
Within 1 year (inclusive)	1年以內(含1年)	4,079,602.31	2,324,059.41
1-2	1-2年	685,418.56	46,302,769.08
2-3	2-3年	35,588,921.78	871,033.81
3-4	3-4年	190,476.81	50,618,003.90
4-5	4-5年	39,881,064.13	303,407.60
Over 5 years	5年以上	4,429,345.73	4,826,610.51
Total	合計	84,854,829.32	105,245,884.31

(4) Provision for bad debts of other receivables

(4) 其他應收款壞賬準備情況

Category	類別	Changes during the current year 本年變動金額					Closing balance 年末餘額
		Opening balance 年初餘額	Provision 計提	Recoveries or reversals 收回或轉回	Write off or charge off 轉銷或核銷	Others 其他	
Provision for bad debts	壞賬準備	33,266,582.46	8,917,981.35	397,264.78			41,787,299.03

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

4. Other receivables (Continued)

4.1 Other receivables (Continued)

(5) Other receivables of top 5 closing balances by debtor

The total top 5 other receivables by debtor as at the end of the year amounted to RMB78,344,036.80, accounting for 92.32% of the closing balance of other receivables. A provision for bad debts of RMB39,650,377.82 in total was made as at the end of the year.

4. 其他應收款(續)

4.1 其他應收款(續)

(5) 按欠款方歸集的年末餘額前五名的其他應收款情況

本年按欠款方歸集的年末餘額前五名其他應收款匯總金額為78,344,036.80元，佔其他應收款年末餘額合計數的比例為92.32%，相應計提的壞賬準備年末餘額匯總金額為39,650,377.82元。

5. Inventories

5. 存貨

		Closing balance				Opening balance	
		年末餘額				年初餘額	
		Provision for declines in value of inventories/ provision for impairment of contract				Provision for declines in value of inventories/ provision for impairment of contract	
		Book balance	performance costs	Book value	Book balance	performance costs	Book value
		存貨跌價準備／合同履約成本				存貨跌價準備／合同履約成本	
Items	項目	賬面餘額	減值準備	賬面價值	賬面餘額	減值準備	賬面價值
Raw materials	原材料	34,287,871.70		34,287,871.70	35,724,162.82		35,724,162.82
Low value consumables	低值易耗品	1,779,885.25		1,779,885.25	1,372,029.05		1,372,029.05
Contract performance costs	合同履約成本	36,522,675.93		36,522,675.93	32,646,911.73		32,646,911.73
Total	合計	72,590,432.88		72,590,432.88	69,743,103.60		69,743,103.60

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

6. Other current assets

6. 其他流動資產

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Input tax to be deducted	待抵扣進項稅額	88,794,860.19	87,727,836.23
Prepayments of enterprise income tax	預繳企業所得稅	23,437,366.86	37,042,573.65
Prepayments of other taxes and fees	預繳其他稅費	381,854.76	301,100.39
Total	合計	112,614,081.81	125,071,510.27

7. Investments in other equity instruments

7. 其他權益工具投資

(1) Investments in other equity instruments

(1) 其他權益工具投資情況

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Sichuan Tianhua Chemical Group Co., Ltd. (formerly Sichuan Tianhua Co., Ltd.)	四川天華化工集團股份有限公司(原四川天華股份有限公司)	45,948.05	21,252.07
Liangshan Prefecture Xingyuande Environmental Co., Ltd.	涼山州興園德環保有限公司	34,518.70	34,518.70
Total	合計	80,466.75	55,770.77

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

7. Investments in other equity instruments (Continued)

7. 其他權益工具投資(續)

(2) Investments in equity instruments not for trading for the current year

(2) 本年非交易性權益工具投資

					The reason why it is designated			The reason for other comprehensive income to be transferred to retained earnings
		Dividend income recognized during the current year	Accumulative gains	Accumulative losses	Amount transferred from other comprehensive income to retained earnings	to be measured by fair value and its change is included to other comprehensive income		
					其他綜合收益轉入留存收益的金額	指定為以公允價值計量且其變動計入其他綜合收益的原因		其他綜合收益轉入留存收益的原因
Items	項目	本年確認的股利收入	累計利得	累計損失				
Sichuan Tianhua Chemical Group Co., Ltd. (formerly Sichuan Tianhua Co., Ltd.)	四川天華化工集團股份有限公司(原四川天華股份有限公司)				54,051.95			

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

8. Properties held for investment

8. 投資性房地產

(1) Investment real estate with cost measurement model

(1) 採用成本計量模式的投資性房地產

Items	項目	Building and structures 房屋、建築物	Total 合計
I. Original book value	一、賬面原值		
1. Opening balance	1. 年初餘額	4,004,972.16	4,004,972.16
2. Increase for the current year	2. 本年增加金額		
3. Decrease for the current year	3. 本年減少金額		
4. Closing balance	4. 年末餘額	4,004,972.16	4,004,972.16
II. Accumulative depreciation and accumulative amortisation	二、累計折舊和累計攤銷		
1. Opening balance	1. 年初餘額	2,173,116.49	2,173,116.49
2. Increase for the current year	2. 本年增加金額	113,008.70	113,008.70
(1) Provision or amortization	(1) 計提或攤銷	113,008.70	113,008.70
3. Decrease for the current year	3. 本年減少金額		
4. Closing balance	4. 年末餘額	2,286,125.19	2,286,125.19
III. Provision for impairment	三、減值準備		
1. Opening balance	1. 年初餘額		
2. Increase for the current year	2. 本年增加金額		
3. Decrease for the current year	3. 本年減少金額		
4. Closing balance	4. 年末餘額		
IV. Book value	四、賬面價值		
1. Closing book value	1. 年末賬面價值	1,718,846.97	1,718,846.97
2. Opening book value	2. 年初賬面價值	1,831,855.67	1,831,855.67

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

8. Properties held for investment (Continued)

8. 投資性房地產(續)

(2) Investment properties without ownership certificates

(2) 未辦妥產權證書的投資性房地產

Item 項目	Book value 賬面價值	Reason for not completing certificate of ownership 未辦妥產權證書原因
Facade of old street 老街門面	1,072,658.30	In-kind capital contribution, without property rights transferred 實物出資劃入，產權尚未完成過戶

9. Fixed assets

9. 固定資產

Items 項目		Closing book value 年末賬面價值	Opening book value 年初賬面價值
Fixed assets 固定資產		3,713,979,612.42	3,738,095,565.53
Disposal of fixed assets 固定資產清理		38,046.86	440,051.48
Total 合計		3,714,017,659.28	3,738,535,617.01

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

9. Fixed assets (Continued)

9. 固定資產(續)

9.1 Fixed assets

9.1 固定資產

(1) Particulars of fixed assets

(1) 固定資產情況

Items	項目	Office facilities 辦公設備	Building and structures 房屋構築物	Pipeline assets 管網資產	General equipment 通用設備	Transport equipment 運輸設備	Special equipment 專用設備	Total 合計
I. Original book value	一、賬面原值							
1. Opening balance	1. 年初餘額	17,063,874.33	2,645,172,795.37	1,629,317,999.74	81,888,926.63	17,370,015.20	1,199,227,113.41	5,590,040,724.68
2. Increase for the current year	2. 本年增加金額	432,800.36	89,706,923.87	100,811,708.26	565,591.54	396,566.33	247,304,275.59	439,217,865.95
(1) Acquisition	(1) 購置	288,534.77	239,920.00		552,088.57	389,216.33	5,710,424.28	7,180,183.95
(2) Transfer to construction in progress	(2) 在建工程轉入		82,283,767.11	86,412,092.66	13,502.97		84,747,253.63	253,456,616.37
(3) Fixed asset class adjustments	(3) 固定資產類別調整	144,265.59	7,183,236.76	14,399,615.60		7,350.00	156,846,597.68	178,581,065.63
(4) Others	(4) 其他							
3. Decrease for the current year	3. 本年減少金額	515,582.79	158,690,598.56	10,251,027.84	5,619,862.10	144,296.95	11,022,464.80	186,243,833.04
(1) Disposal or retirement	(1) 處置或報廢	508,232.79				144,296.95		652,529.74
(2) Fixed asset class adjustments	(2) 固定資產類別調整	7,350.00	158,690,598.56	7,516,550.80	5,579,982.10		6,786,584.17	178,581,065.63
(3) Others	(3) 其他			2,734,477.04	39,880.00		4,235,880.63	7,010,237.67
4. Closing balance	4. 年末餘額	16,981,091.90	2,576,189,120.68	1,719,878,680.16	76,834,656.07	17,622,284.58	1,435,508,924.20	5,843,014,757.59

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

9. Fixed assets (Continued)

9. 固定資產(續)

9.1 Fixed assets (Continued)

9.1 固定資產(續)

(1) Particulars of fixed assets (Continued)

(1) 固定資產情況(續)

Items	項目	Office facilities 辦公設備	Building and structures 房屋構築物	Pipeline assets 管網資產	General equipment 通用設備	Transport equipment 運輸設備	Special equipment 專用設備	Total 合計
II. Accumulative depreciation	二、累計折舊							
1. Opening balance	1.年初餘額	14,438,325.05	474,353,333.07	596,731,146.76	72,141,145.63	14,846,361.29	674,620,615.97	1,847,130,927.77
2. Increase for the current year	2.本年增加金額							
		918,195.01	76,938,832.70	75,956,883.07	2,106,488.89	623,880.73	140,388,339.47	296,932,619.87
(1) Provision	(1)計提	903,281.24	76,372,143.33	64,480,944.00	2,106,488.89	623,880.73	136,006,736.47	280,493,474.66
(2) Fixed asset class adjustments	(2)固定資產類別調整	14,913.77	566,689.37	11,475,939.07			4,381,603.00	16,439,145.21
3. Decrease for the current year	3.本年減少金額							
		487,903.48	7,009,642.45	574,151.18	5,422,995.20	125,027.18	6,222,914.36	19,842,633.85
(1) Disposal or retirement	(1)處置或報廢	487,903.48				125,027.18		612,930.66
(2) Fixed asset class adjustments	(2)固定資產類別調整		7,009,642.45		5,385,315.60		4,044,187.16	16,439,145.21
(3) Others	(3)其他			574,151.18	37,679.60		2,178,727.20	2,790,557.98
4. Closing balance	4.年末餘額	14,868,616.58	544,282,523.32	672,113,878.65	68,824,639.32	15,345,214.84	808,786,041.08	2,124,220,913.79
III. Provision for impairment	三、減值準備							
1. Opening balance	1.年初餘額		3,419,466.18				1,394,765.20	4,814,231.38
2. Increase for the current year	2.本年增加金額							
3. Decrease for the current year	3.本年減少金額							
4. Closing balance	4.年末餘額		3,419,466.18				1,394,765.20	4,814,231.38
IV. Book value	四、賬面價值							
1. Closing book value	1.年末賬面價值	2,112,475.32	2,028,487,131.18	1,047,764,801.51	8,010,016.75	2,277,069.74	625,328,117.92	3,713,979,612.42
2. Opening book value	2.年初賬面價值	2,625,549.28	2,167,399,996.12	1,032,586,852.98	9,747,781.00	2,523,653.91	523,211,732.24	3,738,095,565.53

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

9. Fixed assets (Continued)

9. 固定資產(續)

9.1 Fixed assets (Continued)

9.1 固定資產(續)

(2) Fixed asset without ownership certificate

(2) 未辦妥產權證書的固定資產

Items	項目	Book value 賬面價值	Reason for not completing certificate of ownership 未辦妥產權證書原因
Naxi Project (Phase III)	納溪三期	67,014,244.27	Undergoing 辦理中
Chengnan Project (Phase II)	城南二期	48,675,495.87	Undergoing 辦理中
Chengdong Project (Phase II)	城東二期	455,677,669.15	Undergoing 辦理中

(3) Details of the Group's fixed assets for pledge or mortgage are disclosed in "Note V. 50. Assets with limited ownership or use rights".

(3) 本集團用於抵押、質押的固定資產情況詳見「附註五、50.所有權或使用權受到限制的資產」之披露。

(4) Others

(4) 其他

Depreciation expense of fixed assets for the Group's infrastructure projects such as wastewater treatment, the depreciation amount of which for the current period was RMB115,142,133.17, compared with the depreciation amount of RMB89,544,424.12 for the previous period.

本集團污水處理等基礎設施項目的固定資產折舊費用，本期折舊金額115,142,133.17元，上期折舊金額89,544,424.12元

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

9. Fixed assets (Continued)

9. 固定資產(續)

9.2 Disposal of fixed assets

9.2 固定資產清理

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Retirement of equipment	設備報廢	38,046.86	440,051.48

10. Construction in progress

10. 在建工程

(1) Particulars of constructions in progress

(1) 在建工程情況

Items	項目	Closing balance 年末餘額		Opening balance 年初餘額	
		Book balance 賬面餘額	Provision for impairment 減值準備	Book value 賬面價值	Book balance 賬面餘額
Water Plant Technical Improvement Project	水廠技改項目工程	10,252,604.48		10,252,604.48	8,460,641.84
Water Supply Pipe Network Project	供水管網工程	53,828,039.30		53,828,039.30	160,800,592.35
New Sewage Treatment Plant Project	新建污水處理廠工程				55,838,916.16
Other projects	其他項目	5,803,949.42		5,803,949.42	9,976,497.61
Total	合計	69,884,593.20		69,884,593.20	235,076,647.96

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

10. Construction in progress (Continued)

10. 在建工程(續)

(2) Change in key constructions in progress during the current year

(2) 重要在建工程項目本年變動情況

Project name	工程名稱	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少		Closing balance 年末餘額
				Transferred to fixed assets 轉入固定資產	Transferred to intangible assets 轉入無形資產	
Medium and high-pressure water pipeline from Hexi Pump Station to Naxi District	河西加壓站至納溪城區中高壓輸水管道	65,277,978.60	346,320.00	65,624,298.60		
New Hedong Pump Station	新河東加壓站	44,074,625.85	2,607,380.06	33,480,805.91	13,201,200.00	
Shidong Wastewater Treatment Plant	石洞污水處理廠	42,172,377.48	98,388,696.18	101,012,136.26	39,548,937.40	
Gulin Wastewater Plant	古蘭污水廠	13,666,528.68	3,107,490.88	16,774,019.56		
Total	合計	165,191,510.61	104,449,887.12	216,891,260.33	52,750,137.40	

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)
五、合併財務報表主要項目註釋(續)

10. Construction in progress (Continued)
10. 在建工程(續)

(2) Change in key constructions in progress during the current year (Continued)
(2) 重要在建工程項目本年變動情況(續)

		(Continued)		(續表)				
Project name	工程名稱	Estimate	Proportion of the estimate (%)	Engineering Progress	Accumulative amount of capitalization of interest	Including: Amount of interest in the current year	Interest capitalization rate for the current year (%)	Source of funds
		預算數	估預算比例(%)	工程進度	累計金額	其中：本年利息 資本化金額	本年利息 資本化率(%)	資金來源
Medium and high-pressure water pipeline from Hexi Pump Station to Naxi District	河西加壓站至納溪城區 中高壓輸水管道	79,044,893.86	83.02	Completed 已完工				Self-financing 自籌
New Hedong Pump Station	新河東加壓站	44,694,742.97	104.45	Completed 已完工				Self-financing 自籌
Shidong Wastewater Treatment Plant	石洞污水處理廠	150,000,000.00	93.71	Completed 已完工	2,041,327.56	1,423,654.05	3.3%-6.5%	Self-financing 自籌
Gulin Wastewater Plant	古蘭污水廠	20,819,500.00	80.57	Completed 已完工				Self-financing 自籌
Total	合計				2,041,327.56	1,423,654.05		

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

11. Right-of-use assets

11. 使用權資產

Items	項目	Building and structures 房屋建築物	Total 合計
I. Original book value	一、賬面原值		
1. Opening balance	1. 年初餘額	1,878,072.71	1,878,072.71
2. Increase for the current year	2. 本年增加金額	122,032.42	122,032.42
3. Decrease for the current year	3. 本年減少金額		
4. Closing balance	4. 年末餘額	2,000,105.13	2,000,105.13
II. Accumulative depreciation	二、累計折舊		
1. Opening balance	1. 年初餘額	1,853,544.81	1,853,544.81
2. Increase for the current year	2. 本年增加金額	38,087.06	38,087.06
(1) Provision	(1) 計提	38,087.06	38,087.06
3. Decrease for the current year	3. 本年減少金額		
4. Closing balance	4. 年末餘額	1,891,631.87	1,891,631.87
III. Provision for impairment	三、減值準備		
1. Opening balance	1. 年初餘額		
2. Increase for the current year	2. 本年增加金額		
3. Decrease for the current year	3. 本年減少金額		
4. Closing balance	4. 年末餘額		
IV. Book value	四、賬面價值		
1. Closing book value	1. 年末賬面價值	108,473.26	108,473.26
2. Opening book value	2. 年初賬面價值	24,527.90	24,527.90

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

12. Intangible assets

12. 無形資產

(1) Particulars of intangible assets

(1) 無形資產明細

Items	項目	Land use rights 土地使用權	Franchising 特許經營權	Office and other software 辦公及其他軟件	Total 合計
I. Original book value	一、賬面原值				
1. Opening balance	1. 年初餘額	579,061,151.42	1,332,602,430.63	21,773,681.47	1,933,437,263.52
2. Increase for the current year	2. 本年增加金額	52,750,137.40	44,608,792.58	2,345,411.06	99,704,341.04
(1) Acquisition	(1) 購置		113,252.00	2,345,411.06	2,458,663.06
(2) Transfer to construction in progress	(2) 在建工程轉入	52,750,137.40	44,495,540.58		97,245,677.98
3. Decrease for the current year	3. 本年減少金額	270,000.00	11,530.00		281,530.00
4. Closing balance	4. 年末餘額	631,541,288.82	1,377,199,693.21	24,119,092.53	2,032,860,074.56
II. Accumulative amortisation	二、累計攤銷				
1. Opening balance	1. 年初餘額	109,752,266.55	298,697,945.23	12,712,991.68	421,163,203.46
2. Increase for the current year	2. 本年增加金額	14,830,698.86	51,236,088.03	2,650,792.78	68,717,579.67
(1) Provision	(1) 計提	14,830,698.86	51,236,088.03	2,650,792.78	68,717,579.67
3. Decrease for the current year	3. 本年減少金額		8,403.10		8,403.10
4. Closing balance	4. 年末餘額	124,582,965.41	349,925,630.16	15,363,784.46	489,872,380.03
III. Provision for impairment	三、減值準備				
1. Opening balance	1. 年初餘額				
2. Increase for the current year	2. 本年增加金額				
3. Decrease for the current year	3. 本年減少金額				
4. Closing balance	4. 年末餘額				
IV. Book value	四、賬面價值				
1. Closing book value	1. 年末賬面價值	506,958,323.41	1,027,274,063.05	8,755,308.07	1,542,987,694.53
2. Opening book value	2. 年初賬面價值	469,308,884.87	1,033,904,485.40	9,060,689.79	1,512,274,060.06

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

12. Intangible assets (Continued)

12. 無形資產(續)

(2) Franchising presented under intangible assets as of the end of the year

(2) 截止年末在無形資產中列示的特許經營權情況

Project company 項目公司	Project name 項目名稱	Original value 原值	Net value 淨值
Water Headquarters 水務本部	Franchising project of water supply to the entire Jiangyang District of Luzhou 瀘州市江陽區全域供水特許經營權項目	424,360,643.03	323,830,234.77
Fanxing Environmental 繁星環保	Franchising project of urban and rural wastewater treatment in Gulian County, Jiangyang District, Longmatan District, and Naxi District in Luzhou City 瀘州市古蔺縣、江陽區、龍馬潭區、納溪區鄉鎮和農村污水處理特許經營項目	357,095,407.24	289,095,416.99
Weiyuan Water 威遠水務	Weiyuan County Liangfeng Water Plant 威遠縣糧豐水廠	257,821,123.43	118,613,597.22
Qingbaijiang Water 青白江水務	European Industrial City Wastewater Treatment Plant (Phase I) 歐洲產業城污水處理廠一期	155,326,843.25	129,851,272.23
Dechang Water 德昌水務	Dechang County Industrial Concentration Area Sewage Treatment Plant and Pipeline Network Construction Project 德昌縣工業集中區污水處理廠及管網建設項目	82,595,676.26	74,216,875.24
Jingyan Wastewater 井研污水	Franchising project of urban domestic sewage integrated in Jingyan County 井研縣城鎮生活污水一體化特許經營項目	100,000,000.00	91,666,666.60
Total	合計	1,377,199,693.21	1,027,274,063.05

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

12. Intangible assets (Continued)

12. 無形資產(續)

(3) Land use rights without certificates of ownership

(3) 未辦妥產權證書的土地使用權

Project company 項目公司	Name of asset 資產名稱	Book value 賬面價值	Reason for not completing certificate of ownership 未辦妥產權證書原因
Leibo Water 雷波水務	Qinglong Street Dormitory 青龍街宿舍	547,251.36	To be handled in accordance with procedures after government approval 待政府批覆後按程序辦理

(4) Details of the Group's intangible assets for pledge or mortgage are disclosed in "Note V. 50. Assets with limited ownership or use rights".

(4) 本集團用於抵押、質押的無形資產情況詳見「附註五、50.所有權或使用權受到限制的資產」之披露。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

13. Goodwill

13. 商譽

Name of invested entity	被投資單位名稱	Increase for the current year			Decrease for the current year		Closing balance
		Opening balance	enterprise merger	Other increase	Disposal	Other decreases	
		年初餘額	企業合併形成	其他增加	處置	其他減少	年末餘額
Weiyuan Installation	威遠安裝	10,446,361.39					10,446,361.39
Weiyuan Water	威遠水務	9,757,041.51					9,757,041.51
Fanxing Environmental	繁星環保	5,444,527.86					5,444,527.86
Hejiang Water	合江水業	1,915,122.71					1,915,122.71
Naxi Water	納溪水業	576,119.60					576,119.60
Total	合計	28,139,173.07					28,139,173.07

The Group recognizes the asset group or group of assets which the goodwill belongs to based on whether the primary cash inflows from the asset group which the goodwill belongs to are independent of the cash inflows from other assets or asset groups, and taking into account the manner in which the management of the Company manages its production and operation activities and the manner in which it makes decisions about the ongoing use or disposal of assets, etc., and the asset group or portfolio of asset groups which are able to benefit from the synergies of the business combinations. With the discounted cash flow method, the management conducted an impairment test on goodwill at the end of the year, and no impairment reserve was required this year after the test.

本集團以商譽所在資產組產生的主要現金流入是否獨立於其他資產或者資產組的現金流入為依據；同時，考慮企業管理層管理生產經營活動的方式和對資產的持續使用或者處置的決策方式等，能夠從企業合併的協同效應中受益的資產組或者資產組組合，確認商譽所在資產組或資產組合，採用折現現金流量法，管理層年末對商譽進行了減值測試，經測試本年無需計提減值準備。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

14. Long-term deferred expenses

14. 長期待攤費用

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Amortization for the current year 本年攤銷	Other decrease for the current year 本年其他減少	Closing balance 年末餘額
Luzhou City Urban Area Household Meter Renovation Project (Phase I)	瀘州市主城區自來水戶表改造工程(一期)	144,801,342.59		23,473,833.83		121,327,508.76
Old Urban Area Household Meter Renovation	老城區戶表改造	7,932,587.07		1,146,880.03		6,785,707.04
Others in aggregate	其他匯總	8,642,805.35	19,618,959.96	6,783,760.67		21,478,004.64
Total	合計	161,376,735.01	19,618,959.96	31,404,474.53		149,591,220.44

15. Deferred tax assets and deferred tax liabilities

15. 遞延所得稅資產和遞延所得稅負債

(1) Deferred tax assets before offsetting

(1) 未經抵銷的遞延所得稅資產

Items	項目	Closing balance 年末餘額		Opening balance 年初餘額	
		Deductible temporary differences 可抵扣暫時性差異	Deferred income tax assets 遞延所得稅資產	Deductible temporary differences 可抵扣暫時性差異	Deferred income tax assets 遞延所得稅資產
Provision for bad debts	壞賬準備	193,779,770.56	27,154,355.21	140,339,514.71	20,492,946.16
Provision for asset impairment	資產減值準備	4,814,231.38	722,134.71	4,814,231.38	722,134.71
Estimated liabilities	預計負債	7,825,584.54	1,173,837.68	7,071,742.35	1,060,761.36
Changes in fair value of other equity instruments investment	其他權益工具投資公允價值變動	54,051.95	8,107.79	78,747.93	11,812.19
Total	合計	206,473,638.43	29,058,435.39	152,304,236.37	22,287,654.42

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

15. Deferred tax assets and deferred tax liabilities (Continued)

15. 遞延所得稅資產和遞延所得稅負債(續)

(2) Deferred tax liabilities before offsetting

(2) 未經抵銷的遞延所得稅負債

		Closing balance		Opening balance	
		年末餘額		年初餘額	
		Taxable temporary	Deferred income	Taxable temporary	Deferred income
		difference	tax liabilities	difference	tax liabilities
Item	項目	應納稅暫時性差異	遞延所得稅負債	應納稅暫時性差異	遞延所得稅負債
Adjustment to the book value of the fair value of consolidation not under common control	非同一控制下合併公允價值對賬面價值的調整	30,193,233.11	4,528,984.96	32,705,347.39	4,905,802.10

(3) Breakdown of unrecognized deferred tax assets

(3) 未確認遞延所得稅資產明細

Items	項目	Closing balance	Opening balance
		年末餘額	年初餘額
Deductible losses	可抵扣虧損	92,793,103.09	37,030,563.62

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第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

15. Deferred tax assets and deferred tax liabilities (Continued)

15. 遞延所得稅資產和遞延所得稅負債(續)

(4) *The deductible tax losses for unrecognized deferred tax assets will expire in following timeframe*

(4) *未確認遞延所得稅資產的可抵扣虧損將於以下年度到期*

Year	年份	Closing balance 年末金額	Opening balance 年初金額	Remark 備註
2027	2027	1,090,615.16	1,090,615.16	
2028	2028	13,941,106.83	13,499,671.98	
2029	2029	13,919,969.71	22,440,276.48	
2030	2030	63,841,411.39		
Total	合計	92,793,103.09	37,030,563.62	

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第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

16. Other non-current assets

16. 其他非流動資產

		Closing balance			Opening balance		
		年末餘額			年初餘額		
Items	項目	Book balance 賬面餘額	Provision for impairment 減值準備	Book value 賬面價值	Book balance 賬面餘額	Provision for impairment 減值準備	Book value 賬面價值
Prepaid construction and equipment costs	預付工程、設備款	1,705,933.76		1,705,933.76	1,964,966.34		1,964,966.34
Leshan City Shizhong District PPP Project*1	樂山市市中區PPP項目*1	22,809,775.98		22,809,775.98	22,736,191.07		22,736,191.07
Hejiang Zhangwan Project*2	合江張灣項目*2	17,978,938.34		17,978,938.34	18,730,320.09		18,730,320.09
Litang Ganzi Wastewater Treatment PPP Project	理塘甘孜污水處理PPP項目				772,547.32		772,547.32
Total	合計	42,494,648.08		42,494,648.08	44,204,024.82		44,204,024.82

Note 1: The pre-investment for the Leshan City Shizhong District Wastewater PPP Project of Xingjia Environmental. In accordance with Articles 13.6.1(1) and 16.4.3 of the Wastewater Treatment and Wastewater Pipeline Network Construction PPP Project Contract signed by the Company, China Construction First Building (Group) Corporation Limited and Leshan Shizhong District Housing and UrbanRural Development Bureau on 28 October 2021, and the [2021] No. 126 Document of Leshan Municipal Housing Construction Company, we inform our subsidiary Xingjia Environmental that the project of wastewater treatment facilities and wastewater pipeline network construction in Leshan Shizhong District has been terminated due to force majeure. At present, the project has been suspended, and the Company has not settled the project with Leshan Municipal Housing and Construction Bureau. Therefore, Xingjia Environmental, a subsidiary of the Company, presents these assets as other noncurrent assets.

Note 2: The Company and the Housing and Urban-Rural Development Bureau of Shizhong District of Leshan City have not yet settled the project. Accordingly, the Company presents the relevant assets under other non-current assets.

註1：興嘉環保的樂山市市中區污水PPP項目的前期投入款。為2021年10月28日樂山市市中區住房和城鄉建設局根據本公司與中國建築一局(集團)有限公司與樂山市市中區住建局三方簽訂的《樂山市市中區污水處理及污水管網建設PPP項目合同》第13.6.1條第(1)款、第16.4.3條約定，根據樂中住建[2021]126號文件，通知本公司之子公司興嘉環保的樂山市市中區污水處理設施及污水管網建設項目受不可抗力影響而終止，目前該項目已停工，本公司與樂山市市中區住建局尚未進行項目的結算，故本公司之子公司興嘉環保將該部分資產按其他非流動資產列報。

註2：本公司擬以合江張灣項目資產作為實物出資、增資興合水環境，目前暫未對興合水環境完成註資，故將該資產作為其他非流動資產列報。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

17. Short-term borrowings

17. 短期借款

(1) Classification of short-term borrowing

(1) 短期借款分類

Category of borrowings	借款類別	Closing balance 年末餘額	Opening balance 年初餘額
Credit borrowings	信用借款	482,930,000.00	119,070,000.00
Interest payable on borrowings	借款應付利息	325,473.60	303,820.47
Total	合計	483,255,473.60	119,373,820.47

Note: The Group's borrowing rates for the above borrowings at the end of the year ranged from 2.11% to 3.65% per annum (2.5125% to 3.65% at the beginning of the year).

註：本集團上述借款的年末借款年利率為2.11%至3.65%（年初為2.5125%至3.65%）。

(2) Outstanding short-term borrowings due as at the end of the period: None.

(2) 已逾期未償還的短期借款：無。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

18. Accounts payable

(1) *The ageing analysis of accounts payable (including related party accounts payable) based on the transaction date is as follows*

Ageing	賬齡	Closing balance 年末餘額	Opening balance 年初餘額
Within 1 year (inclusive)	1年以內(含1年)	192,831,954.00	257,575,416.22
1-2	1-2年	68,048,881.10	38,584,208.71
2-3	2-3年	26,246,530.30	35,677,166.45
3-4	3-4年	22,124,851.62	62,199,470.86
4-5	4-5年	43,778,773.12	234,191.22
Over 5 years	5年以上	34,034,406.50	35,976,531.70
Total	合計	387,065,396.64	430,246,985.16

(2) *Significant accounts payable aged over 1 year*

(2) *賬齡超過1年的重要應付帳款*

Name of entity	單位名稱	Closing balance 年末餘額	Of which: over 1 year 其中: 1年以上	Reason for being not settled or carried forward 未償還或結轉的原因
China MCC5 Group Corp. Ltd.	中國五冶集團有限公司	107,678,754.35	40,783,585.97	Unsettled project payment 未結算工程款
China Chemical Engineering Seventh Construction Company Limited	中國化學工程第七建設有限公司	31,390,649.12	8,788,241.63	Unsettled project payment 未結算工程款
Sichuan Haokang Construction Engineering Co., Ltd.	四川浩康建設工程有限公司	12,995,584.82	12,995,584.82	Unsettled project payment 未結算工程款
Luzhou Xiangyun Sihai Construction Engineering Co., Ltd.	瀘州祥雲四海建設工程有限公司	12,649,973.24	12,649,973.24	Unsettled project payment 未結算工程款
Sichuan Zhidao Zhonghong Petroleum Technology Co., Ltd.	四川志道中鴻石油科技有限公司	9,365,228.49	3,292,283.17	Unsettled project payment 未結算工程款
Total	合計	174,080,190.02	78,509,668.83	

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第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

19. Contract liabilities

19. 合同負債

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Water Supply Project	供水項目	117,383,349.26	96,302,240.40
Engineering Construction Project	工程建設項目	78,233,610.02	75,547,620.45
Others	其他	650,793.24	1,589,812.68
Total	合計	196,267,752.52	173,439,673.53

The Group's contractual liabilities as at 31 December 2024 are recognised as revenue in the year ending 31 December 2025 and the contractual liabilities as at 31 December 2025 will be recognised as revenue in the next one to two years.

本集團於2024年12月31日的合同負債於2025年12月31日止年度確認為收入，2025年12月31日的合同負債將於未來一到兩年內確認收入。

The Group generally receives 70% to 100% (2024: 70% to 100%) of the consideration from customers in advance of the commencement of construction work. The change in contract liabilities is mainly due to the size and volume of installation contract work for which the Group has received consideration in advance from customers. The Group normally receives consideration from customers no later than 1 month before the commencement of water supply services.

本集團一般於建設工程開始前預收取客戶70%至100%（2024年：70%至100%）的對價。合同負債的變動主要是由於本集團已預收客戶對價的安裝合同工程的規模和數量。本集團通常在自來水供應服務開始前不遲於1個月收到客戶的對價。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

20. Employee compensation payable

20. 應付職工薪酬

(1) Classification of compensations payable to employees

(1) 應付職工薪酬分類

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Short-term compensations	短期薪酬	56,118,748.62	147,614,483.93	150,762,143.41	52,971,089.14
Post-employment benefits – defined contribution plans	離職後福利－設定提存計劃	671,140.04	17,562,051.28	17,562,051.28	671,140.04
Termination benefits	辭退福利				
Other benefits due within 1 year	一年內到期的其他福利				
Total	合計	56,789,888.66	165,176,535.21	168,324,194.69	53,642,229.18

(2) Short-term compensations

(2) 短期薪酬

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Salaries, bonuses, allowances, and subsidies	工資、獎金、津貼和補貼	55,245,808.33	111,381,824.98	114,618,319.14	52,009,314.17
Employee benefits	職工福利費		8,147,702.20	8,147,702.20	
Social insurance	社會保險費	26,767.78	9,052,574.68	9,052,563.21	26,779.25
Including: Medical insurance	其中：醫療保險費	26,286.91	8,230,624.53	8,230,613.06	26,298.38
Work-related injury insurance	工傷保險費		576,785.33	576,785.33	
Maternity insurance	生育保險	480.87	124.74	124.74	480.87
Other insurances	其他保險		245,040.08	245,040.08	
Housing provident funds	住房公積金	63,846.92	12,711,065.00	12,711,065.00	63,846.92
Labour union funds and employee education funds	工會經費和職工教育經費	782,325.59	6,321,317.07	6,232,493.86	871,148.80
Total	合計	56,118,748.62	147,614,483.93	150,762,143.41	52,971,089.14

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

20. Employee compensation payable (Continued)

20. 應付職工薪酬(續)

(3) Defined contribution plans

(3) 設定提存計劃

The Group participates in social insurance programs established by government agencies in accordance with the regulations. Under the plans, the Group makes contributions to these plans in accordance with the relevant local government regulations. Apart from the abovementioned deposit fees, the Group has no further obligation to make further payments. The corresponding expenses are charged to current profit or loss or to the cost of the related assets as incurred. The Group's contributions to the pension insurance and unemployment insurance plans for the year are as follows:

本集團按規定參加政府機構設立的社會保險計劃。根據計劃，本集團按照當地政府的有關規定向該等計劃繳存費用。除上述繳存費用外，本集團不再承擔進一步支付義務。相應的支出於發生時計入當期損益或相關資產成本。本集團本年應分別向養老保險、失業保險計劃繳存費用如下：

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Basic pension insurance	基本養老保險	654,062.79	16,927,488.88	16,927,488.88	654,062.79
Unemployment insurance	失業保險費	17,077.25	634,562.40	634,562.40	17,077.25
Total	合計	671,140.04	17,562,051.28	17,562,051.28	671,140.04

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

21. Tax payable

21. 應交稅費

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Enterprise income tax	企業所得稅	8,121,784.91	48,719,501.48	39,232,701.69	17,608,584.70
Value-added tax	增值稅	1,294,298.40	23,886,823.17	23,954,840.51	1,226,281.06
Water resource tax	水資源稅	4,179,201.23	16,921,009.39	16,918,852.35	4,181,358.27
City maintenance and construction tax	城市維護建設稅	84,296.55	1,489,356.04	1,455,340.27	118,312.32
Educational surcharges	教育費附加	47,274.74	712,619.68	695,409.84	64,484.58
Local educational surcharges	地方教育費附加	29,736.88	475,079.78	463,606.60	41,210.06
Individual income tax	個人所得稅	506,227.86	2,612,898.02	1,973,976.04	1,145,149.84
Disabled Persons' Employment Security Fund	殘保金		79,477.43	79,477.43	
Stamp duty	印花稅	74,466.09	201,302.82	264,908.88	10,860.03
Land use tax	土地使用稅		8,095,942.20	8,095,942.20	
Property tax	房產稅		8,155,056.64	8,155,056.64	
Vehicle and vessel usage tax	車船使用稅		18,059.22	18,059.22	
Environmental protection tax	環境保護稅		248,548.52	248,548.52	
Total	合計	14,337,286.66	111,615,674.39	101,556,720.19	24,396,240.86

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

22. Other payables

22. 其他應付款

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Interests payable	應付利息		
Dividends payable	應付股利		
Other payables	其他應付款	215,242,349.67	219,652,778.25
Total	合計	215,242,349.67	219,652,778.25

22.1 Other payables

22.1 其他應付款

(1) Other payables by nature

(1) 其他應付款按款項性質分類

Nature of the amount	款項性質	Closing balance 年末餘額	Opening balance 年初餘額
Deposits, collateral	押金、保證金	85,368,131.28	90,370,018.06
Amounts due from/to related parties	往來款	84,128,555.39	77,410,375.05
Amounts collected or paid on behalf of others	代收代付款項	28,799,648.73	31,725,375.27
Consideration for land acquisition	土地收購款	1,903,387.45	1,903,387.45
Others	其他	15,042,626.82	18,243,622.42
Total	合計	215,242,349.67	219,652,778.25

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

22. Other payables (Continued)

22. 其他應付款(續)

22.1 Other payables (Continued)

22.1 其他應付款(續)

(2) Significant other payables aged over 1 year

(2) 賬齡超過1年的重要其他應付款

Name of entity	單位名稱	Closing balance 年末餘額	Including: over 1 year 其中：1年以上	Reason for being not settled or carried forward 未償還或結轉的原因
Zhongqi Construction Group Huamao Co., Ltd.	中七建工集團華貿有限公司	7,921,495.32	7,921,495.32	Deposits, collateral 押金、保證金
China MCC5 Group Corp. Ltd.	中國五冶集團有限公司	6,717,745.31	6,717,745.31	Deposits, collateral 押金、保證金
Leibo County Water Supply Company	雷波縣自來水公司	6,962,102.69	5,962,102.69	Amounts collected or paid on behalf of others 代收代付款項
Leibo County Housing and Urban-Rural Development Bureau	雷波縣住房和城鄉建設局	5,100,000.00	5,100,000.00	Amounts collected or paid on behalf of others 代收代付款項
Luzhou Shuanggang Industrial Investment and Development Co., Ltd.	瀘州市雙港實業投資發展有限公司	3,509,131.13	3,070,103.98	Amounts collected or paid on behalf of others 未到償還期限
Total	合計	30,210,474.45	28,771,447.30	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

23. Non-current liabilities due within one year

23. 一年內到期的非流動負債

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Long-term borrowings due within one year	一年內到期的長期借款	257,906,137.24	485,569,101.15
Bonds payable due within one year	一年內到期的應付債券		
Long-term payables due within one year	一年內到期的長期應付款	130,000,000.00	
Lease liabilities due within one year	一年內到期的租賃負債		
Special government bonds due within one year	一年內到期的政府專項債券	19,171,416.81	18,757,736.26
Total	合計	407,077,554.05	504,326,837.41

24. Other current liabilities

24. 其他流動負債

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Output value-added tax to be recognised	待轉銷項稅額	3,553,740.16	3,059,734.30

25. Long-term borrowings

25. 長期借款

(1) Classification of long-term borrowings

(1) 長期借款分類

Category of borrowings	借款類別	Closing balance 年末餘額	Opening balance 年初餘額
Pledge borrowing	質押借款	214,851,479.23	230,276,446.86
Guarantee borrowing	保證借款	510,096,568.07	597,130,026.21
Credit borrowing	信用借款	541,518,078.02	583,142,537.98
Total	合計	1,266,466,125.32	1,410,549,011.05

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

25. Long-term borrowings (Continued)

25. 長期借款(續)

(2) The principal amount of the above borrowings is repayable as follows

(2) 上述借款的本金須於以下期間償還

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Within 1 year	一年以內	256,377,550.92	483,726,094.82
Over 1 year after balance sheet date, but no more than 2 years	資產負債表日後超過一年， 但不超過兩年	441,489,292.62	250,526,152.96
Over 2 years after balance sheet date, but no more than 5 years	資產負債表日後超過兩年， 但不超過五年	320,913,758.63	635,116,341.65
Over 5 years after balance sheet date	資產負債表日後超過五年	504,063,074.07	524,906,516.44
Less: Borrowings due within one year under current liabilities	減：流動負債項下所示一年內 到期的借款	256,377,550.92	483,726,094.82
Net long-term borrowings	長期借款淨額	1,266,466,125.32	1,410,549,011.05

Note 1: The interest rate range for the Group's long-term borrowings at the end of the year was 1.2% to 5.53% (1.2% to 5.53% at the beginning of the year).

註1：本集團年末長期借款的利率區間為1.2%至5.53%（年初為1.2%至5.53%）。

Note 2: For details of the Group's mortgage and pledge borrowings at the end of the year, please refer to Note V. 50.

註2：本集團年末抵押、質押借款信息詳見附註五、50。

26. Lease liabilities

26. 租賃負債

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Lease payments	租賃付款額	41,500.00	
Unrecognised finance costs	未確認融資費用	-2,044.73	
Total	合計	39,455.27	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

27. Long-term payables

27. 長期應付款

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Long-term payables	長期應付款	780,500,000.00	910,500,000.00
Specific payables	專項應付款	343,648.36	343,648.36
Total	合計	780,843,648.36	910,843,648.36

27.1 Long-term payables

27.1 長期應付款

Nature of the amount	款項性質	Closing balance 年末餘額	Opening balance 年初餘額
Payments for finance leases under sale and leaseback	售後回租的融資租賃款		
Special government bonds	政府專項債	780,000,000.00	910,000,000.00
Borrowings from the Finance	財政廳借款	500,000.00	500,000.00
Less: unrecognized finance costs	減：未確認融資費用		
Including: Payments for finance leases under sale and leaseback	其中：售後回租的融資租賃款		
Less: Non-current liabilities classified as due within one year	減：劃分為一年內到期的非流動負債		
Including: Payments for finance leases under sale and leaseback	其中：售後回租的融資租賃款		
Total	合計	780,500,000.00	910,500,000.00

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

27. Long-term payables (Continued)

27. 長期應付款(續)

27.2 Special payables

27.2 專項應付款

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額	Reason for formation 形成原因
Grants from the Ecological Environment Bureau of Luzhou City	瀘州市生態環境局補助資金	343,648.36			343,648.36	Nature of the funds is not yet clear 尚未明確資金款項性質
Total	合計	343,648.36			343,648.36	

28. Estimated liabilities

28. 預計負債

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額	Reason for formation 形成原因
Expenditure on renewal of wastewater treatment facilities and tap water production facilities	污水處理設施、自來水生產設施更新支出	7,825,584.54	7,071,742.35	Note

Note: Expenditure on the subsequent major repairment, renewal and transformation of projects such as the BOT project represents the expenditure expected to be incurred under the franchise agreement for maintaining the relevant infrastructure in a certain state of use prior to its transfer to the contract grantor. The Group recognizes the estimated liability on a period-by-period basis, based on the best estimate of the expenditure required to settle the related current obligations and taking into account the time value of money, based on the expected future cash out lay for equipment replacement expenditure over the concession period.

註： BOT等項目後續大修更新改造支出系按照特許經營權協議，對於為使有關基礎設施在移交給合同授予方之前保持一定的使用狀態，預計將發生的支出。本集團根據預計特許經營期內設備更新支出的未來現金開支，按照履行相關現時義務所需支出的最佳估計數，並考慮貨幣時間價值，逐期確認預計負債。

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued) 五、合併財務報表主要項目註釋(續)

29. Deferred income 29. 遞延收益

(1) Classification of deferred revenue

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Government grants	政府補助	184,996,291.05	28,301.89	27,031,392.82	157,993,200.12

(1) 遞延收益分類

(2) Government grant projects

Government grant project	Opening balance	New granted amount for the current year	Amount included to non-operating revenue in the current year	Amount included to other revenue in the current year	Amount of write-down costs and expenses in the current year	Other changes	Closing balance	Related to assets/Related to revenue	Remark
政府補助項目	年初餘額	本年新增補助金額	本年計入營業外收入金額	本年計入其他收益金額	本年沖減成本費用金額	其他變動	年末餘額	與資產相關/與收益相關	備註
Grant for the Luzhou City "One Household, One Meter" Renovation Project (Phase I)	84,279,799.45			13,655,031.36			70,624,768.09	Related to assets	Note 1
瀘州市主城區「一戶一表」改造工程(一期)補助								與資產相關	註1
Government grants for upgrading and expanding the capacity of Yaerdang	17,407,413.08			3,883,040.04			13,524,373.04	Related to assets	Note 2
鴨兒凼提升擴容政府補助								與資產相關	註2
Construction fund grant for Erdaoxi Wastewater Treatment Plant	16,532,647.83			1,875,153.36			14,657,494.47	Related to assets	Note 3
二道溪污水處理廠建設資金補助								與資產相關	註3
Construction fund grant for Erdaoxi Project (Phase III)	16,761,747.04			1,290,063.24			15,471,683.80	Related to assets	Note 4
二道溪三期項目建設資金補助								與資產相關	註4
Grants for external pipeline networks of Yaerdang Wastewater Treatment Plant	9,404,553.34			1,376,276.04			8,028,277.30	Related to assets	Note 5
鴨兒凼污水處理廠廠外管網補助								與資產相關	註5
Construction fund grant for Erdaoxi Project (Phase II)	6,577,605.71			1,850,370.72			4,727,234.99	Related to assets	Note 6
二道溪二期項目建設資金補助								與資產相關	註6
Central fund grant for Naxi Project (Phase III)	8,483,424.98			564,466.68			7,918,958.30	Related to assets	Note 7
納溪三期中央資金補助								與資產相關	註7

(2) 政府補助項目

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

29. Deferred income

29. 遞延收益(續)

(2) Government grant projects

(2) 政府補助項目(續)

	Opening balance	New granted amount for the current year	Amount included to non-operating revenue in the current year	Amount included to other revenue in the current year	Amount of write-down costs and expenses in the current year	Other changes	Closing balance	Related to assets/Related to revenue	Remark
政府補助項目	年初餘額	本年新增補助金額	本年計入營業外收入金額	本年計入其他收益金額	本年沖減成本費用金額	其他變動	年末餘額	與資產相關/與收益相關	備註
Grant for the internal technological transformation of Yaerdang Wastewater Treatment Plant	7,869,505.06			475,325.16			7,394,179.90	Related to assets	Note 8
鴨兒沱污水處理廠廠內技改補助								與資產相關	註8
Construction costs of transformation of pipeline networks of urban water supply	7,128,083.44			954,376.03			6,173,707.41	Related to assets	Note 9
城市供水管網改造工程款								與資產相關	註9
Grant for the relocation and reconstruction of Shawan Water Tank	3,911,807.64			391,180.76			3,520,626.88	Related to assets	Note 10
沙灣水池拆遷重建補償款								與資產相關	註10
Grand for the construction of water supply facilities in poor counties and counties with severe water shortage	2,800,000.00			400,000.00			2,400,000.00	Related to assets	Note 11
貧困縣及嚴重缺水縣城供水設施建設補助								與資產相關	註11
Land grant for Qiancao Water Plant	2,275,000.00			175,000.00			2,100,000.00	Related to assets	Note 12
茜草水廠土地補助								與資產相關	註12
Compensation for the occupation and relocation of certain water supply assets in Zhangwan Industrial Park	1,002,203.55			91,109.39			911,094.16	Related to assets	Note 13
張灣工業園區部分給水管資產佔用搬遷補償								與資產相關	註13
Science and Technology Talent Bureau municipal innovation development funds	150,000.00						150,000.00	Related to assets	Note 14
科技人才局市級創新發展資金								與收益相關	註14
Grant for Chengnan Wastewater Treatment Plant (Phase II)	412,499.93			50,000.04			362,499.89	Related to assets	Note 15
城南污水處理廠二期工程補助								與資產相關	註15
Grant for the PAC Intelligent Dosing System Technology Innovation Project Establishment		28,301.89					28,301.89	Related to assets	Note 16
PAC智能投加系統技術創新項目立項金								與資產相關	註16
Total	184,996,291.05	28,301.89		27,031,392.82			167,993,200.12		
合計									

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

29. Deferred income

(2) Government grant projects

Note 1: According to the Notice of the Office of the People's Government of Luzhou City on the Issuance of the Implementation Plan for the Transformation of Household Meters for Tap Water Supply in Major Urban Area of Luzhou City (Lu Shi Fu Ban Fa [2019] No. 14) and the Approval from the Development and Reform Commission of Luzhou City for the Feasibility Study Report of the Transformation Project of Household Meters for Tap Water Supply in Major Urban Area of Luzhou City (Lu Shi Fa Gai Xing Shen [2020] No. 59), in order to improve the standard of water supply management in the urban area of Luzhou City, the Company has implemented the "One Household, One Meter" Renovation Project for approximately 200,800 households in urban area in five years from 2019 onwards, with 40% of the transformation cost borne by the Company and 60% of the transformation cost subsidized by the urban financial grants;

Note 2: According to the Notice of the Development and Reform Commission of Luzhou City on the Transfer of the 2017 Central Budgetary Investment Plan for the Prevention and Control of Water Pollution in Key River Basins (L.S.F.G.G.H [2017] No. 195), the Company successively received grants of RMB42 million from the Finance Bureau of Luzhou City for upgrading and expanding the capacity of Yaerdang during the period from 2017 to 2018, and the Company has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income by installment;

五、合併財務報表主要項目註釋(續)

29. 遞延收益(續)

(2) 政府補助項目(續)

註1：根據瀘州市人民政府辦公室《關於印發〈瀘州市主城區自來水戶表改造實施方案〉的通知》(瀘市府辦發[2019]14號)、瀘州市發展和改革委員會《關於瀘州市主城區自來水戶表改造工程可行性研究報告的批覆》(瀘市發改行審[2020]59號)，為提高瀘州市城區供水管理水平，從2019年起分五年對城區約20.08萬戶居民實施「一戶一表」改造工程，改造費用本公司承擔40%、市區財政補貼60%；

註2：根據瀘州市發展和改革委員會《關於轉下達重點流域水污染防治2017年中央預算內投資計劃的通知》(瀘市發改規劃[2017]195號)，本公司於2017至2018年期間，陸續收到瀘州市財政局撥付的鴨兒沱提升擴容補助款4,200萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款分期轉至其他收益；

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

29. Deferred income (Continued)

(2) Government grant projects (Continued)

Note 3: According to the Notice of the Housing and Urban-Rural Planning and Construction Bureau of Luzhou City on the Issuance of the 2012 Budget of Special Funds for Supporting Pipeline Network of Urban Wastewater Treatment Facilities (L.S.C.Z [2012] No. 115), the Notice of the Development and Reform Commission of Sichuan Province on the Transfer of 2009 New Central Budgetary Investment Plan for Urban Wastewater and Garbage Treatment Facility Projects (C.F.G.T.Z [2009] No. 180), and the Notice of the Finance Bureau of Luzhou City on the Issuance of the 2009 Budget (Funding) for the Construction of Urban Wastewater and Garbage Treatment Facilities with Expanded Domestic Needs for State Bond Investment (C.S.C.T [2009] No. 54), and the Notice of the Finance Bureau of Luzhou City on the Issuance of the 2010 Central Budgetary Infrastructure Expenditure and Budget (Funding) for Urban Wastewater and Garbage Treatment Facilities (Batch I) (C.S.C.T [2010] No. 34), the Company successively received grants of RMB48.62 million from the Finance Bureau of Luzhou City for the construction of Erdaoxi Wastewater Treatment Plant during the period from 2009 to 2012, and the Company has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

五、合併財務報表主要項目註釋(續)

29. 遞延收益(續)

(2) 政府補助項目(續)

註3：根據瀘州市住房和城鄉規劃建設局《關於下達2012年城鎮污水處理設施配套管網專項資金預算的通知》(瀘市財綜[2012]115號)、四川省發展和改革委員會《關於轉下達城鎮污水垃圾處理設施項目2009年新增中央預算內投資計劃的通知》(川發改投資[2009]180號)、瀘州市財政局《關於下達2009年城鎮污水垃圾處理設施項目建設擴大內需國債投資預算(撥款)的通知》(川市財投[2009]54號)、瀘州市財政局《關於下達2010年城鎮污水垃圾處理設施(第一批)重點預算內基建支出、預算(撥款)的通知》(川市財投[2010]34號)，本公司於2009年至2012年期間，陸續收到瀘州市財政局撥付的二道溪污水處理廠建設資金補助4,862.00萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

29. Deferred income (Continued)

(2) Government grant projects (Continued)

Note 4: According to the Notice of the Finance Department of Sichuan Province on the Issuance of the 2018 Budget of Special Funds for Projects under the Three-Year Promotion Plan for the Construction of Urban Wastewater and Township Garbage Treatment Facilities (C.C.T [2018] No. 6), the Notice of the Finance Bureau of Luzhou City on the Issuance of the 2018 Provincial Budget of Special Funds for Projects under the Three-Year Promotion Plan for the Construction of Urban Wastewater and Township Garbage Treatment Facilities (L.S.C.Z [2018] No. 28), and the Notice of the Finance Department of Sichuan Province on the Issuance of the 2020 Budget of the Second Batch of Provincial Special Funds for Township Construction and Development (C.C.J [2020] No. 191), the Company successively received grants of RMB22.21 million from the Urban Management and Administrative Laws Enforcement Bureau of Luzhou City for the construction of Erdaoxi Wastewater Treatment Project (Phase III) during the period from 2018 to 2020, and the Company has amortised the government grants over the estimated useful life of the assets of the project to other income;

Note 5: According to the Notice of the Finance Bureau of Luzhou City on the Issuance of the Grant of Special Funds for the Technological Transformation Project for External Sewage Interception Pipelines of Yaerdang Wastewater Treatment Plant issued by the Finance Bureau of Luzhou City in 2010, the Company received the special grant of RMB27.5255 million from the Finance Bureau of Luzhou City for the technological transformation project for external sewage interception pipelines of Yaerdang Wastewater Treatment Plant in July 2011, and the Company has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

五、合併財務報表主要項目註釋(續)

29. 遞延收益(續)

(2) 政府補助項目(續)

註4：根據四川省財政廳《關於下達2018年城鎮污水城鄉垃圾處理設施建設三年推進方案項目專項資金預算的通知》(川財投[2018]6號)、瀘州市財政局《關於下達省級2018年城鎮污水城鄉垃圾處理設施建設三年推進方案項目專項資金預算的通知》(瀘市財綜[2018]28號)、四川省財政廳《關於下達2020年第二批省級城鄉建設發展專項資金預算的通知》(川財建[2020]191號)，本公司於2018年至2020年期間，陸續收到瀘州市城市管理和行政執法局撥付的二道溪三期污水處理項目建設資金補助2,221.00萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

註5：根據瀘州市財政局2010年發佈的《瀘州市財政局關於下達鴨兒沱污水處理廠廠外截污幹管技改工程專項補助資金的通知》，本公司於2011年7月收到瀘州市財政局撥付的鴨兒沱污水處理廠廠外截污幹管技改工程專項補助款2,752.55萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

29. Deferred income (Continued)

(2) Government grant projects (Continued)

Note 6: According to the Notice on the Issuance of the 2013 Central Infrastructure Investment Budget (Funding) for the Project of Prevention and Control of Water Pollution in Key River Basins issued by the Finance Bureau of Luzhou City (L.S.C.T [2013] No. 76), the Company successively received grants of RMB22.80 million from the Finance Bureau of Luzhou City for the construction of Erdaoxi Wastewater Treatment Plant (Phase II) and the Supporting Pipeline Network during the period from 2014 to 2016, and the Company has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

Note 7: According to the Notice on the Issuance of the 2021 Budget of the Second Batch of Provincial Special Funds for Township Construction and Development issued by the Finance Department of Sichuan Province and the Housing and Urban-Rural Construction Department of Sichuan Province (C.C.J [2021] No. 92), the Request for Instructions on Allocating the 2021 Budget of the Second Batch of Provincial Special Funds for Township Construction and Development issued by the Finance Bureau of Luzhou City, the Housing and Urban-Rural Construction Bureau of Luzhou City and the Urban Management and Administrative Laws Enforcement Bureau of Luzhou City (L.S.C [2021] No. 112), and the approval for the request from the leaders of the municipal government of Luzhou City, the Company received the grant of RMB10 million from the Urban Management and Administrative Laws Enforcement Bureau of Luzhou City for the construction of Naxi Wastewater Treatment Plant (Phase III) on 19 November 2021. The Company has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

五、合併財務報表主要項目註釋(續)

29. 遞延收益(續)

(2) 政府補助項目(續)

註6：根據瀘州市財政局發佈的《關於下達2013年重點流域水污染治理項目中央基建投資預算(撥款)的通知》(瀘市財投[2013]76號)，本公司於2014年至2016年期間，陸續收到瀘州市財政局撥付的二道溪污水處理廠二期工程及配套管網建設資金補助2,280.00萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

註7：根據四川省財政廳、四川省住房和城鄉建設廳《關於下達2021年第二批省級城鄉建設發展專項資金預算的通知》(川財建[2021]92號)、瀘州市財政局瀘州市住房和城鄉建設局、瀘州市城市管理局行政執法局《關於分配2021年第二批省級城鄉建設發展專項資金預算的請示》(瀘市財[2021]112號)及瀘州市政府領導對該請示的批覆，本公司於2021年11月19日收到瀘州市城市管理局行政執法局撥付的納溪污水處理廠三期工程建設補助資金1,000.00萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

29. Deferred income (Continued)

(2) Government grant projects (Continued)

Note 8: According to the Minutes of the Meeting for Considering the Issues Regarding the Rectification and Construction of Sewage Interception Pipelines of Jiangyang Wastewater Treatment Company Within A Time Limit and the Construction of Erdaoxi Wastewater Treatment Plant issued by the Finance Bureau of Luzhou City (L.S.F.Y [2008] No. 23), the Company successively received the grants of RMB30.2177 million from the Finance Bureau of Luzhou City for the internal technological transformation of Yaerdang Wastewater Treatment Plant during the period from 2012 to 2013, and the Company has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

Note 9: According to the Approval from the Development and Reform Commission of Sichuan Province for the Feasibility Study Report of the Transformation Project of Urban Water Supply Pipelines in Luzhou City (C.F.G.T.Z [2012] No. 1251), the Company successively received the grants of RMB6.8 million from the Finance Bureau of Luzhou City for the transformation project of urban water supply pipelines in Luzhou City during the period from 2015 to 2016; Lu County Branch successively received the grants of RMB10.158 million from the Finance Bureau of Luzhou City according to the pipeline transformation agreement entered into with the People's Government of Lu County during the period from 2014 to 2022; and the Company and Lu County Branch have amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

五、合併財務報表主要項目註釋(續)

29. 遞延收益(續)

(2) 政府補助項目(續)

註8：根據瀘州市財政局《研究江陽污水處理公司限期整治及截污幹管建設和二道溪污水處理廠建設問題會議紀要》(瀘市府閱[2008]23號)，本公司於2012至2013年期間，陸續收到瀘州市財政局撥付的鴨兒沱污水處理廠廠內技改補助3,021.77萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

註9：根據《四川省發展和改革委員會關於瀘州市城市供水管網改造工程可行性研究報告的批覆》(川發改投資[2012]1251號)，本公司於2015年至2016年期間，陸續收到瀘州市財政局撥付的瀘州市城市供水管網改造工程補貼專項資金680.00萬元；瀘縣分公司根據與瀘縣人民政府簽訂的管網改造合同在2014年至2022年期間，陸續收到瀘州市財政局補助款1,015.80萬元；本公司及瀘縣分公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

29. Deferred income (Continued)

(2) Government grant projects (Continued)

Note 10: According to the Agreement of Monetary Compensation for Urban Housing Demolition and Relocation entered into between Jiangnan Water and the Command Department for the Land Collection and Demolition and Relocation of the Shaxi Area of Jiangyang District of Luzhou City on 22 February 2013, and the Tap Water Pipeline Relocation Agreement entered into between Jiangnan Water and the Unified Land Collection and Consolidation Center of Luzhou City on 8 March 2013, Jiangnan Water successively received the compensation for relocation of RMB13.8261 million during the period from 2013 to 2014. Jiangnan Water has transferred the grants to deferred income and the government grants to other income over the estimated useful life of the assets; In 2020, the Company will absorb and merge with Jiangnan Water and continue the treatment accordingly;

Note 11: According to the Notice on the Issuance of the 2009 Budget (Funding) of Central Budgetary Infrastructure Expenditure for the Construction of Water Supply Facilities in Poor Counties and Counties with Severe Water Shortage with Expanded Domestic Needs issued by the Finance Bureau of Luzhou City on 15 June 2009 (L.S.C.T [2009] No. 50), from 2010 to 2011, the Company successively received the special grants of RMB8 million from the Finance Bureau of Luzhou City for the construction of water supply facilities in poor counties and counties with severe water shortage, and the Company has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

Note 12: Xinglu Water received the grants of RMB3.5 million for land premiums of Qiancao Second Water Plant from Luzhou City Xinglu Investment Group Co., Ltd. in June 2014 and Xinglu Water has amortised the government grants over the estimated useful life of the assets of the project and transferred such grants to other income;

五、合併財務報表主要項目註釋(續)

29. 遞延收益(續)

(2) 政府補助項目(續)

註10：根據2013年2月22日江南水業與瀘州市江陽區沙茜片區征地拆遷指揮部簽訂的《城市房屋拆遷貨幣補償協議書》、2013年3月8日與瀘州市土地統征和整理中心簽訂的《自來水管道搬遷協議》、江南水業於2013年至2014年期間，陸續收到搬遷補償款共計1,382.61萬元，江南水業將補助轉入遞延收益，按照資產預計使用期限將政府補助款轉至其他收益；2020年本公司吸收合併江南水業，相應延續處理；

註11：根據瀘州市財政局2009年6月15日下達的《關於下達2009年貧困縣及嚴重缺水縣城供水設施建設擴大內需中央預算內基建支出預算(撥款)的通知》(瀘市財投〔2009〕50號)，本公司於2010至2011年期間，陸續收到瀘州市財政局撥付的貧困縣及嚴重缺水縣城供水設施建設專項資金補助800.00萬元，本公司按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

註12：興瀘水務於2014年6月收到瀘州市興瀘投資集團有限公司撥付的茜草二水廠征地補助款350.00萬元，興瀘水務按照該項目資產預計使用期限攤銷，將政府補助款轉至其他收益；

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

29. Deferred income (Continued)

(2) Government grant projects (Continued)

Note 13: According to the Agreement on Relocation of Pipelines for the Construction of the Park Avenue Project entered into between Hejiang Water and Unified Land Collection Service Office of Hejiang County, the pipelines at the avenue of the park in Hejiang will be relocated due to needs for municipal construction, and Hejiang Water received the compensation for the relocation of RMB2.78 million from the Finance Bureau of Hejiang County in February 2015. Hejiang Water has transferred the grants to deferred income and the government grants to other income over the estimated useful life of the assets;

Note 14: According to the Notice on the Issuance of the 2022 Municipal Science and Technology Project (L.S.K.R [2022] No. 124), the Company received RMB150,000 in funding for the municipal science and technology project in 2022, which is required to apply for acceptance and is included in other income in a lump sum after acceptance;

Note 15: According to the Notice of Decomposition and Issuance of the Project Preliminary Work Incentive 2022 Provincial Budgetary Capital Construction Investment Plan (L.S.F.G.Z [2022] No. 427), the Company received RMB500,000 in 2022 from the provincial budgetary capital construction investment plan (preliminary work incentive funds) for the Luzhou urban domestic wastewater treatment plant expansion and sludge disposal project, which has been completed and were amortised over the estimated useful life of the project assets, and the government grants were transferred to other income.

Note 16: According to the Notice on the Approval of 2025 Projects for Serving Enterprise Technological Innovation Activities (L.S.K.X [2025] No. 29) issued by the Luzhou Association for Science and Technology on 15 July 2025, the Company received a grant of RMB30,000 from the Luzhou Association for Science and Technology on 1 August 2025. This grant will be recognised in full as other income upon application for and completion of the acceptance inspection as required under the project.

五、合併財務報表主要項目註釋(續)

29. 遞延收益(續)

(2) 政府補助項目(續)

註13：根據合江水業與合江縣統一徵用土地服務辦公室簽訂的《園區大道工程建設杆管線搬遷協議》，因市政建設需要，對合江園區大道的杆管線進行搬遷，合江水業於2015年2月收到合江縣財政局支付的搬遷補償款項278.00萬元，合江水業將補助轉入遞延收益，按照資產預計使用期限將政府補助款轉至其他收益；

註14：根據瀘州市科學技術和人才工作局文件《關於下達2022年市級科技計劃項目的通知》(瀘市科人[2022]124號)，本公司於2022年收到市級科技計劃項目資金15萬元，該項目按需要申請驗收，驗收後一次性計入其他收益；

註15：根據瀘州市發展和改革委員會《關於分解下達項目前期工作激勵2022年省預算內基本建設投資計劃的通知》(瀘市發改重[2022]427號)，本公司於2022年收到50萬元瀘州市城市生活污水處理廠擴建及污泥處置項目省預算內基本建設投資計劃(前期工作激勵資金)，該工程已完工，按照該項目資產的預計使用期限攤銷，將政府補助款轉至其他收益。

註16：根據瀘州市科學技術協會文件2025年7月15日下達的《關於下達2025年服務企業技術創新活動項目立項的通知》(瀘市科協[2025]29號)，本公司於2025年8月1日收到瀘州市科學技術協會撥款3萬元，該項目按需要申請驗收之後，一次性計入其他收益。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

30. Share capital

30. 股本

Items	項目	Opening balance 年初餘額	Issue of new shares 發行新股	Change in the current year (+/-) 本年變動增減(+、-)			Subtotal 小計	Closing balance 年末餘額
				Bonus issue 送股	Conversion from reserve 公積金轉股	Others 其他		
Total number of shares	股份總數	859,710,000.00						859,710,000.00

31. Capital reserve

31. 資本公積

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Share premium	股本溢價	418,174,747.31			418,174,747.31
Other capital reserves	其他資本公積	2,272,467.04			2,272,467.04
Total	合計	420,447,214.35			420,447,214.35

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)
五、合併財務報表主要項目註釋(續)

32. Other comprehensive income
32. 其他綜合收益

		Amount incurred in the current year 本年發生額		Less: Reserved					
		Less: Profit and loss transferred in the current period to other comprehensive income included in the previous period		Less: Profit and loss transferred in the current period to other comprehensive income included in the previous period		Attributable to the parent company after tax		Attributable to minority Shareholders after tax	
		Opening balance	Incurred before income tax for the current year	income included in the previous period	income included in the previous period	Less: Income tax expense	company after tax	Shareholders after tax	Closing balance
			減：前期計入其本年所得稅前	減：前期計入其他綜合收益當期	減：前期計入其他綜合收益當期	減：所得稅費用	稅後歸屬於母公司	稅後歸屬於少數股東	年末餘額
Items	項目	年初餘額	發生額	轉入損益	轉入留存收益	減：所得稅費用	母公司	少數股東	年末餘額
I. Other comprehensive income that cannot be subsequently reclassified into profit or loss	一、以後不能重分類進損益的其他綜合收益								
Including: Changes in re-measurement of defined benefit plans	其中：重新計量設定受益計劃變動額								
Other comprehensive income that cannot be transferred to profit or loss under equity method	權益法下不能轉損益的其他綜合收益								
Changes in fair value of other equity instruments investment	其他權益工具投資公允價值變動	-66,935.74	20,991.58			-3,704.40	24,695.98		-42,239.76
Changes in fair value of the enterprise's own credit risk	企業自身信用風險公允價值變動								
Others	其他								
II. Other comprehensive income that will be subsequently reclassified into profit or loss	二、以後將重分類進損益的其他綜合收益								
Total other comprehensive income	其他綜合收益合計	-66,935.74	20,991.58			-3,704.40	24,695.98		-42,239.76

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

33. Special reserve

33. 專項儲備

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Safe production fee	安全生產經費	8,837,310.54	1,056.84	1,696,975.61	7,141,391.77

34. Surplus reserve

34. 盈餘公積

Items	項目	Opening balance 年初餘額	Increase for the current year 本年增加	Decrease for the current year 本年減少	Closing balance 年末餘額
Statutory surplus reserve	法定盈餘公積	77,889,078.36			77,889,078.36
Discretionary surplus reserve	任意盈餘公積	148,392.19			148,392.19
Others	其他	10,837.70			10,837.70
Total	合計	78,048,308.25			78,048,308.25

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

35. Undistributed profits

35. 未分配利潤

Items	項目	The current year 本年	The previous year 上年
Closing balance of the previous year	上年年末金額	1,562,387,015.57	1,432,696,431.17
Add: Adjustment to undistributed profits at the beginning of the year	加：年初未分配利潤調整數		
Opening balance of the current year	本年年初金額	1,562,387,015.57	1,432,696,431.17
Add: Net profits attributable to the owners of the parent in the current year	加：本年歸屬於母公司股東的淨利潤	109,192,955.28	177,238,036.73
Transfer from other comprehensive income	其他綜合收益轉入		
Less: Appropriation of statutory surplus reserve	減：提取法定盈餘公積		4,561,952.33
Dividends payable on ordinary shares*	應付普通股股利*	34,388,400.00	42,985,500.00
Closing amount of the current year	本年年末金額	1,637,191,570.85	1,562,387,015.57

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第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

35. Undistributed profits (Continued)

The profit distribution plan of 2023 was considered and approved at the 2023 annual general meeting convened on 28 June 2024, pursuant to which a cash dividend of RMB0.05 (tax inclusive) per share was distributed to all shareholder in July 2024, and the total cash dividend distributed amounted to RMB42,985,500.00 (tax inclusive) calculated based on the total number of share capital, being 859,710,000.00 shares.

The profit distribution plan of 2024 was considered and approved at the 2024 annual general meeting convened on 27 June 2025, pursuant to which a cash dividend of RMB0.04 (tax inclusive) per share was distributed to all shareholder in July 2025, and the total cash dividend distributed amounted to RMB34,388,400.00 (tax inclusive) calculated based on the total number of share capital, being 859,710,000.00 shares.

35. 未分配利潤(續)

2023年度利潤分配已經2024年6月28日召開的2023年度股東大會審議通過，以總股本859,710,000.00股為基數，向全體股東每股派發現金紅利人民幣0.05元(含稅)，共派發現金紅利人民幣42,985,500.00元(含稅)，已於2024年7月分派實施。

2024年度利潤分配已經2025年6月27日召開的2024年度股東大會審議通過，以總股本859,710,000.00股為基數，向全體股東每股派發現金紅利人民幣0.04元(含稅)，共派發現金紅利人民幣34,388,400.00元(含稅)，已於2025年7月分派實施。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

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財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

36. Operating revenue and operating cost

36. 營業收入、營業成本

(1) Particulars of operating revenue and operating costs

(1) 營業收入和營業成本情況

Items	項目	Amount incurred in the current year		Amount incurred in the previous year	
		Revenue	Cost	Revenue	Cost
		收入	成本	收入	成本
Principal operations	主營業務	1,225,255,179.03	815,178,955.81	1,313,028,070.00	854,938,120.22
Other operations	其他業務	11,521,518.61	8,091,564.67	17,238,836.09	12,511,830.85
Total	合計	1,236,776,697.64	823,270,520.48	1,330,266,906.09	867,449,951.07

(2) Particulars of revenue from contracts

(2) 合同產生的收入的情況

Categories of contract	合同分類	Incurring revenue amount for the current year
		本年收入發生額
Classification by type of goods	按商品類型分類	1,236,776,697.64
Including: Water supply business	其中：供水業務	406,694,651.49
Wastewater treatment business	污水處理業務	715,118,359.23
Engineering business	工程業務	103,442,168.31
Others	其他	11,521,518.61
Classification by business area	按經營地區分類	1,236,776,697.64
Including: Inside Sichuan Province	其中：四川省內	1,236,776,697.64
Outside Sichuan Province	四川省外	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

36. Operating revenue and operating cost (Continued)

36. 營業收入、營業成本(續)

(3) Information related to the performance of contractual obligations

Revenue from the sale of tap water is recognized when the Group transmits tap water to customers and the customers have accepted the tap water at the relevant rates, and is subject to regulation and periodic review by local government authorities, and the recoverability of the related receivables is reasonably assured. According to the relevant water supply contracts and franchising agreements, the Group shall provide customers with tap water that meets the quality requirements for tap water supply as stipulated by the relevant government authorities. Payment of the transaction price for tap water sales is made when the customer accepts the tap water and settlement is normally made within one month in accordance with the relevant sales agreement, with some customers paying in advance.

(3) 與履約義務相關的信息

自來水銷售收入在本集團向客戶傳輸自來水且客戶已按相關費率接受自來水時確認，並受地方政府機關監管及定期審查，相關應收款的可收回性有合理保證。根據相關自來水供應合同及特許經營協議，本集團須向用戶提供符合有關政府部門規定的自來水供應質量要求的自來水。自來水銷售交易價格的支付在客戶接受自來水且通常根據相關銷售協議在一個月內結算時完成，部分客戶會提前支付。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

36. Operating revenue and operating cost (Continued)

36. 營業收入、營業成本(續)

(3) Information related to the performance of contractual obligations (Continued)

Revenues from waste water treatment operation services are recognized at the point of wastewater treatment and are based on monthly wastewater treatment readings at the relevant rates, which are regulated by the local government and reviewed periodically, and the collectability of the related receivables is reasonably assured. Where the service franchising arrangement guarantees the Group's minimum wastewater treatment capacity, the Group recognizes revenue from wastewater treatment operation services based on the higher of the actual wastewater treatment capacity and the guaranteed minimum wastewater treatment capacity, less the amount attributable to the guaranteed minimum wastewater treatment capacity. According to the relevant franchising agreement, the Group shall ensure that the treated wastewater complies with the pollutant discharge standards stipulated by the relevant government authorities. Payment of the transaction price for wastewater treatment operations services is subject to a three-month credit period following treatment and is typically completed upon settlement within three to six months following treatment.

(3) 與履約義務相關的信息(續)

污水處理營運服務收入在污水處理時點確認，按每月污水處理量讀數按相關費率確認，地方政府對此加以規範並進行定期審查，相關應收款的可收回性有合理保證。服務特許經營安排保證集團最低污水處理量之情況下，本集團根據實際污水處理量和保證最低污水處理量中的較高者扣除屬於保證最低污水處理量的數額，確認污水處理營運服務收入。根據相關特許經營協議，本集團須確保所處理的污水符合相關政府部門規定的污染物排放標準。污水處理運營服務交易價格的支付在污水處理後有三個月信用期，且通常在污水處理後三到六月內結算完成。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

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財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

36. Operating revenue and operating cost (Continued)

36. 營業收入、營業成本(續)

(3) Information related to the performance of contractual obligations (Continued)

Revenues from the provision of installation services are derived from fixed-price contracts with customers, such as real estate developers and water customers. This type of contract is signed prior to the commencement of services. Under the terms of the contract, the Group is required to perform installation services at the customer's specific location. Before the implementation of network connection of tap water, customers are unable to obtain and consume the economic benefits brought by the Company's performance while fulfilling the contract of Xinglu Water; it is also impossible to control the goods or services under construction during the performance process, so the revenue is recognized at the point of completion and acceptance. These construction contracts include payment schedules that require milestone payments during installation once certain specified milestones have been reached, and typically require the customer to make advance payments prior to the commencement of installation services and incur contractual liabilities until revenue recognition for a particular contract exceeds its advance deposit. According to the relevant agreements with customers, the Group shall provide repair services in case of quality problems. Contract assets, net of contract liabilities relating to the same contract, are recognised in the period in which the installation services are performed and represent the Group's rights to receive remuneration for the services as they depend on the Group's future performance in the specified phase of the contract. When such right becomes unconditional and the occurrence of payment is subject only to the passage of time, the contract asset is transferred to a trade receivable.

(3) 與履約義務相關的信息(續)

提供安裝服務的收入來自與客戶簽訂的固定價格合同，例如房地產商和自來水用戶。此類合同在開始提供服務前簽訂。根據合同條款，本集團需在客戶特定地點履行安裝服務，在未實現自來水入網通水前，客戶無法在與瀘水務履約的同時即取得並消耗公司履約所帶來的經濟利益；也無法控制履約過程中在建的商品或服務，因此於完工並通過竣工驗收時點確認收入。這些建築合同包括付款安排表，一旦達到某些特定的階段，就需要在安裝期間進行階段付款，且通常要求客戶在安裝服務開始前提前付款，會產生合同負債直到某一合同的收入確認超過其預存款。根據與客戶簽訂的相關協議，如有質量問題本集團須提供維修服務。合同資產(扣除與同一合同有關的合同負債)於進行安裝服務的期間確認，代表本集團獲得服務報酬的權利，因為該等權利取決於本集團未來履行合同中指定階段的表現。當這種權利成為無條件時，支付的發生只受時間因素的影響，則合同資產轉為應收款。

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

36. Operating revenue and operating cost (Continued)

36. 營業收入、營業成本(續)

(3) Information related to the performance of contractual obligations (Continued)

(3) 與履約義務相關的信息(續)

As at 31 December 2025, the total transaction price allocated by the Group to the remaining performance obligations (unsatisfied or partially unsatisfied) of the installation services amounted to RMB29,204,700 (2024: RMB22,606,800) (including tax), which will be recognised as revenue in the next one to two years.

截至2025年12月31日，集團分配給安裝服務剩餘履約義務（未滿足或部分未滿足）的交易價格總額為2,920.47萬元（2024年為2,260.68萬元）（含稅），將於未來一到兩年內確認為收入。

37. Taxes and surcharges

37. 稅金及附加

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Water resource tax	水資源稅	16,921,009.39	16,510,933.36
City maintenance and construction tax	城市維護建設稅	1,490,625.80	1,526,128.85
Educational surcharges	教育費附加	713,102.12	719,368.89
Local educational surcharges	地方教育費附加	475,401.40	479,579.41
Real estate tax	房產稅	8,155,056.64	6,082,139.26
Land use tax	土地使用稅	8,095,942.20	7,695,408.82
Stamp tax	印花稅	207,659.32	380,796.94
Others	其他	297,805.63	420,719.15
Total	合計	36,356,602.50	33,815,074.68

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

38. Cost of sales

38. 銷售費用

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Employee compensation	職工薪酬	15,298,285.84	16,121,456.02
Labor costs	勞務費用	4,836,248.29	4,750,104.42
Depreciation and amortisation	折舊及攤銷	179,871.14	234,411.43
Office expenses	辦公費	1,536,939.79	1,597,662.63
Others	其他	1,083,442.33	1,523,329.58
Total	合計	22,934,787.39	24,226,964.08

39. Management expenses

39. 管理費用

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Employee compensation	職工薪酬	78,847,654.65	80,602,114.13
Labor costs	勞務費用	1,495,675.27	2,975,601.43
Business entertainment expenses	業務招待費	560,253.32	1,334,149.24
Travel expenses	差旅費	512,485.13	753,678.52
Office expenses	辦公費	1,815,239.42	2,548,349.13
Promotion costs	宣傳費	441,599.91	871,016.80
Depreciation and amortisation	折舊及攤銷	5,930,105.66	5,239,456.99
Intermediary organ fees	中介機構費	5,558,764.05	6,028,345.31
<i>Of which: Audit fees for listed companies</i>	<i>其中：上市公司審計費</i>	1,868,000.00	2,380,000.00
Others	其他	10,482,616.80	7,008,246.84
Total	合計	105,644,394.21	107,360,958.39

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

40. Finance costs

40. 財務費用

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Interest expenses	利息費用	90,332,866.40	88,937,953.75
Less: Interest incomes	減：利息收入	3,980,164.68	3,551,006.63
Add: Foreign exchange losses	加：匯兌損失	93,659.54	222,755.80
Add: Interest expense on lease liabilities	加：租賃負債利息費用	-2,881.69	
Add: Other expenses	加：其他支出	197,401.42	270,713.91
Total	合計	86,640,880.99	85,880,416.83

41. Other revenue

41. 其他收益

(1) Breakdown of other income

(1) 其他收益明細

Source of other revenue	產生其他收益的來源	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Tax deduction	稅費減免	3,963,360.38	3,413,558.45
Government grants transferred from deferred income	遞延收益轉入的政府補助	27,031,392.82	27,341,681.76
Others government grants related to general activities	其他與日常活動相關的 政府補貼	14,410,424.06	18,460,444.23
Total	合計	45,405,177.26	49,215,684.44

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

41. Other revenue (Continued)

41. 其他收益(續)

(2) Breakdown of government grants

(2) 政府補助明細

Items	項目	In the current year 本年	In the previous year 上年	Sources and basis 來源和依據	Related to assets/ related to revenue 與資產相關/ 與收益相關
Total direct included amount	直接計入合計	18,373,784.44	21,874,002.68		
Including:	其中：				
Tax reduction	稅費減免	3,963,518.54	3,413,558.45		Related to revenue 與收益相關
Incremental grant for sludge disposal cost	污泥處置增量成本補助款	13,776,600.00	17,622,800.00	Note 1 註1	Related to revenue 與收益相關
Other petty grants	其他零星補助	633,665.90	837,644.23		Related to revenue 與收益相關
Transfer from deferred income	遞延收益轉入	27,031,392.82	27,341,681.76		
Including:	其中：				
Compensation for the occupation and relocation of certain water supply assets in Zhangwan Industrial Park	張灣工業園區部分給水管資產佔用搬遷補償	91,109.39	91,109.39		Related to revenue 與收益相關
Construction fund grant for Erdaoxi Project (Phase III)	二道溪三期項目建設資金補助	1,290,063.24	1,290,063.24		Related to revenue 與收益相關
Grants for external pipeline networks of Yaerdang Wastewater Treatment Plant	鴨兒沱污水處理廠廠外管網補助	1,376,276.04	1,376,276.04		Related to revenue 與收益相關
Grant for the internal technological transformation of Yaerdang Wastewater Treatment Plant	鴨兒沱污水處理廠廠內技改補助	475,325.16	475,325.16		Related to revenue 與收益相關
Government grants for upgrading and expanding the capacity of Yaerdang	鴨兒沱提升擴容政府補助	3,883,040.04	3,883,040.04		Related to revenue 與收益相關
Construction fund grant for Erdaoxi Wastewater Treatment Plant	二道溪污水處理廠建設資金補助	1,875,153.36	1,875,153.36		Related to revenue 與收益相關

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

41. Other revenue (Continued)

41. 其他收益(續)

(2) Breakdown of government grants (Continued)

(2) 政府補助明細(續)

Items	項目	In the current year 本年	In the previous year 上年	Sources and basis 來源和依據	Related to assets/ related to revenue 與資產相關/ 與收益相關
Construction fund grant for Erdaoxi Project (Phase II)	二道溪二期項目建設資金補助	1,850,370.72	1,850,370.72		Related to revenue 與收益相關
Central fund grant for Naxi Project (Phase III)	納溪三期中央資金補助	564,466.68	564,466.68		Related to revenue 與收益相關
Subsidy for Urban Water Supply Network Project	城市供水管網工程補助	954,376.03	1,264,664.97		Related to revenue 與收益相關
Jiangnan Shawan land compensation	江南沙灣土地補償	391,180.76	391,180.76		Related to revenue 與收益相關
Grant for Luzhou City Urban Area Household Meter Renovation Project (Phase I)	瀘州市主城區自來水戶表改造工程(一期)補助	13,655,031.36	13,655,031.36		Related to revenue 與收益相關
Grant for the construction of water supply facilities in poor counties and counties with severe water shortage	貧困縣及嚴重缺水縣城供水設施建設補助	400,000.00	400,000.00		Related to revenue 與收益相關
Land compensation for Qiancao No. 2 Water Treatment Plant	茜草二水廠土地補償款	175,000.00	175,000.00		Related to revenue 與收益相關
Special subsidy funds for the preliminary work of the Chengnan Project (Phase II)	城南二期項目前期工作專項補助資金	50,000.04	50,000.04		Related to revenue 與收益相關
Total	合計	45,405,177.26	49,215,684.44		

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

41. Other revenue (Continued)

(2) Breakdown of government grants (Continued)

Note 1: According to the Document Processing Memorandum of the Luzhou Municipal People's Government Office in 2017 and the Reply Opinions of the Luzhou Municipal Finance Bureau on the Appropriation of a Special Subsidy for Incremental Sludge Treatment (L.S.C.Z.H [2018] No. 192), it was determined that the incremental disposal cost receivable by Xinglu Wastewater for the current period was RMB21.1948 million, and a subsidy of 65% of such determined amount, i.e., RMB13.7766 million, shall be granted.

41. 其他收益(續)

(2) 政府補助明細(續)

註1：根據2017年瀘州市人民政府辦公室收文處理箋及瀘州市財政局關於撥付新增污泥處理專項補助的回覆意見（瀘市財綜合[2018]192號），核定興瀘污水本期應收到的處置增量成本為2,119.48萬元，並按該核定金額的65%予以補貼，即1,377.66萬元。

42. Income from investment

42. 投資收益

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Income from long-term equity investments accounted under the equity method	權益法核算的長期股權投資收益		
Investment income from disposal of long-term equity investments	處置長期股權投資產生的投資收益	-25,544.85	5,157,990.81
Total	合計	-25,544.85	5,157,990.81

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

43. Impairment loss on credit

43. 信用減值損失

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Loss of bad debts of accounts receivable	應收賬款壞賬損失	-44,919,539.28	-35,810,094.07
Loss of bad debts of other receivables	其他應收款壞賬損失	-8,520,716.57	-5,767,861.67
Total	合計	-53,440,255.85	-41,577,955.74

44. Gains on disposal of assets

44. 資產處置收益

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Gains on disposal of fixed assets	固定資產處置收益	-177,690.45	1,897,894.04

45. Non-operating revenue

45. 營業外收入

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Gain from the damage and retirement of on-current assets	非流動資產毀損報廢利得	13,297.93	2,371.08
Penalty income	罰款收入	197,700.00	76,940.74
Default compensation income	違約賠償收入	2,358,840.81	2,179,410.79
Others	其他	116,263.41	75,595.30
Total	合計	2,686,102.15	2,334,317.91

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

46. Non-operating expense

46. 營業外支出

Items	項目	Amount incurred in the current year 本年金額	Amount incurred in the previous year 上年金額
Loss on damage and retirement of non-current assets	非流動資產毀損報廢損失	11,227.32	51,644.77
Public donation expenses	公益性捐贈支出	30,800.00	63,000.00
Fines and other compensation expenses	罰款及其他賠償支出	1,006,412.64	99,623.80
Overdue fine	滯納金	721,364.62	208,853.02
Others	其他	19,740.56	273,119.33
Total	合計	1,789,545.14	696,240.92

47. Income tax expense

47. 所得稅費用

(1) Income tax expense

(1) 所得稅費用

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Current income tax expense calculated in accordance with the Tax Law and related regulations	按稅法及相關規定計算的 當期所得稅費用	45,473,740.41	43,851,781.55
Deferred income tax expense	遞延所得稅費用	-7,147,598.11	-5,921,736.06
Total	合計	38,326,142.30	37,930,045.49

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

47. Income tax expense (Continued)

47. 所得稅費用(續)

(2) Adjustment process of accounting profit and income tax expenses

(2) 會計利潤與所得稅費用調整過程

Items	項目	Amount incurred in the current year 本年發生額
Total consolidated profits for the current year	本年合併利潤總額	154,587,755.19
Income tax expense calculated at statutory/ applicable tax rates	按法定／適用稅率計算的所得稅費用	23,188,163.28
Effect of application of different tax rate to subsidiaries	子公司適用不同稅率的影響	-73,751.48
Adjustment to income tax in previous period	調整以前期間所得稅的影響	2,732,615.43
Effect of non-taxable income	非應稅收入的影響	-8,449,455.45
Effect of non-deductible cost, expense and loss	不可抵扣的成本、費用和損失的影響	11,008,691.99
Effect of utilization of deductible losses unrecognized as deferred tax assets in previous period	使用前期未確認遞延所得稅資產的可抵扣虧 損的影響	
Effect of deductible temporary difference or deductible loss unrecognized as deferred tax assets in the current year	本年未確認遞延所得稅資產的可抵扣暫時性 差異或可抵扣虧損的影響	9,173,415.60
Change in the opening balance of deferred income tax assets/liabilities due to tax rate adjustment	稅率調整導致期初遞延所得稅資產／負債餘 額的變化	746,462.93
Others	其他	
Income tax expense	所得稅費用	38,326,142.30

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

48. Items of cash flow statement

48. 現金流量表項目

(1) Cash related to operating activities

(1) 與經營活動有關的現金

① Other cash received related to operating activities

① 收到的其他與經營活動有關的現金

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Funds received in relation to government grants	收到政府相關款項	33,597,694.21	73,847,226.05
Provisional receipts and advances	暫收與代墊款項	1,699,017.13	13,837,912.64
Collateral	保證金	9,034,378.85	26,879,478.34
Bank interest income	銀行利息收入	3,567,223.34	3,279,065.58
Others	其他	4,027,528.81	3,479,942.33
Total	合計	51,925,842.34	121,323,624.94

② Other cash paid related to operating activities

② 支付的其他與經營活動有關的現金

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Collateral	保證金	18,941,972.37	14,847,160.02
Advances	代墊款	3,107,289.86	316,876.60
Brokerage fee	中介費	5,098,567.68	5,233,616.07
Property management fee	物管費	4,924,684.49	3,925,952.00
Office expenses	辦公費	1,605,471.68	1,978,809.26
Telecommunication fees	通訊費	738,756.64	1,370,683.19
Others	其他	12,436,457.73	18,047,344.62
Total	合計	46,853,200.45	45,720,441.76

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

48. Items of cash flow statement (Continued)

48. 現金流量表項目(續)

(2) Cash related to financing activities

(2) 與籌資活動有關的現金

① Other cash receipt related to financing activities

① 收到的其他與籌資活動有關的現金

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Loans received from a minority shareholder	收到少數股東借款	210,000.00	3,150,000.00
Total	合計	210,000.00	3,150,000.00

② Other cash payments related to financing activities

② 支付的其他與籌資活動有關的現金

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Repayment of borrowings from Shuanggang Industrial Investment Development Co., Ltd.	歸還雙港實業投資發展有限公司借款	2,765,042.54	
Total	合計	2,765,042.54	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

49. Supplementary information to cash flows statement

49. 現金流量表補充資料

Items	項目	Amount incurred in the current year 本年金額	Amount incurred in the previous year 上年金額
1. Reconciliation of net profit to cash flows from operating activities:	1.將淨利潤調節為經營活動現金流量：		
Net profit	淨利潤	116,261,612.89	189,935,186.09
More: Impairment losses on assets	加：資產減值損失		
Impairment loss on credit	信用減值損失	53,440,255.85	41,577,955.74
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	固定資產折舊、油氣資產折耗、生產性生物資產折舊		
		280,606,483.36	275,349,988.40
Depreciation of right-of-use assets	使用權資產折舊	38,087.06	36,791.96
Amortization of intangible assets	無形資產攤銷	68,717,579.67	63,664,788.76
Amortization of long-term prepaid expenses	長期待攤費用攤銷	31,404,474.53	29,126,199.43
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain denoted in "-")	處置固定資產、無形資產和其他長期資產的損失(收益以「-」填列)	177,690.45	-1,897,894.04
Loss on retirement of fixed assets (gain denoted in "-")	固定資產報廢損失(收益以「-」填列)	-2,070.61	49,273.69
Loss on change in fair value (gain denoted in "-")	公允價值變動損失(收益以「-」填列)		
Financial expenses (gain denoted in "-")	財務費用(收益以「-」填列)	90,332,866.40	88,937,953.75
Investment loss (gain denoted in "-")	投資損失(收益以「-」填列)	25,544.85	-5,157,990.81
Decrease in deferred tax assets (increase denoted in "-")	遞延所得稅資產的減少(增加以「-」填列)	-6,770,780.97	-5,576,322.87

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

49. Supplementary information to cash flows statement (Continued)

49. 現金流量表補充資料(續)

Items	項目	Amount incurred in the current year 本年金額	Amount incurred in the previous year 上年金額
Increase in deferred tax liabilities (decrease denoted in "-")	遞延所得稅負債的增加(減少以「-」填列)	-376,817.14	-345,413.19
Decrease in inventories (increase denoted in "-")	存貨的減少(增加以「-」填列)	-2,847,329.28	4,356,436.56
Decrease in operating receivables (increase denoted in "-")	經營性應收項目的減少(增加以「-」填列)	-71,378,242.61	-109,220,334.82
Increase in operating payables (decrease denoted in "-")	經營性應付項目的增加(減少以「-」填列)	3,569,080.99	-34,583,929.75
Others	其他		
Net cash flows from operating activities	經營活動產生的現金流量淨額	563,198,435.44	536,252,688.90
2. Net movement in cash and cash equivalents:	2. 現金及現金等價物淨變動情況：		
Closing balance of cash	現金的年末餘額	605,985,936.27	447,179,187.90
Less: Opening balance of cash	減：現金的年初餘額	447,179,187.90	390,501,126.99
More: Closing balance of cash equivalents	加：現金等價物的年末餘額		
Less: Opening balance of cash equivalents	減：現金等價物的年初餘額		
Net increase in cash and cash equivalents	現金及現金等價物淨增加額	158,806,748.37	56,678,060.91

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

49. Supplementary information to cash flows statement (Continued)

49. 現金流量表補充資料(續)

(1) Cash and cash equivalents

(1) 現金和現金等價物

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Cash	現金	605,983,936.27	447,177,187.90
Including: Cash on hand	其中：庫存現金		153.67
Bank deposits that are readily available for payment	可隨時用於支付的銀行存款	605,983,936.27	447,177,034.23
Other monetary capitals that are readily available for payment	可隨時用於支付的其他貨幣資金		
Cash equivalents	現金等價物		
Including: Bond investments due within three months	其中：三個月內到期的債券投資		
Closing balance of cash and cash equivalents	年末現金和現金等價物餘額	605,983,936.27	447,177,187.90

50. Assets with limited ownership or use rights

50. 所有權或使用權受到限制的資產

Items 項目	Closing book value 年末賬面價值	Reason for limitation 受限原因
Monetary funds 貨幣資金	2,000.00	ETC collateral, business freezes ETC保證金、業務凍結
Intangible Assets 無形資產	619,565,048.84	Loans pledged with the right to charge water and wastewater treatment fees—Note (1)/(3)/(4)/(5) 以自來水收費權及污水處理費收費權質押貸款—註(1)/(3)/(4)/(5)
Long-term equity investment in the parent company 母公司長期股權投資	117,000,000.00	Loans pledged with the equity of Fanxing Environmental to guarantee the Company's bank loans—Note (2) 以所持繁星環保股權為本公司銀行貸款提供質押擔保—註(2)
Total 合計	736,567,048.84	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

50. Assets with limited ownership or use rights (Continued)

50. 所有權或使用權受到限制的資產(續)

- (1) On 25 April 2018, the Company and Luzhou Rural Commercial Bank Co., Ltd. executed a loan contract in the amount of RMB207 million, which was used for the construction of water supply infrastructure in Jiangyang District, Luzhou City. The loan has a term of 9 years and is secured by the right to charge for the whole area safe water supply project in Jiangyang District, Luzhou City.
- (2) On 16 August 2019, the Company executed a loan contract with Industrial and Commercial Bank of China Limited, Luzhou Branch in the amount of RMB70 million for the repayment of the previous merger and acquisition transactions paid with its own working capital. The loan period is 7 years, with joint and several liability guarantee provided by Luzhou Xinglu Wastewater Treatment Co., Ltd. At the same time, Water Headquarters uses 92.5% equity interest in Luzhou Fanxing Environmental Development Co., Ltd. as a pledge guarantee.
- (3) On 17 July 2020, Chengdu Qingbaijiang Xinglu Water Co., Ltd. and Industrial and Commercial Bank of China Limited Qingbaijiang Sub-Branch executed a fixed asset loan contract in the amount of RMB138.8 million, the purpose of the loan under this contract is for the project construction of "European Industrial City Wastewater Purification Plant Project PPP", the term of the loan under this contract is 15 years. Qingbaijiang Water uses the income receivable from the "European Industrial City Wastewater Treatment Plant Project PPP" of Xinglu Water as a pledge guarantee for the next 15 years.

- (1) 本公司於2018年4月25日和瀘州農村商業銀行股份有限公司簽立金額為人民幣20,700萬元借款合同，用於瀘州市江陽區城鎮供水基礎設施建設。借款期限9年，以瀘州市江陽區全域安全供水項目收費權作為質押。
- (2) 本公司於2019年8月16日和中國工商銀行股份有限公司瀘州分行簽立金額為人民幣7,000萬元並購借款合同，用於歸還前期用自有營運資金支付的並購交易款。借款期限7年，由瀘州市興瀘污水處理有限公司提供連帶責任擔保，同時水務本部將其持有的瀘州市繁星環保發展有限公司92.5%的股權提供質押擔保。
- (3) 2020年7月17日，成都市青白江興瀘水務有限公司與中國工商銀行股份有限公司青白江支行簽訂金額為13880萬元的固定資產借款合同，本合同項下借款用途為：「歐洲產業城污水淨化廠工程PPP項目」項目建設，本合同項下的借款期限為15年，青白江水務以興瀘水務「歐洲產業城污水淨化廠工程PPP項目」未來15年的應收污水處理服務費等收入作為質押擔保。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

50. Assets with limited ownership or use rights (Continued)

50. 所有權或使用權受到限制的資產(續)

- (4) On 18 January 2021, Dechang County Xinglu Water Co., Ltd. and Dechang Sub-branch of Liangshan Rural Commercial Bank Co., Ltd. entered into a project fixed assets loan agreement in the amount of RMB50 million. The loan is used for the "Wastewater Treatment Plant and Supporting Pipeline Network (Phase I) Project" under the Dechang County Industrial Concentration Zone Wastewater Treatment and Infrastructure Construction PPP Project, with a loan term of 15 years. Dechang Water Company pledged the full-cycle government viability gap funding, user fee income and operation and maintenance service fee income up to December 2035 under the Dechang County Industrial Concentration Zone Wastewater Treatment and Infrastructure Construction PPP Project Contract as collateral, and the Water Headquarters assumed joint and several liability for the guarantee.
- (5) On 28 December 2023, Leshan Jingyan Xinglu Sewage Treatment Co., Ltd. and Leshan Branch of Industrial and Commercial Bank of China Limited entered into a fixed assets loan agreement in the amount of RMB80 million. The loan is used to pay the transfer fee for the concession right of the Jingyan County Second Sewage Treatment Plant Concession Project, with a loan term of 15 years. The concession right of the Jingyan Second Sewage Treatment Plant is pledged as collateral.

- (4) 2021年1月18日，德昌縣興瀘水務公司和涼山農村商業銀行股份有限公司德昌支行簽立金額為人民幣5000萬元項目固定資產借款合同，本借款用於德昌縣工業集中區污水處理暨基礎設施建設PPP項目「污水處理廠及配套管網（一期）工程」，借款期限15年，德昌水務公司以《德昌縣工業集中區污水處理暨基礎設施建設PPP項目合同》項下至2035年12月全周期政府可行性缺口補貼收入、使用者付費收入、運營維護服務費收入作為質押，由水務本部承擔連帶保證責任。
- (5) 2023年12月28日，樂山井研興瀘污水處理有限公司和中國工商銀行股份有限公司樂山分行簽立金額為人民幣8000萬元固定資產借款合同，本借款用於支付井研縣第二污水處理廠特許經營項目特許經營權轉讓費用。借款期限15年，以井研二污特許經營權作為質押。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF MAJOR ITEMS (Continued)

五、合併財務報表主要項目註釋(續)

51. Monetary items in foreign currencies

51. 外幣貨幣性項目

Items	項目	Closing balance of foreign currency	Translation rate	Closing balance translated to RMB
		年末外幣餘額	折算匯率	年末折算 人民幣餘額
Monetary funds	貨幣資金			
Including: HKD	其中：港幣	1,395,020.23	0.90322	1,260,010.17

VI. CHANGE IN SCOPE OF CONSOLIDATION

六、合併範圍的變化

Compared with the previous year, the Group had one fewer subsidiary this year, namely Litang Water. In accordance with the requirements of the Reply on Approving the Termination of the Sichuan Province Garzê Prefecture Litang County Sewage Treatment (PPP) Project Contract (L.F.H [2024] No. 189) issued by the Litang County People's Government and the resolution of the 24th meeting of the Second Board of Directors of Xinglu Water Group, the shareholders' meeting of Litang Company adopted at its first meeting of 2025 the resolution to "consider and approve the proposal on the termination of cooperation under the Sichuan Province Garzê Prefecture Litang County Sewage Treatment (PPP) Project, agree to terminate the implementation of the said project, and liquidate and deregister the company in accordance with relevant regulations". At the second shareholders' meeting of Litang Company in 2025, a resolution was passed to "consider and approve the proposal on the dissolution of Litang County Xinglu Water Co., Ltd.". On 23 December 2025, the subsidiary Litang County Xinglu Water Co., Ltd. completed its deregistration.

本年較上年相比減少1子公司，即理塘水務。子公司理塘縣興瀘水務有限公司按照理塘縣人民政府出具《關於同意〈理塘縣住房和城鄉建設局關於終止四川省甘孜州理塘縣污水處理(PPP)項目合同〉的批覆》(理府函[2024]189號)和興瀘水務集團第二屆董事會第二十四次會議決議的要求。理塘公司股東會2025年第1次會議決議「審議通過《關於審議四川省甘孜州理塘縣污水處理(PPP)項目終止合作的議案》，同意終止實施四川省甘孜州理塘縣污水處理(PPP)項目，並按有關規定清算註銷公司」。理塘公司股東會2025年第2次會議決議「審議通過《關於審議解散理塘縣興瀘水務有限公司的議案》，於2025年12月23日，子公司理塘縣興瀘水務有限公司完成註銷。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

VII. INTERESTS IN OTHER ENTITIES

七、在其他主體中的權益

1. Interests in subsidiaries

1. 在子公司中的權益

(1) Composition of enterprise group

(1) 企業集團的構成

	Name of principal		Category of	Registered capital			
Name of subsidiary	business place	Place of registration	legal person	(RMB10,000)	Nature of business	Shareholding ratio (%)	Method for acquisition
子公司名稱	主要經營地	註冊地	法人類別	註冊資本(萬元)	業務性質	持股比例(%)	取得方式
						Direct 直接	Indirect 間接
Hejiang Water	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	11,693.95	Water supply	79.83	Business combination not under common control
合江水業	四川瀘州	四川瀘州	有限責任公司		供水		非同一控制下企業合併
Nanjiao Water	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	976.60	Water supply	99.53	Business combination not under common control
南郊水業	四川瀘州	四川瀘州	有限責任公司		供水		非同一控制下企業合併
Beijiao Water	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	4,390.94	Water supply	98.41	Business combination not under common control
北郊水業	四川瀘州	四川瀘州	有限責任公司		供水		非同一控制下企業合併
Sitong Engineering	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	4,001.00	Construction work	100.00	Business combination not under common control
四通工程	四川瀘州	四川瀘州	有限責任公司		工程施工		非同一控制下企業合併
Zhihui Technology	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	500.00	R&D and sales of software		35.00 Establishment
智慧科技	四川瀘州	四川瀘州	有限責任公司		軟件研發銷售		設立
Sitong Design	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	50.00	Technology services	99.82	Business combination not under common control
四通設計	四川瀘州	四川瀘州	有限責任公司		技術服務		非同一控制下企業合併
Weiyuan Water	Neijiang, Sichuan	Neijiang, Sichuan	Limited liability company	2,260.00	Water supply	60.00	Business combination not under common control
威遠水務	四川內江	四川內江	有限責任公司		供水		非同一控制下企業合併
Xingxu Water	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	1,000.00	Water supply	60.00	Establishment
興敘水業	四川瀘州	四川瀘州	有限責任公司		供水		設立
Xinglu Wastewater	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	26,840.82	Wastewater treatment	98.00	Transfer
興瀘污水	四川瀘州	四川瀘州	有限責任公司		污水處理		劃撥
Xinghe Water Governance	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	6,000.00	Wastewater treatment		51.00 Establishment
興合水環境	四川瀘州	四川瀘州	有限責任公司		污水處理		設立
Fanxing Environmental	Luzhou, Sichuan	Luzhou, Sichuan	Limited liability company	11,994.64	Wastewater treatment	92.50	Business combination not under common control
繁星環保	四川瀘州	四川瀘州	有限責任公司		污水處理		非同一控制下企業合併

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

VII. INTERESTS IN OTHER ENTITIES (Continued)

七、在其他主體中的權益(續)

1. Interests in subsidiaries (Continued)

1. 在子公司中的權益(續)

(1) Composition of enterprise group (Continued)

(1) 企業集團的構成(續)

Name of subsidiary	Name of principal business place	Place of registration	Category of legal person	Registered capital (RMB10,000)	Nature of business	Shareholding ratio (%)	Method for acquisition
子公司名稱	主要經營地	註冊地	法人類別	註冊資本(萬元)	業務性質	持股比例(%)	取得方式
						Direct 直接	Indirect 間接
Yongxing Water Governance 永星水環境	Luzhou, Sichuan 四川瀘州	Luzhou, Sichuan 四川瀘州	Limited liability company 有限責任公司	1,000.00	Wastewater treatment 污水處理	55.00	Establishment 設立
Xingjia Environmental 興嘉環保	Leshan, Sichuan 四川樂山	Leshan, Sichuan 四川樂山	Limited liability company 有限責任公司	3,840.41	Wastewater treatment 污水處理	95.00	Establishment 設立
Leibo Water 雷波水務	Liangshan, Sichuan 四川涼山	Liangshan, Sichuan 四川涼山	Limited liability company 有限責任公司	6,000.00	Water supply 供水	50.98	Establishment 設立
Dechang Water 德昌水務	Liangshan, Sichuan 四川涼山	Liangshan, Sichuan 四川涼山	Limited liability company 有限責任公司	1,773.91	Water supply 供水	88.00	Establishment 設立
Qingbaijiang Water 青白江水務	Chengdu, Sichuan 四川成都	Chengdu, Sichuan 四川成都	Limited liability company 有限責任公司	3,471.14	Water supply 供水	99.90	Establishment 設立
Xinggang Environmental 興港環保	Luzhou, Sichuan 四川瀘州	Luzhou, Sichuan 四川瀘州	Limited liability company 有限責任公司	3,000.00	Wastewater treatment 污水處理	65.00	Establishment 設立
Jingyan Wastewater 井研污水	Leshan, Sichuan 四川樂山	Leshan, Sichuan 四川樂山	Limited liability company 有限責任公司	3,000.00	Wastewater treatment 污水處理	100.00	Establishment 設立
Water Quality Testing 水質檢測	Luzhou, Sichuan 四川瀘州	Luzhou, Sichuan 四川瀘州	Limited liability company 有限責任公司	300.00	Others 其他	100.00	Establishment 設立

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

VII. INTERESTS IN OTHER ENTITIES (Continued)

七、在其他主體中的權益(續)

1. Interests in subsidiaries (Continued)

1. 在子公司中的權益(續)

(1) Composition of enterprise group (Continued)

(1) 企業集團的構成(續)

* On 22 January 2020, Sitong Engineering, a wholly-owned subsidiary of Xinglu Water, established Zhihui Technology together with Jiangyang Huakong Habitat Water Supply Technology Service Co., Ltd. ("Jiangyang Huakong"), Suzhou Huakong Qingyuan System Technology Co., Ltd. ("Suzhou Huakong") and Fuzhou Beikong Zerun Holding Investment Partnership (Limited Partnership) ("Fuzhou Beikong"). Zhihui Technology has a registered capital of RMB5,000,000, of which: Sitong Engineering has contributed RMB1.7500 million to hold 35.00% equity interest in Zhihui Technology. Sitong Engineering entered into a unified action agreement with Suzhou Huakong (which holds 25% equity interest in Zhihui Technology) and Fuzhou Beikong (which holds 10% equity interest in Zhihui Technology). The agreement enables Sitong Engineering to take control of Zhihui Technology and bring it into the scope of consolidation from 2020.

* 2020年1月22日，興瀘水務的全資子公司四通工程與江陽華控人居供水技術服務有限公司（以下簡稱「江陽華控」）、蘇州華控清源系統科技股份有限公司（以下簡稱「蘇州華控」）和福州北控澤潤控股投資合夥企業（有限合夥）（以下簡稱「福州北控」）共同成立智慧科技。智慧科技註冊資本500.00萬元，其中：四通工程出資175.00萬元，持有35.00%股權；四通工程與蘇州華控（持股智慧科技25%股權）和福州北控（持股智慧科技10%股權）簽訂一致行動協議書，能夠實現對智慧科技的控制，並自2020年將其納入合併範圍。

(2) Significant non-wholly owned subsidiaries

(2) 重要的非全資子公司

Name of subsidiary	子公司名稱	Shareholding of minority shareholders (%)	Profits and losses attributed to minority shareholders in the current period	Dividends declared to minority shareholders during the current period	Balance of minority interests at the end of the period
少數股東	本期歸屬於少數股東	本期向少數股東	期末少數		
持股比例(%)	股東的損益	宣告分派的股利	股東權益餘額		
Xinglu Wastewater	興瀘污水	2.00	3,578,950.81	1,000,000.00	28,221,474.83
Xinghe Water Governance	興合水環境	49.00	99,936.38		38,852,356.70
Fanxing Environmental	繁星環保	7.50	762,366.40		15,963,061.48
Zhihui Technology	智慧科技	65.00	-23,645.51		3,907,655.85
Hejiang Water	合江水業	20.17	-2,343,486.25		39,300,984.24
Xingxu Water	興叙水業	40.00	-199,292.82		5,062,783.47
Weiyuan Water	威遠水務	40.00	6,184,070.40	4,000,000.00	55,668,288.27
Leibo Water	雷波水務	49.00	-1,038,382.04		16,148,191.84

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

VII. INTERESTS IN OTHER ENTITIES (Continued) 七、在其他主體中的權益(續)

1. Interests in subsidiaries (Continued)

(3) Key financial information of significant non-wholly owned subsidiaries

1. 在子公司中的權益(續)

(3) 重要非全資子公司的主要財務信息

Name of subsidiary	子公司名稱	Closing balance		Total assets	Non-current		Total liabilities
		Current assets	assets		liabilities	liabilities	
		流動資產	非流動資產	資產合計	流動負債	非流動負債	負債合計
Xinglu Wastewater	興瀘污水	869,691,588.82	1,913,430,280.66	2,783,121,869.48	501,988,648.84	843,717,462.48	1,345,706,111.32
Xinghe Water Governance	興合水環境	88,051,059.40	128,680,580.45	216,731,639.85	100,503,257.56		100,503,257.56
Fanxing Environmental	繁星環保	168,626,478.21	293,007,235.93	461,633,714.14	260,313,891.91	9,398,028.78	269,711,920.69
Zhihui Technology	智慧科技	8,697,220.22	336,684.40	9,033,904.62	3,022,126.40		3,022,126.40
Hejiang Water	合江水業	29,392,740.49	400,984,155.41	430,376,895.90	111,307,948.96	124,601,094.16	235,909,043.12
Xingxu Water	興叙水業	2,994,333.56	12,872,059.41	15,866,392.97	3,209,434.29		3,209,434.29
Weiyuan Water	威遠水務	77,551,618.69	109,876,435.95	187,428,054.64	32,394,862.91		32,394,862.91
Leibo Water	雷波水務	13,144,703.68	45,114,755.20	58,259,458.88	25,392,129.50	39,455.27	25,431,584.77

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

VII. INTERESTS IN OTHER ENTITIES (Continued)

七、在其他主體中的權益(續)

1. Interests in subsidiaries (Continued)

1. 在子公司中的權益(續)

(3) Key financial information of significant non-wholly owned subsidiaries (Continued)

(3) 重要非全資子公司的主要財務信息(續)

(Continued)

(續表)

Name of subsidiary	子公司名稱	Current assets 流動資產	Non-current assets 非流動資產	Opening balance 年初餘額		Non-current liabilities 非流動負債	Total liabilities 負債合計
				Total assets 資產合計	Current liabilities 流動負債		
Xinglu Wastewater	興瀘污水	741,652,308.25	1,926,233,210.24	2,667,885,518.49	403,025,482.90	946,591,817.72	1,349,617,300.62
Xinghe Water Governance	興合水環境	83,539,695.15	134,656,498.65	218,196,193.80	82,217,095.23		82,217,095.23
Fanxing Environmental	繁星環保	169,685,884.48	281,882,505.63	451,568,390.11	255,551,064.53	14,260,417.45	269,811,481.98
Zhithui Technology	智慧科技	9,656,599.69	294,702.40	9,951,302.09	3,903,146.17		3,903,146.17
Hejiang Water	合江水業	21,899,883.68	422,060,144.13	443,960,027.81	97,002,016.96	140,692,203.55	237,694,220.51
Xingxu Water	興叙水業	4,143,730.40	13,766,584.19	17,910,314.59	4,727,497.83		4,727,497.83
Weiyuan Water	威遠水務	64,732,196.31	116,586,491.20	181,318,687.51	38,965,566.30		38,965,566.30
Leibo Water	雷波水務	21,883,200.69	27,757,710.77	49,640,911.46	14,661,455.74		14,661,455.74

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

VII. INTERESTS IN OTHER ENTITIES (Continued) 七、在其他主體中的權益(續)

1. Interests in subsidiaries (Continued)

(3) Key financial information of significant non-wholly owned subsidiaries (Continued)

(Continued)

1. 在子公司中的權益(續)

(3) 重要非全資子公司的主要財務信息(續)

(續表)

		Amount incurred in the current year			
		本年發生額			
Name of subsidiary	子公司名稱	Operating income	Net profit	Total	Cash flows from
				comprehensive income	operating activities
		經營收入	淨利潤	綜合收益總額	經營活動現金流量
Xinglu Wastewater	興瀘污水	561,894,379.58	178,947,540.29	178,947,540.29	365,737,604.46
Xinghe Water Governance	興合水環境	36,110,832.45	249,283.72	249,283.72	36,894,707.18
Fanxing Environmental	繁星環保	87,529,868.65	10,164,885.32	10,164,885.32	5,626,252.86
Zhihui Technology	智慧科技	3,548,614.44	-36,377.70	-36,377.70	-169,010.09
Hejiang Water	合江水業	35,812,023.46	-11,618,672.52	-11,618,672.52	17,666,318.14
Xingxu Water	興叙水業	2,736,284.87	-498,232.04	-498,232.04	-800,476.25
Weiyuan Water	威遠水務	56,514,040.28	15,460,176.01	15,460,176.01	19,378,709.16
Leibo Water	雷波水務	7,911,228.72	-2,119,147.02	-2,119,147.02	195,837.67

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

VII. INTERESTS IN OTHER ENTITIES (Continued)

七、在其他主體中的權益(續)

1. Interests in subsidiaries (Continued)

1. 在子公司中的權益(續)

(3) Key financial information of significant non-wholly owned subsidiaries (Continued)

(3) 重要非全資子公司的主要財務信息(續)

(Continued)

(續表)

		Amount incurred in the previous year			
		上年發生額			
Name of subsidiary	子公司名稱	Operating income 經營收入	Net profit 淨利潤	Total comprehensive income 綜合收益總額	Cash flows from operating activities 經營活動現金流量
Xinglu Wastewater	興瀘污水	495,063,408.95	175,694,552.13	175,694,552.13	252,558,323.41
Xinghe Water Governance	興合水環境	37,377,845.31	2,741,983.11	2,741,983.11	21,021,378.44
Fanxing Environmental	繁星環保	104,760,828.05	13,192,025.22	13,192,025.22	7,181,074.58
Zhihui Technology	智慧科技	2,510,246.32	-191,113.90	-191,113.90	85,410.98
Hejiang Water	合江水業	45,449,042.18	-17,072,853.41	-17,072,853.41	23,570,376.58
Xingxu Water	興叙水業	5,234,502.87	372,173.77	372,173.77	1,797,582.40
Weiyuan Water	威遠水務	83,791,071.83	30,372,548.33	30,372,548.33	15,566,016.09
Leibo Water	雷波水務	7,551,160.66	-2,836,034.19	-2,836,034.19	1,682,387.42

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

VIII. GOVERNMENT GRANTS

For details, see Note V.29. Deferred income to these Financial Statements and Note V.41. Other income to these Financial Statements.

八、政府補助

詳見本財務報表附註五、29.遞延收益與本財務報表附註五、41.其他收益所述。

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS

The Group's major financial instruments include borrowings, receivables, payables, etc. For details of each financial instrument, please refer to Note V, Notes to the Key Items in the Consolidated Financial Statements. The risks associated with such financial instruments and the risk management policies adopted by the Group to mitigate such risks as stated below. The management of the Group manages and monitors such risk exposures to ensure that such risks are contained within a prescribed scope.

九、與金融工具相關風險

本集團的主要金融工具包括借款、應收款項、應付款項等，各項金融工具的詳細情況說明見本附註五、合併財務報表主要項目註釋。與這些金融工具有關的風險，以及本集團為降低這些風險所採取的風險管理政策如下所述。本集團管理層對這些風險敞口進行管理和監控以確保將上述風險控制在限定的範圍之內。

1. Objective and policies of risk management

The Group engages in risk management with the aim of achieving an appropriate balance between risk and return, where the negative effects of risks against the Group's operating results are minimised, with a view to maximise the benefits of shareholders and other stakeholders. Based on such objective of risk management, the underlying strategy of the Group's risk management is to ascertain and analyse all types of risks exposures of the Group, establish appropriate risk tolerance thresholds, carry out risk management procedures and perform risk monitoring on all kinds of risks in a timely and reliable manner, thus containing risk exposures within a prescribed scope.

1. 各類風險管理目標和政策

本集團進行風險管理的目標是在風險和收益之間取得適當的平衡，將風險對本集團經營業績的負面影響降低到最低水平，使股東及其它權益投資者的利益最大化。基於該風險管理目標，本集團風險管理的基本策略是確定和分析本集團所面臨的各種風險，建立適當的風險承受底線並進行風險管理，並及時可靠地對各種風險進行監督，將風險控制在限定的範圍之內。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS (Continued)

1. Objective and policies of risk management (Continued)

(1) Market risks

1) Interest rate risk

The Group's interest rate risk arises from interest-bearing debt such as bank borrowings. Financial liabilities with floating interest rates expose the Group to cash flow interest rate risk and financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed rate and variable rate contracts based on prevailing market conditions. As of the end of the year, the Group's interest-bearing debts were mainly RMB-denominated fixed-rate borrowing contracts and floating rate borrowing contracts, as described in the items "V.17. Short-term borrowings", "V.23. Non-current liabilities due within one year", "V.25. Long-term borrowings" and "V.27. Long-term payables" in this note.

九、與金融工具相關風險(續)

1. 各類風險管理目標和政策(續)

(1) 市場風險

1) 利率風險

本集團的利率風險產生於銀行借款等帶息債務。浮動利率的金融負債使本集團面臨現金流量利率風險，固定利率的金融負債使本集團面臨公允價值利率風險。本集團根據當時的市場環境來決定固定利率及浮動利率合同的相對比例。截止本年末，本集團的帶息債務主要為人民幣計價的固定利率借款合同和浮動利率借款合同，詳見本附註「五、17.短期借款」、「五、23.一年內到期的非流動負債」、「五、25.長期借款」、「五、27.長期應付款」項目的說明。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS (Continued)

1. Objective and policies of risk management (Continued)

(1) Market risks (Continued)

2) Price risk

The Group's revenue is calculated on the basis of the unit price agreed between the customer's actual usage or guaranteed volume and the relevant government departmental agreement and is derived from revenue from the sale of tap water and service charges for the provision of sewage treatment, etc. Although the Group is eligible to apply for unit price adjustments under the relevant agreements, government departments may exercise discretionary or restrictive powers not to increase or even to reduce the unit prices. In addition, the Group provides construction and installation services and purchases raw materials for production at market prices, which may be affected by market fluctuations.

九、與金融工具相關風險(續)

1. 各類風險管理目標和政策(續)

(1) 市場風險(續)

2) 價格風險

本集團收入按照客戶實際用量或保底量與政府部門相關協議同意的單價進行計算，來源於自來水的銷售收入及提供污水處理等收取的服務費。雖然本集團按照相關協議有資格申請對單價進行調整，但政府部門可行使酌情決定權或限制權，不上漲，甚至下調單價。此外，本集團提供建築安裝服務以及以市場價格採購生產所需原料，價格可能受到市場波動的影響。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS (Continued)

1. Objective and policies of risk management (Continued)

(2) Credit risk

As at the end of the year, the largest credit risk exposure that might induce financial loss of the Group was mainly attributable to contractual counterparty's non-performance of its obligations which could lead to losses in financial assets of the Group, particularly, the book value of financial assets recognised in the balance sheet.

In order to mitigate credit risk, the Group carried out monitoring procedures to ensure necessary measures are adopted to recover overdue debts. Besides, the Group reviews the recoverability of individual receivables at each balance sheet date, to ensure that sufficient provisions for bad debts have been made for irrecoverable amounts. As such, the management of the Group believes the credit risk assumed by the Group has been significantly reduced.

The Group places its liquidity in banks with relatively high credit ratings, therefore, the credit risk with respect to liquidity is low.

The Group's major customers are government departments and state-owned enterprises, and the Group has adopted the necessary policies to ensure that all sales customers have a good credit history and therefore the credit risk on receivables is relatively low. At the end of the year, the Group had no other significant credit risk exposure against its top five customers.

九、與金融工具相關風險(續)

1. 各類風險管理目標和政策(續)

(2) 信用風險

於本年末，可能引起本集團財務損失的最大信用風險敞口主要來自於合同另一方未能履行義務而導致本集團金融資產產生的損失，具體為資產負債表中已確認的金融資產的賬面金額。

為降低信用風險，本集團執行監控程序以確保採取必要的措施回收過期債權。此外，本集團於每個資產負債表日審核每一單項應收款的回收情況，以確保就無法回收的款項計提充分的壞賬準備。因此，本集團管理層認為本集團所承擔的信用風險已經大為降低。

本集團的流動資金存放在信用評級較高的銀行，故流動資金的信用風險較低。

本集團的主要客戶為政府部門和國有企業，同時本集團也採用了必要的政策確保所有銷售客戶均具有良好的信用記錄，故應收賬款的信用風險較低。年末，本集團針對前五名客戶並無其他重大信用風險。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS (Continued)

1. Objective and policies of risk management (Continued)

(3) Liquidity risk

Liquidity risk is the risk that the Group is unable to discharge its financial obligations when due. The Group manages its liquidity risk to ensure that it has adequate liquidity to serve the debts as they fall due, thus avoiding unacceptable loss or damage to the reputation of the Group. Analysis on liability structure and maturity is carried out on a regular basis by the Group to ensure adequate liquidity. The management of the Group monitors the utilisation of bank loans to ensure that the borrowing agreements are complied with. Meanwhile, in order to minimize liquidity risk, the Group negotiates with financial institutions to maintain certain facilities.

九、與金融工具相關風險(續)

1. 各類風險管理目標和政策(續)

(3) 流動風險

流動風險為本集團在到期日無法履行其財務義務的風險。本集團管理流動性風險的方法是確保有足夠的資金流動性來履行到期債務，而不至於造成不可接受的損失或對企業信譽造成損害。本集團定期分析負債結構和期限，以確保有充裕的資金。本集團管理層對銀行借款的使用情況進行監控並確保遵守借款協議。同時與金融機構進行融資磋商，以保持一定的授信額度，減低流動性風險。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS (Continued)

九、與金融工具相關風險(續)

1. Objective and policies of risk management (Continued)

1. 各類風險管理目標和政策(續)

(3) Liquidity risk (Continued)

(3) 流動風險(續)

An analysis of the Group's financial liabilities held at the end of the year, based on the maturity of the undiscounted residual contractual obligations, is as follows:

年末本集團持有的金融負債按未折現剩餘合同義務的到期期限分析如下：

Items	項目	Within 1 year 一年以內	1 to 2 years 一到二年	2 to 5 years 二到五年	More than 5 years 五年以上	Total 合計
Financial liabilities	金融負債					
Short-term borrowings	短期借款	483,255,473.60				483,255,473.60
Accounts payable	應付帳款	387,065,396.64				387,065,396.64
Other payables	其他應付款	215,242,349.67				215,242,349.67
Employee compensation payable	應付職工薪酬	53,642,229.18				53,642,229.18
Non-current liabilities due within one year	一年內到期的非流動負債	407,077,554.05				407,077,554.05
Long-term borrowings	長期借款	256,377,550.92	496,405,951.43	397,128,669.29	556,534,113.31	1,706,446,284.95
Long-term payables	長期應付款	130,000,000.00	31,543,900.00	81,377,402.71	1,076,179,002.66	1,319,100,305.37
Total	合計	1,932,660,554.06	527,949,851.43	478,506,072.00	1,632,713,115.97	4,571,829,593.46

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS (Continued)

九、與金融工具相關風險(續)

1. Objective and policies of risk management (Continued)

1. 各類風險管理目標和政策(續)

(3) Liquidity risk (Continued)

(3) 流動風險(續)

The financial assets held by the Group at the end of the year, analyzed by aging, are as follows:

年末本集團持有的金融資產，按照已經發生的賬齡分析如下：

Items	項目	Within 1 year 一年以內	1 to 2 years 一到二年	2 to 5 years 二到五年	More than 5 years 五年以上	Total 合計
Financial assets	金融資產					
Cash and cash equivalents	貨幣資金	605,985,936.27				605,985,936.27
Trade receivables	應收賬款	466,097,538.13	241,273,333.89	172,184,064.36	24,770,847.83	904,325,784.21
Other receivables	其他應收款	4,079,602.31	685,418.56	75,660,462.72	4,429,345.73	84,854,829.32
Total	合計	1,076,163,076.71	241,958,752.45	247,844,527.08	29,200,193.56	1,595,166,549.80

The above financial assets have no fixed maturity date and may be recovered at any time to repay debts.

以上金融資產未有固定到期日，可能隨時收回以償還債務。

2. Capital Management

2. 資本管理

The primary objective of the Group's capital management is to ensure the Group's ability to continue as a going concern and to maintain healthy capital ratios to support business development and maximize shareholder value.

本集團資本管理的主要目標是確保本集團持續經營的能力，並保持健康的資本比率，以支持業務發展並使股東價值最大化。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

IX. RISKS RELATING TO FINANCIAL INSTRUMENTS (Continued)

2. Capital Management (Continued)

The Group manages the capital structure and makes adjustment in accordance with changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the profit distribution to shareholders, return capital to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. There were no changes in capital management objectives, policies or procedures in 2025.

The Group manages capital using a leverage ratio, which is defined as the ratio of net liabilities to capital plus net liabilities. Net liabilities include all borrowings, accounts payable and other payables, net of cash at bank and on hand. Capital represents shareholders' equity and the Group's leverage ratio as at the balance sheet date is as follows:

九、與金融工具相關風險(續)

2. 資本管理(續)

本集團根據經濟形勢以及相關資產的風險特徵的變化管理資本結構並對其進行調整。為維持或調整資本結構，本集團可以調整對股東的利潤分配、向股東歸還資本或發行新股。本集團不受外部強制性資本要求約束。2025年度資本管理目標、政策或程序未發生變化。

本集團採用槓桿比率來管理資本，槓桿比率是指淨負債和資本加淨負債的比率。淨負債包括所有借款款項、應付帳款以及其他應付款等抵減貨幣資金後的淨額。資本指股東權益，本集團於資產負債表日的槓桿比率如下：

Items	項目	2025 2025年度	2024 2024年度
Short-term borrowings	短期借款	483,255,473.60	119,373,820.47
Accounts payable	應付帳款	387,065,396.64	430,246,985.16
Contract liability	合同負債	196,267,752.52	173,439,673.53
Employee compensation payable	應付職工薪酬	53,642,229.18	56,789,888.66
Taxes payable	應交稅費	24,396,240.86	14,337,286.66
Other payables	其他應付款	215,242,349.67	219,652,778.25
Non-current liabilities due within one year	一年內到期的非流動負債	407,077,554.05	504,326,837.41
Other current liabilities	其他流動負債	3,553,740.16	3,059,734.30
Long-term borrowings	長期借款	1,266,466,125.32	1,410,549,011.05
Lease liability	租賃負債	39,455.27	
Long-term payables	長期應付款	780,843,648.36	910,843,648.36
Less: Cash at bank and on hand	減：貨幣資金	605,985,936.27	447,179,187.90
Net liabilities	淨負債	3,211,864,029.36	3,395,440,475.95
Shareholders' equity	股東權益	3,213,745,966.80	3,148,482,994.01
Capital and net liabilities	資本和淨負債	6,425,609,996.16	6,543,923,469.96
Leverage ratio	槓桿比率	49.99%	51.89%

Chapter X Financial Report (Continued)

第十章財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

X. DISCLOSURE OF FAIR VALUE

十、公允價值的披露

1. Fair value of assets and liabilities measured at fair value as at the end of the year

1. 以公允價值計量的資產和負債的年末公允價值

		Fair value as at the end of the year			
		年末公允價值			
		Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
		第一層次	第二層次	第三層次	
Items	項目	公允價值計量	公允價值計量	公允價值計量	合計
I. Fair value measurement on a recurring basis	一、持續的公允價值計量				
Including: In vestments in other equity instruments	其中：其他權益工具投資			80,466.75	80,466.75
Total assets measured at fair value on a recurring basis	持續以公允價值計量的資產總額			80,466.75	80,466.75

2. Valuation techniques and qualitative and quantitative information for level 1 items measured on and not on a recurring basis: None.
3. Valuation techniques and qualitative and quantitative information for level 2 items measured on and not on a recurring basis: None.
4. Valuation techniques and qualitative and quantitative information for level 3 items measures on and no on a recurring basis: Insignificance.

2. 持續和非持續第一層次公允價值計量項目，採用的估值技術和重要參數的定性定量信息：無。
3. 持續和非持續第二層次公允價值計量項目，採用的估值技術和重要參數的定性定量信息：無。
4. 持續和非持續第三層次公允價值計量項目，採用的估值技術和重要參數的定性定量信息：不重要。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

X. DISCLOSURE OF FAIR VALUE (Continued)

5. Recurring level 3 fair value measurements, reconciliation between opening and closing book values and sensitivity analysis of unobservable parameters: None.
6. Ongoing fair value measurements, transfers between levels occurred during the period: During the period, for ongoing fair value measurements, the Group did not have any transfers between level 1 and level 2, or transfers in or out to level 3.
7. Valuation technical changes that occurred during the period and the reasons for the changes: None.

十、公允價值的披露(續)

5. 持續的第三層次公允價值計量項目，期初與期末賬面價值間的調節信息及不可觀察參數敏感性分析：無。
6. 持續的公允價值計量項目，本期內發生各層級之間的轉換：本期，對於持續的公允價值計量項目，本集團沒有在第一層級及第二層級之間的轉換，也沒有轉入或轉出到第三層級的情況。
7. 本期內發生的估值技術變更及變更原因：無。

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

十一、關聯方及關聯交易

(1) Relationship with related parties

(一) 關聯方關係

1. Particulars of the Company's parent company

1. 本公司的母公司情況

Name of the parent company	Place of registration	Nature of business	Registered capital	The parent company's ratio of shareholding in the Company (%)	The parent company's percentage of voting rights in the Company (%)
母公司名稱	註冊地	業務性質	註冊資本	母公司對本公司的持股比例(%)	母公司對本公司的表決權比例(%)
Luzhou City Xinglu Assets Management Co., Ltd.	Luzhou City, Sichuan Province	Investment and assets management	RMB1,031,500,000	59.52	59.52
瀘州市興瀘資產管理有限公司	四川省瀘州市	投資與資產管理	103,150萬元		
Ultimate controller of the Company: Luzhou State-owned Assets Supervision and Administration Commission.			本公司最終控制方：瀘州市國有資產監督管理委員會。		

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(1) Relationship with related parties (Continued)

(一) 關聯方關係(續)

2. Particulars of the Company's subsidiaries

2. 本公司的子公司情況

For details of the subsidiaries, see "Note VII. 1.(1) Composition of enterprise group".

子公司情況詳見本附註「七、1.(1)企業集團的構成」相關內容。

3. Other related parties

3. 其他關聯方情況

Name of other related parties
其他關聯方名稱

Relationship with the Company
與本公司關係

Luzhou City Xinglu Investment Group Co., Ltd.
瀘州市興瀘投資集團有限公司
Luzhou Xinglu Property Management Co., Ltd.
瀘州興瀘物業管理有限公司
Luzhou Xinglu Jutai Construction Company Limited
Jiangyang Branch
瀘州興瀘居泰建設有限公司江陽分公司
Luzhou Xinglu Jutai Construction Company Limited
瀘州興瀘居泰建設有限公司
Luzhou Xinglu Environmental Organic Treatment Co., Ltd.
瀘州興瀘環境有機處理有限公司
Luzhou Xinglu Environmental Logistics Co., Ltd.
瀘州興瀘環境物流有限公司
Luzhou Xinglu Environment Technology Co., Ltd.
瀘州興瀘環境科技有限公司
Luzhou Xuyong County Luxu Urban Management Service Co., Ltd.
瀘州市叙永瀘叙城市管理服務有限公司
Luzhou Xinglu Industrial Development Co., Ltd.
瀘州市興瀘實業發展有限公司
Luzhou Xinglu Environmental Protection Development Co., Ltd.
瀘州市興瀘環保發展有限公司

Controlled by the same ultimate controller
受同一最終控制方控制
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Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(1) Relationship with related parties (Continued)

(一) 關聯方關係(續)

3. Other related parties (Continued)

3. 其他關聯方情況(續)

Name of other related parties

其他關聯方名稱

Relationship with the Company

與本公司關係

Luzhou Cultural and Tourism Development Investment Group Co., Ltd.

瀘州市文化旅遊發展投資集團有限公司

Luzhou Communications Investment Group Co., Ltd.

瀘州市交通投資集團有限責任公司

Luzhou Jiangnan New District Construction and Investment Co., Ltd.

瀘州市江南新區建設投資有限責任公司

Luzhou Public Transportation Group Co., Ltd.

瀘州市公共交通集團有限公司

Luzhou Naxi Xingran Gas Co., Ltd.

瀘州納溪興燃燃氣有限公司

Luzhou Jiaotou Group Asset Operating Management Co., Ltd.

瀘州交投集團資產經營管理有限公司

Luzhou Jiaotou Group Car Station Construction Co., Ltd.

瀘州交投集團汽車站點建設有限公司

Luzhou China Resources Xinglu Gas Co., Ltd.

瀘州華潤興瀘燃氣有限公司

Hejiang Xingyan Natural Gas Co., Ltd.

合江縣星焰天然氣有限公司

Luzhou Nanshoushan Industrial Development Co., Ltd.

瀘州市南壽山實業發展有限責任公司

Luzhou Xinglu Trading Co., Ltd.

瀘州市興瀘商貿有限公司

Controlled by the same ultimate controller

受同一最終控制方控制

Controlled by the same ultimate controller

受同一最終控制方控制

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Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(1) Relationship with related parties (Continued)

(一) 關聯方關係(續)

3. Other related parties (Continued)

3. 其他關聯方情況(續)

Name of other related parties 其他關聯方名稱	Relationship with the Company 與本公司關係
Luzhou Jiangnan New District Construction and Investment Co., Ltd. 瀘州市江南新區建設投資有限公司	Controlled by the same ultimate controller 受同一最終控制方控制
Luzhou Parking Infrastructure Investment Co., Ltd. 瀘州市停車場基礎建設投資有限公司	Controlled by the same ultimate controller 受同一最終控制方控制
Luzhou Lingang Investments Group Co., Ltd. 瀘州臨港投資集團有限公司	Materially influenced by the same ultimate controller 受同一最終控制方重大影響
Luzhou Lingang Industrial Development Co., Ltd. 瀘州臨港產業開發有限公司	Materially influenced by the same ultimate controller 受同一最終控制方重大影響
Luzhou Aviation Development Investment Group Co., Ltd. 瀘州航空發展投資集團有限公司	Materially influenced by the same ultimate controller 受同一最終控制方重大影響
Luzhou Laojiao Co., Ltd. 瀘州老窖股份有限公司	Controlled by the third largest shareholder of the Company 受本公司第三大股東控制
Luzhou Transportation Logistics Group Co., Ltd. 瀘州交通物流集團有限公司	Other related parties 其他關聯方
Luzhou Jiaowu Industrial Operation Co., Ltd. 瀘州交物產業運營有限公司	Other related parties 其他關聯方
Luzhou Lingang Industrial Management Co., Ltd. 瀘州臨港產業管理有限公司	Other related parties 其他關聯方
Luzhou Zhiyuan Real Estate Development Co., Ltd. 瀘州致遠房地產開發有限公司	Other related parties 其他關聯方

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions

(二) 關聯交易

1. Related party transactions for the purchase and sale of goods, provision and receipt of services

1. 購銷商品、提供和接受勞務的關聯交易

(1) Purchase of goods/acceptance of labor

(1) 採購商品／接受勞務

Related party 關聯方	Content of related party transaction 關聯交易內容	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Luzhou Xinglu Environmental Protection Development Co., Ltd. 瀘州市興瀘環保發展有限公司	Sludge disposal fees 污泥處置費	21,153,185.72	10,969,919.48
Luzhou Xinglu Property Management Co., Ltd. 瀘州興瀘物業管理有限公司	Property fees and others 物業費及其他	5,314,970.33	4,259,144.42
Luzhou Xinglu Environment Technology Co., Ltd. 瀘州興瀘環境科技有限公司	Expenses for the safe transfer and disposal of hazardous waste 危險廢物安全轉移處置費用	401,824.01	251,041.41
Luzhou China Resources Xinglu Gas Co., Ltd. 瀘州華潤興瀘燃氣有限公司	Gas bills 燃氣費	75,377.86	11,243.31
Luzhou Xinglu Industrial Development Co., Ltd. 瀘州市興瀘實業發展有限公司	Operation and maintenance fees for the data collection and exchange middleware platform 數據採集交換中台運維費	56,890.00	
Luzhou Public Transportation Group Co., Ltd. 瀘州市公共交通集團有限公司	Others 其他	12,379.42	
Luzhou Naxi Xingran Gas Co., Ltd. 瀘州納溪興燃燃氣有限公司	Gas bills 燃氣費	4,221.92	
Total	合計	27,018,849.26	15,491,348.62

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

1. Related party transactions for the purchase and sale of goods, provision and receipt of services (Continued)

1. 購銷商品、提供和接受勞務的關聯交易(續)

(2) Sales of goods/provision of services

(2) 銷售商品／提供勞務

Related party 關聯方	Content of related party transaction 關聯交易內容	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Luzhou Zhiyuan Real Estate Development Co., Ltd	Household installation and others		3,675,590.30
瀘州致遠房地產開發有限公司	戶表安裝及其他		
Luzhou Communications Investment Group Co., Ltd.	Household installation and others		276.11
瀘州市交通投資集團有限責任公司	戶表安裝及其他		
Luzhou City Xinglu Investment Group Co., Ltd.	Household installation and others		15,392.93
瀘州市興瀘投資集團有限公司	戶表安裝及其他		
Luzhou Jiangnan New District Construction and Investment Co., Ltd.	Household installation and others		5,522.12
瀘州市江南新區建設投資有限責任公司	戶表安裝及其他		
Luzhou Lingang Investments Group Co., Ltd.	Household installation and others	64,439.62	3,152,774.20
瀘州臨港投資集團有限公司	戶表安裝及其他		
Luzhou Cultural and Tourism Development Investment Group Co., Ltd.	Household installation and others	319,197.07	2,516.90
瀘州市文化旅遊發展投資集團有限公司	戶表安裝及其他		
Luzhou Public Transportation Group Co., Ltd.	Household installation and others	29,586.35	33,749.02
瀘州市公共交通集團有限公司	戶表安裝及其他		
Luzhou Laojiao Co., Ltd.	Household installation and others		11,290.08
瀘州老窖股份有限公司	戶表安裝及其他		

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

1. Related party transactions for the purchase and sale of goods, provision and receipt of services (Continued)

1. 購銷商品、提供和接受勞務的關聯交易(續)

(2) Sales of goods/provision of services (Continued)

(2) 銷售商品/提供勞務(續)

Related party 關聯方	Content of related party transaction 關聯交易內容	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Luzhou Xuyong County Luxu Urban Management Service Co., Ltd. 瀘州市叙永瀘叙城市管理服務有限公司	Household installation and others 戶表安裝及其他		743.36
Luzhou Xinglu Environmental Organic Treatment Co., Ltd. 瀘州興瀘環境有機處理有限公司	Household installation and others 戶表安裝及其他	2,876.11	
Luzhou Xinglu Property Management Co., Ltd. 瀘州興瀘物業管理有限公司	Household installation and others 戶表安裝及其他	1,747.79	5,076.12
Luzhou Nanshoushan Industrial Development Co., Ltd. 瀘州市南壽山實業發展有限責任公司	Household installation 戶表安裝	290,662.66	
Luzhou Lingang Industrial Management Co., Ltd. 瀘州臨港產業管理有限公司	Others 其他	3,924.58	
Luzhou Xinglu Trading Co., Ltd. 瀘州市興瀘商貿有限公司	Others 其他	10,692.46	
Luzhou Jiaowu Industrial Operation Co., Ltd. 瀘州交物產業運營有限公司	Others 其他	1,886.79	
Luzhou Jiangnan New District Construction and Investment Co., Ltd. 瀘州市江南新區建設投資有限公司	Household installation 戶表安裝	278,769.19	
Total	合計	1,003,782.62	6,902,931.14

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

2. Related party guarantees

2. 關聯擔保情況

(1) As guarantor

(1) 作為擔保方

The Company and the Company's subsidiaries provide guarantees to each other and the corresponding guarantee information as of the end of the year is as follows:

本公司和本公司之子公司之間互為提供擔保，截止年末，相應擔保信息如下：

Guarantor 擔保方	Guarantee 被擔保方	Guaranteed balance (RMB10,000) 擔保餘額(萬元)
The Company and its subsidiaries 本公司及子公司	Subsidiaries 子公司	18,912.78
Subsidiaries 子公司	The Company 本公司	37,615.71

(2) As guarantee

(2) 作為被擔保方

Name of guarantor 擔保方名稱	Guaranteed amount 擔保金額	Start date 擔保起始日	Guarantee expiration date 擔保到期日	Guaranteed or not already fulfilled 擔保是否已經履行完畢
Luzhou Xinglu Financing Guarantee Group Co., Ltd. 瀘州市興瀘融資擔保集團有限公司	11,000,000.00	2019-1-18	2027-1-17	No 否
Luzhou Xinglu Financing Guarantee Group Co., Ltd. 瀘州市興瀘融資擔保集團有限公司	65,979,000.00	2016-6-22	2031-6-20	No 否

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(2) Related party transactions (Continued)

2. Related party guarantees (Continued)

(2) As guarantee (Continued)

Note 1: On 18 January 2019, Luzhou Fanxing Environmental Development Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. executed a fixed asset loan contract in the amount of RMB49 million, which was used for the construction of the project of "Construction of rural and village sewage treatment facilities in Jiang Yang District, Luzhou City". The loan has a fixed interest rate of 7% per annum, and during the term of the loan, the interest rate was adjusted from 7% to 5.5% on 28 July 2022, the interest rate was reduced to 4.9% on 27 December 2023 and the interest rate was adjusted downward to 4.5% on 20 December 2024 and interest rate for 2025 remained at 4.5%. The term of the loan is 96 months and is guaranteed jointly and severally by Luzhou Xinglu Financing Guarantee Group Co., Ltd., the balance of the long-term loan as of 31 December 2025 was RMB11,000,000.00.

Note 2: On 22 June 2016, Luzhou Xinglu Water (Group) Co., Ltd. and China Agriculture Development Key Construction Fund Co., Ltd. (中國農發重點建設基金有限公司) (administrator: China Agriculture Development Bank Sichuan Branch (中國農業發展銀行四川省分行)) executed a loan agreement of China Agriculture Development Key Construction Fund in the amount of RMB66 million, which was used for the construction of the project of "construction project of urban water supply infrastructure in Jiang Yang District, Luzhou City". The loan has a fixed interest rate of 1.2% per annum, and the interest rate remains unchanged during the term of the loan. The term of the loan is 180 months and is guaranteed jointly and severally by Luzhou Xinglu Financing Guarantee Group Co., Ltd., the balance of the long-term loan as of 31 December 2025 was RMB65,979,000.00.

十一、關聯方及關聯交易(續)

(二)關聯交易(續)

2. 關聯擔保情況(續)

(2) 作為被擔保方(續)

註1：瀘州市繁星環保發展有限公司於2019年1月18日和瀘州農村商業銀行股份有限公司簽立金額為人民幣4900萬元的固定資產借款合同，本借款用於「瀘州市江陽區鄉鎮和農村污水處理設施建設」項目建設。該借款利率為固定利率，年息7%，在借款期限內，2022年7月28日利率由7%調整降至5.5%，2023年12月27日利率降至4.9%，2024年12月20日下調至4.5%，2025年利率維持4.5%，借款期限為96個月，由瀘州市興瀘融資擔保集團有限公司提供連帶責任保證，截止2025年12月31日，該長期借款餘額為11,000,000.00元。

註2：瀘州市興瀘水務(集團)股份有限公司於2016年6月22日和中國農發重點建設基金有限公司(管理人為：中國農業發展銀行四川省分行)簽立金額為人民幣6600萬元的中國農發重點建設基金借款協議，本借款用於「瀘州市江陽區城鎮供水基礎設施建設項目」項目建設。該借款利率為固定利率，年息1.2%，在借款期限內，此利率保持不變，借款期限為180個月，由瀘州市興瀘融資擔保集團有限公司提供連帶責任保證，截止2025年12月31日，該長期借款餘額為65,979,000.00元。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二) 關聯交易(續)

3. Related party leases

3. 關聯租賃情況

Related party 關聯方	Content of related party transaction 關聯交易內容	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Luzhou City Xinglu Assets Management Co., Ltd. 瀘州市興瀘資產管理有限公司	Housing lease 房屋租賃	597,960.00	597,960.00

4. Directors, Supervisors and employee compensation

4. 董事、監事及職工薪酬

(1) Details of the compensation of the Directors and Supervisors for the year are as follows

(1) 本年度董事及監事薪酬詳情如下

Name 姓名	Position 職務	Salary and allowance 薪金及津貼	Social insurance, housing fund and pensions 社會保險、住房 基金及退休金	Enterprise annuity 企業年金	Bonus 獎金	Dividend payment 支付股利	Total 合計	Remark 備註
Zhang Qi 張歧	Executive Director (chairman of the Board) 執行董事(董事長)	198,668.17	105,213.32	-	266,280.76	-	570,162.25	Resigned on 16 December 2025 2025年12月16日辭任
Chen Qinan 陳棋楠	Executive Director 執行董事	201,708.17	105,213.32	-	191,520.76	-	498,442.25	Appointed as the chairman of the Company on 16 December 2025 2025年12月16日任命為公司董 事長
Xu Guanghua 徐光華	Executive Director (employee Director) 執行董事(職工董事)	170,936.17	105,213.32	-	177,150.00	-	453,299.49	
Xu Fei 徐飛	Non-executive Directors 非執行董事	-	-	-	-	-	-	Not receive the remuneration from the Company 未在公司取薪

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

4. Directors, Supervisors and employee compensation (Continued)

4. 董事、監事及職工薪酬(續)

(1) Details of the compensation of the Directors and Supervisors for the year are as follows (Continued)

(1) 本年度董事及監事薪酬詳情如下(續)

Name	Position	Salary and allowance	Social insurance, housing fund and pensions 社會保險、住房基金及退休金	Enterprise annuity	Bonus	Dividend payment	Total	Remark
姓名	職務	薪金及津貼	基金及退休金	企業年金	獎金	支付股利	合計	備註
Zhang Guanghui	Non-executive Directors	-	-	-	-	-	-	Not receive the remuneration from the Company
張光惠	非執行董事	-	-	-	-	-	-	未在公司取薪
Hu Fenfen	Non-executive Directors	-	-	-	-	-	-	Not receive the remuneration from the Company
胡芬芬	非執行董事	-	-	-	-	-	-	未在公司取薪
Ma Hua	Independent Non-executive Directors	84,000.00	-	-	-	-	84,000.00	
馬樺	獨立非執行董事	84,000.00	-	-	-	-	84,000.00	
Fu Ji	Independent Non-executive Directors	84,000.00	-	-	-	-	84,000.00	
傅驥	獨立非執行董事	84,000.00	-	-	-	-	84,000.00	
Liang Youguo	Independent Non-executive Directors	84,000.00	-	-	-	-	84,000.00	
梁有國	獨立非執行董事	84,000.00	-	-	-	-	84,000.00	
Yang Zhenqiu	Shareholder representative supervisor (chairman of the Board of Supervisors)	-	-	-	-	-	-	Not receive the remuneration from the Company
楊震球	股東代表監事(監事會主席)	-	-	-	-	-	-	未在公司取薪
Lai Bingyou	Shareholder representative Supervisor	-	-	-	-	-	-	Not receive the remuneration from the Company
賴柄有	股東代表監事	-	-	-	-	-	-	未在公司取薪

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

4. Directors, Supervisors and employee compensation (Continued)

4. 董事、監事及職工薪酬(續)

(1) Details of the compensation of the Directors and Supervisors for the year are as follows (Continued)

(1) 本年度董事及監事薪酬詳情如下(續)

Name	Position	Salary and allowance	Social insurance, housing fund and pensions	Enterprise annuity	Bonus	Dividend payment	Total	Remark
			社會保險、住房基金及退休金					
姓名	職務	薪金及津貼	基金及退休金	企業年金	獎金	支付股利	合計	備註
Xiang Min	Employee representative supervisor	73,643.16	105,057.32	-	95,993.17	-	274,693.65	
向敏	職工代表監事							
Luo Chaoping	Employee representative supervisor	137,752.71	105,213.32	-	96,320.38	-	339,286.41	
羅超平	職工代表監事							
Tang Nanyou	Employee representative supervisor	117,787.99	105,213.32	-	191,154.00	-	414,155.31	
唐南友	職工代表監事							
Gu Ming'an	External Supervisor	50,400.00	-	-	-	-	50,400.00	
辜明安	外部監事							
Xiong Hua	External Supervisor	50,400.00	-	-	-	-	50,400.00	
熊華	外部監事							
Total	合計	1,253,296.37	631,123.92		1,018,419.07		2,902,839.36	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

4. Directors, Supervisors and employee compensation (Continued)

4. 董事、監事及職工薪酬(續)

(2) Details of the compensation of the Directors and Supervisors for the last year are as follows

(2) 上年度董事及監事薪酬詳情如下

Name	Position	Salary and allowance	Social insurance, housing fund and pensions 社會保險、住房基金及退休金	Enterprise annuity	Bonus	Dividend payment	Total	Remark
姓名	職務	薪金及津貼	基金及退休金	企業年金	獎金	支付股利	合計	備註
Zhang Qi	Executive Director, chairman of the Board	197,110.45	103,833.40	-	138,000.00	-	438,943.85	
張歧	執行董事(董事長)							
Chen Qinan	Executive Director	200,787.30	103,833.40	-	24,735.00	-	329,355.70	
陳棋楠	執行董事							
Xu Guanghua	Executive Director (employee representative Director)	172,374.40	103,833.40	-	84,000.00	-	360,207.80	
徐光華	執行董事(職工董事)							
Xu Fei	Non-executive Directors	-	-	-	-	-	-	Not receive the remuneration from the Company
徐飛	非執行董事							未在公司取薪
Zhang Guanghui	Non-executive Directors	-	-	-	-	-	-	Not receive the remuneration from the Company
張光惠	非執行董事							未在公司取薪
Hu Fenfen	Non-executive Directors	-	-	-	-	-	-	Not receive the remuneration from the Company
胡芬芬	非執行董事							未在公司取薪
Ma Hua	Independent Non-executive Directors	84,000.00	-	-	-	-	84,000.00	
馬樺	獨立非執行董事							
Fu Ji	Independent Non-executive Directors	84,000.00	-	-	-	-	84,000.00	
傅驥	獨立非執行董事							

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued) 十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued) (二)關聯交易(續)

4. Directors, Supervisors and employee compensation (Continued) 4. 董事、監事及職工薪酬(續)

(2) Details of the compensation of the Directors and Supervisors for the last year are as follows (Continued) (2) 上年度董事及監事薪酬詳情如下(續)

Name	Position	Salary and allowance	Social insurance, housing fund and pensions 社會保險、住房基金及退休金	Enterprise annuity	Bonus	Dividend payment	Total	Remark
姓名	職務	薪金及津貼	基金及退休金	企業年金	獎金	支付股利	合計	備註
Liang Youguo	Independent Non-executive Directors	84,000.00	-	-	-	-	84,000.00	
梁有國	獨立非執行董事							
Yang Zhenqiu	Shareholder representative supervisor (chairman of the Board of Supervisors)	-	-	-	-	-	-	Not receive the remuneration from the Company
楊震球	股東代表監事(監事會主席)							未在公司取薪
Lai Bingyou	Shareholder representative Supervisor	-	-	-	-	-	-	Not receive the remuneration from the Company
賴柄有	股東代表監事							未在公司取薪
Xiang Min	Employee supervisor	112,510.89	103,833.40	-	115,229.73	-	331,574.02	
向敏	職工代表監事							
Luo Chaoping	Employee supervisor	139,958.39	79,580.68	-	113,680.74	-	333,219.81	
羅超平	職工代表監事							
Tang Nanyou	Employee supervisor	137,035.82	103,833.40	-	105,720.22	-	346,589.44	
唐南友	職工代表監事							
Gu Ming'an	External Supervisor	50,400.00	-	-	-	-	50,400.00	
辜明安	外部監事							
Xiong Hua	External Supervisor	50,400.00	-	-	-	-	50,400.00	
熊華	外部監事							
Total	合計	1,312,577.25	598,747.68		581,365.69		2,492,690.62	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

4. Directors, Supervisors and employee compensation (Continued)

4. 董事、監事及職工薪酬(續)

(3) Breakdown of the five highest paid individuals for the current year

(3) 本年度薪酬最高五位人士明細

Name	Position	Salary and allowance	Social insurance, housing fund and related pension costs 社會保險、住房基金及相關退休金成本	Enterprise annuity	Bonus	Dividend payment	Total
姓名	職務	薪金及津貼	退休金成本	企業年金	獎金	支付股利	合計
Zhang Qi	Executive Director (chairman of the Board)	198,668.17	105,213.32	-	266,280.76	-	570,162.25
張歧	執行董事(董事長)						
Chen Yongzhong	Secretary to the Board	172,936.17	105,213.32	-	236,548.76	-	514,698.25
陳永忠	董事會秘書						
Chen Qinan	Executive Director	201,708.17	105,213.32	-	191,520.76	-	498,442.25
陳棋楠	執行董事						
Ouyang Peng	Chief financial officer	173,336.17	105,213.32	-	216,388.76	-	494,938.25
歐陽鵬	財務總監						
Yang Xudong	Deputy general manager	170,936.17	105,213.32	-	186,240.00	-	462,389.49
楊旭東	副總經理						

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)
十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)
(二)關聯交易(續)

4. Directors, Supervisors and employee compensation (Continued)
4. 董事、監事及職工薪酬(續)

(4) Breakdown of the five highest paid individuals for the last year
(4) 上年度薪酬最高五位人士明細

Name	Position	Salary and allowance	Social insurance, housing fund and related pension costs 社會保險、住房基金及相關退休金成本	Enterprise annuity	Bonus	Dividend payment	Total
姓名	職務	薪金及津貼	退休金成本	企業年金	獎金	支付股利	合計
Zhang Qi	Executive Director, chairman of the Board	197,110.45	103,833.40		138,000.00		438,943.85
張歧	執行董事(董事長)						
Chen Yongzhong	Secretary to the Board	171,174.40	103,833.40		122,970.00		397,977.80
陳永忠	董事會秘書						
Yang Xudong	Deputy general manager	169,974.40	103,833.40		118,560.00		392,367.80
楊旭東	副總經理						
Ouyang Peng	Chief financial officer	172,374.40	103,833.40		101,010.00		377,217.80
歐陽鵬	財務總監						
Xu Guanghua	Executive Director (employee Director)	172,374.40	103,833.40		84,000.00		360,207.80
徐光華	執行董事(職工董事)						
Total	合計	883,008.05	519,167.00		564,540.00		1,966,715.05

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(2) Related party transactions (Continued)

(二)關聯交易(續)

4. Directors, Supervisors and employee compensation (Continued)

4. 董事、監事及職工薪酬(續)

(5) During the Reporting Period, none of the Directors, Supervisors or any of the non-Director and non-Supervisor of the Group highest paid individuals waived or agreed to waive any remuneration and no emoluments were paid by the Group to the Directors, Supervisors or any of the non-Director and non-Supervisor highest paid individuals as an inducement by or after joining the Group or as compensation for resignation.

(5) 本集團本報告期內，無董事、監事或任何非董事及非監事最高酬金人士放棄或者同意放棄任何酬金，且本集團並無向董事、監事或任何非董事及非監事最高酬金人士支付任何酬金，作為吸引他們加盟本集團或加盟本集團後的獎勵或作為離職賠償。

(6) Key management compensation

(6) 主要管理層薪酬

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Salary and allowance	薪金及津貼	2,120,533.04	2,173,841.63
Social insurance, housing fund and related pension costs	社會保險、住房基金及 相關退休金成本	1,157,190.52	1,117,914.68
Bonus	獎金	1,979,050.77	977,635.69
Total	合計	5,256,774.33	4,269,392.00

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(3) Receivables from and payables to related parties

(三) 關聯方應收應付餘額

1. Receivables

1. 應收項目

Project name 項目名稱	Related party 關聯方	Closing balance 年末餘額		Opening balance 年初餘額	
		Book balance 賬面餘額	Provision for bad debts 壞賬準備	Book balance 賬面餘額	Provision for bad debts 壞賬準備
Prepayments 預付款項	Luzhou China Resources Xinglu Gas Co., Ltd. 瀘州華潤興瀘燃氣有限公司	6,294.45		4,147.32	
Total of prepayments 預付款項合計		6,294.45		4,147.32	
Accounts receivable 應收賬款	Luzhou Lingang Investments Group Co., Ltd. 瀘州臨港投資集團有限公司	1,805,408.00	139,948.83	1,805,408.00	90,270.40
Accounts receivable 應收賬款	Luzhou City Xinglu Assets Management Co., Ltd. 瀘州市興瀘資產管理有限公司	888,066.00	88,806.60	888,066.00	44,403.30
Accounts receivable 應收賬款	Luzhou Xinglu Jutai Construction Company Limited Jiangyang Branch 瀘州興瀘居泰建設有限公司江陽分公司			52,750.43	26,375.22
Accounts receivable 應收賬款	Luzhou Xinglu Environmental Logistics Co., Ltd. 瀘州興瀘環境物流有限公司			6,184.82	618.48
Accounts receivable 應收賬款	Luzhou Xinglu Environmental Organic Treatment Co., Ltd. 瀘州興瀘環境有機處理有限公司	6,184.82	1,236.96	5,607.65	560.76
Accounts receivable 應收賬款	Hejiang Xingyan Natural Gas Co., Ltd. 合江縣星焰天然氣有限公司	5,607.65	1,121.53	2,000.00	100.00
Total of accounts receivable 應收賬款合計		2,705,266.47	231,113.92	2,760,016.90	162,328.16
Other receivables 其他應收款	Luzhou City Xinglu Investment Group Co., Ltd. 瀘州市興瀘投資集團有限公司	102,000.00	10,200.00	102,000.00	10,200.00
Total of other receivables 其他應收款合計		102,000.00	10,200.00	102,000.00	10,200.00

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(3) Receivables from and payables to related parties (Continued)

(三)關聯方應收應付餘額

2. Projects payable

2. 應付項目

Project name 項目名稱	Related party 關聯方	Closing book balance 年末賬面餘額	Opening book balance 年初賬面餘額
Accounts payable 應付帳款	Luzhou Xinglu Property Management Co., Ltd. 瀘州興瀘物業管理有限公司	805,977.72	195,000.04
Accounts payable 應付帳款	Luzhou Xinglu Environmental Technology Co., Ltd. 瀘州興瀘環境科技有限公司	195,774.82	15,459.86
Accounts payable 應付帳款	Luzhou Xuyong County Luxu Urban Management Service Co., Ltd. 瀘州市叙永瀘叙城市管理服務有限公司		2,921.21
Accounts payable 應付帳款	Luzhou China Resources Xinglu Gas Co., Ltd. 瀘州華潤興瀘燃氣有限公司		1,900.00
Accounts payable 應付帳款	Luzhou City Xinglu Assets Management Co., Ltd. 瀘州市興瀘資產管理有限公司	149,490.00	
Accounts payable 應付帳款	Luzhou Xinglu Environmental Protection Development Co., Ltd. 瀘州市興瀘環保發展有限公司	4,650,429.60	2,781,907.98
Total accounts payable 應付帳款合計		5,801,672.14	2,997,189.09

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(3) Receivables from and payables to related parties (Continued)

(三)關聯方應收應付餘額(續)

2. Projects payable (Continued)

2. 應付項目(續)

Project name 項目名稱	Related party 關聯方	Closing book balance 年末賬面餘額	Opening book balance 年初賬面餘額
Contract liabilities 合同負債	Luzhou Parking Infrastructure Investment Co., Ltd. 瀘州市停車場基礎建設投資有限公司	14,510.62	
Contract liabilities 合同負債	Luzhou Xinglu Environmental Technology Co., Ltd. 瀘州興瀘環境科技有限公司		39,269.59
Contract liabilities 合同負債	Luzhou Jiaotou Group Asset Operating Management Co., Ltd. 瀘州交投集團資產經營管理有限公司	4,970.02	4,970.02
Contract liabilities 合同負債	Luzhou Naxi Xingran Gas Co., Ltd. 瀘州納溪興燃燃氣有限公司	576.08	576.08
Contract liabilities 合同負債	Luzhou Aviation Development Investment Group Co., Ltd. 瀘州航空發展投資集團有限公司	9,433.96	9,433.96
Contract liabilities 合同負債	Luzhou Public Transportation Group Co., Ltd. 瀘州市公共交通集團有限公司	564.46	564.46
Total contractual liabilities 合同負債合計		35,025.16	59,784.13

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

十一、關聯方及關聯交易(續)

(3) Receivables from and payables to related parties (Continued)

(三)關聯方應收應付餘額(續)

2. Projects payable (Continued)

2. 應付項目(續)

Project name 項目名稱	Related party 關聯方	Closing book balance 年末賬面餘額	Opening book balance 年初賬面餘額
Other payables 其他應付款	Luzhou Xinglu Property Management Co., Ltd. 瀘州興瀘物業管理有限公司	1,594,946.99	1,586,051.88
Other payables 其他應付款	Luzhou Xinglu Environmental Protection Development Co., Ltd. 瀘州市興瀘環保發展有限公司	1,000,000.00	1,000,000.00
Other payables 其他應付款	Luzhou Lingang Investments Group Co., Ltd. 瀘州臨港投資集團有限公司	874,880.59	671,920.75
Other payables 其他應付款	Luzhou Lingang Industrial Development Co., Ltd. 瀘州臨港產業開發有限公司	665,412.90	665,412.90
Other payables 其他應付款	Luzhou Xinglu Jutai Construction Company Limited 瀘州興瀘居泰建設有限公司	15,303.28	15,303.28
Other payables 其他應付款	Luzhou Xinglu Environmental Logistics Co., Ltd. 瀘州興瀘環境物流有限公司	10,915.90	10,915.90
Other payables 其他應付款	Luzhou Xinglu Industrial Development Co., Ltd. 瀘州市興瀘實業發展有限公司	9,400.00	9,400.00
Other payables 其他應付款	Luzhou Xinglu Environmental Technology Co., Ltd. 瀘州興瀘環境科技有限公司	20,000.00	27,468.15
Other payables 其他應付款	Hejiang Xingyan Natural Gas Co., Ltd. 合江縣星焰天然氣有限公司	2,500.00	
Other payables 其他應付款	Luzhou Zhiyuan Real Estate Development Co., Ltd. 瀘州致遠房地產開發有限公司	157,744.00	157,744.00
Total other payables 其他應付款合計		4,351,103.66	4,144,216.86

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XII. CONTINGENCIES

As at 31 December 2025, the Group is also involved in a number of minor litigation in the course of its day-to-day operations. However, the Group believes that any liabilities arising from these minor litigation subjects will not have a material adverse effect on the financial position or operating results of the Group.

In addition to the above, the Group had no material contingencies to disclose.

XIII. COMMITMENTS

As of 31 December 2025, the Group had no material commitments.

XIV. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

On 27 March 2026, the 25th Meeting of the Second Session of the Board of Directors of the Company proposed the following dividend distribution for the year 2025: Based on the total share capital of the Company of 859,710,000.00 shares at the end of 2025, a cash dividend of RMB0.04 (including tax) per share will be distributed, resulting in a total cash distribution of RMB34,388,400.00. The plan is to be submitted to the general meeting for approval.

As of the date of this report, apart from the above, there are no other significant post balance sheet events for the Company.

十二、或有事項

截至2025年12月31日，本集團涉及一些日常經營中的金額較小的訴訟，但本集團相信任何因這些標的小的訴訟引致的負債都不會對本集團的財務狀況或經營成果構成重大不利影響。

除上述事項外，本集團司無其他需要披露的重大或有事項。

十三、承諾事項

截至2025年12月31日，本集團無重大承諾事項。

十四、資產負債表日後事項

1. 利潤分配情況

2026年3月27日，本公司第二屆董事會第二十五次會議關於2025年度股息分配的預案如下：以2025年末本公司總股本859,710,000.00股為基數，每股派現金股利0.04元（含稅），派現金共計34,388,400.00元。該項預案待上報股東會審議通過。

截至本報告出具日，除上述事項外，本公司無其他重大資產負債表日後事項。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XV. OTHER IMPORTANT MATTERS

1. Employee benefits

(1) Contributions to short-term employee benefits and defined contribution pension schemes

Salaries, annual bonuses, paid annual leave, contributions to defined contribution pension schemes and the cost of non-monetary benefits are accrued over the period in which the staff member provides the relevant service. Any delay in payment or settlement would have a material impact. These amounts are stated at present value.

(2) The Group's defined contribution pension schemes comprise a social security scheme and an annuity scheme.

In accordance with the relevant Chinese regulations, the Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. The above contributions to the social basic pension are credited to current profit or loss on an accrual basis, and the Company will not be able to apply the sums so paid. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them.

十五、其他重要事項

1. 職工福利

(1) 短期職工福利及界定退休金供款計劃的供款

工資、年度獎金、有薪年假、界定退休金供款計劃的供款及非貨幣福利的成本均在職工提供相關服務的期間內計提。如延遲支付或結算會構成重大影響，該等金額按現值列賬。

(2) 本集團的界定退休金供款計劃包括社會養老保險金計劃。

按照中國有關法規，本集團職工參加了由當地勞動和社會保障部門組織實施的社會基本養老保險。本集團以當地規定的社會基本養老保險繳納基數和比例，向當地社會基本養老保險經辦機構繳納養老保險費。上述繳納的社會基本養老保險按照權責發生制原則計入當期損益，公司將不能動用該等已繳納的款項。職工退休後，各地勞動及社會保障部門有責任向已退休職工支付社會基本養老金。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XV. OTHER IMPORTANT MATTERS (Continued)

2. Segment information

- (1) Segment information Basis of determination of reportable segments and accounting policies: The Group determines operating segments based on internal organisational structure, management requirements and internal reporting systems, and determines reportable segments based on operating segments. For management purposes, the Group has identified three reportable segments based on the types of services and products and the scale of development of each business segment as follows.

Inter-segment transfer transactions are measured on the basis of actual transaction prices. Segment revenue and segment expenses are determined based on the actual revenue and expenses of each segment. Segment assets or liabilities are allocated to operating segments on the basis of assets used in the ordinary activities of those segments or liabilities incurred that are attributable to those operating segments.

十五、其他重要事項(續)

2. 分部信息

- (1) 報告分部的確定依據與會計政策：本集團以內部組織結構、管理要求、內部報告制度為依據確定經營分部，以經營分部為基礎確定報告分部。基於管理的目的，本集團根據服務和產品的類別及各業務分部的發展規模劃分了如下三個報告分部。

分部間轉移交易以實際交易價格為基礎計量。分部收入和分部費用按各分部的實際收入和費用確定。分部資產或負債按經營分部日常活動中使用的可歸屬於該經營分部的資產或產生的可歸屬於該經營分部的負債分配。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XV. OTHER IMPORTANT MATTERS (Continued)

十五、其他重要事項(續)

2. Segment information (Continued)

2. 分部信息(續)

(2) Financial information of reporting segments

(2) 報告分部的財務信息

1) Segment financial information of the current year

1) 本年分部財務信息

Items	項目	Tap water 自來水	Wastewater 污水	Others 其他	Offset 抵銷	Total 合計
Operating revenue	營業收入	518,359,880.30	717,817,779.75	599,037.59		1,236,776,697.64
Including: Revenue from external transactions	其中：對外交易收入	518,359,880.30	717,817,779.75	599,037.59		1,236,776,697.64
Revenue from intra-segment transactions	分部間交易收入					
Operating cost	營業成本	408,892,452.52	413,860,062.27	518,005.69		823,270,520.48
Cost offset	成本抵銷					
Expenses for the period	期間費用	138,208,222.15	76,667,209.52	344,630.92		215,220,062.59
Operating profit	營業利潤	-26,015,341.87	229,667,656.46	-961,116.41	-49,000,000.00	153,691,198.18
Total assets	資產總額	4,363,763,243.61	3,470,830,280.80	14,670,326.31	-676,378,584.06	7,172,885,266.66
Total liabilities	負債總額	2,263,609,808.35	1,720,152,774.10	3,039,393.65	-3,133,225.81	3,983,668,750.29
Construction in progress, fixed assets and intangible assets incurred during the period	本期發生的在建工程、固定資產和無形資產	63,936,814.70	379,497,875.48	712,898.83		444,147,589.01
Significant non-cash expenses such as depreciation and amortisation	折舊及攤銷等重大的非付現費用	224,252,334.59	156,277,738.53	85,455.74		380,615,528.86

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XV. OTHER IMPORTANT MATTERS (Continued)

2. Segment information (Continued)

(2) Financial information of reporting segments (Continued)

2) Segment financial information of the previous year

Items	項目	Tap water 自來水	Wastewater 污水	Others 其他	Offset 抵銷	Total 合計
Operating revenue	營業收入	663,712,528.19	663,564,182.28	2,990,195.62		1,330,266,906.09
Including: Revenue from external transactions	其中：對外交易收入	663,712,528.19	663,564,182.28	2,990,195.62		1,330,266,906.09
Revenue from intra-segment transactions	分部間交易收入					
Operating cost	營業成本	474,388,821.34	390,184,161.60	2,876,968.13		867,449,951.07
Cost offset	成本抵消					
Expenses for the period	期間費用	155,493,250.78	61,445,288.77	529,799.75		217,468,339.30
Operating profit	營業利潤	49,021,382.39	222,083,573.04	107,026.07	-44,984,826.91	226,227,154.59
Total assets	資產總額	4,515,974,712.92	3,310,195,936.26	16,661,091.97	-677,042,902.21	7,165,788,838.94
Total liabilities	負債總額	2,346,191,289.33	1,687,319,701.00	3,974,250.88	-2,797,543.96	4,034,687,697.25
Construction in progress, fixed assets and intangible assets incurred during the period	本期發生的在建工程、固定資產和無形資產	132,963,878.18	406,911,408.37	30,960.00		539,906,246.55
Significant non-cash expenses such as depreciation and amortisation	折舊及攤銷等重大的非付現費用	241,153,916.14	126,776,647.52	80,030.15		368,010,653.81

3. Other material transactions and matters affecting investors' decisions: None.

十五、其他重要事項(續)

2. 分部信息(續)

(2) 報告分部的財務信息(續)

2) 上年分部財務信息

3. 其他對投資者決策有影響的重要交易和事項：無。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS

十六、母公司財務報表主要項目註釋

1. Accounts receivable

(1) Accounts receivable as shown by provision for bad debts

		Closing balance				
		Book balance		Provision for bad debts		
		賬面餘額		壞賬準備		
		Proportion		Provision		
		Amount	(%)	Amount	(%)	Book value
Category	類別	金額	比例(%)	金額	計提比例(%)	賬面價值
Separate provision for bad debts	按單項計提壞賬準備	2,196,600.00	0.82	2,196,600.00	100.00	
Provision for bad debts on a group basis	按組合計提壞賬準備	267,150,044.44	99.18	62,379,644.35	23.35	204,770,400.09
Including: Combination by ageing	其中：按賬齡組合	255,611,919.18	94.90	62,379,644.35	24.40	193,232,274.83
Combination of related parties in the scope	合併範圍關聯方組合	11,538,125.26	4.28			11,538,125.26
Total	合計	269,346,644.44	100.00	64,576,244.35		204,770,400.09

1. 應收賬款

(1) 應收賬款按壞賬計提方法分類列示

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE
PARENT COMPANY'S FINANCIAL
STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋
(續)

1. Accounts receivable (Continued)

1. 應收賬款(續)

(1) Accounts receivable as shown by
provision for bad debts (Continued)

(1) 應收賬款按壞賬計提方法分類列
示(續)

(Continued)

(續表)

		Closing balance				
		Book balance		Provision for bad debts		
		賬面餘額		壞賬準備		
		Amount	Proportion (%)	Amount	Provision proportion (%)	Book value
Category	類別	金額	比例(%)	金額	計提比例(%)	賬面價值
Separate provision for bad debts	按單項計提壞賬準備	2,196,600.00	0.92	2,196,600.00	100.00	
Provision for bad debts on a group basis	按組合計提壞賬準備	237,047,426.46	99.08	42,773,821.87	18.04	194,273,604.59
Including: Combination by ageing	其中：按賬齡組合	224,888,303.90	94.00	42,773,821.87	19.02	182,114,482.03
Combination of related parties in the scope	合併範圍關聯方組合	12,159,122.56	5.08			12,159,122.56
Total	合計	239,244,026.46	100.00	44,970,421.87		194,273,604.59

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

1. Accounts receivable (Continued)

(1) Accounts receivable as shown by provision for bad debts (Continued)

- 1) Separate provision for bad debts for accounts receivable

Name	名稱	Book balance 賬面餘額	Closing balance 年末餘額	Provision for bad debts 壞賬準備	Provision proportion (%) 計提比例(%)	Reasons for provision 計提理由
Luxian Youhao Real Estate Co., Ltd.	瀘縣友豪置業有限公司	2,196,600.00	2,196,600.00	100.00		In abnormal operation 公司經營異常

- 2) Provision for bad debts of accounts receivables on an ageing group basis

Ageing	賬齡	Book balance 賬面餘額	Closing balance 年末餘額	Provision for bad debts 壞賬準備	Provision proportion (%) 計提比例(%)
Within 1 year (inclusive)	1年以內(含1年)	89,054,149.37	4,452,707.47	5.00	
1 to 2 years	1-2年	82,055,274.61	8,205,527.46	10.00	
2 to 3 years	2-3年	24,789,538.90	4,957,907.78	20.00	
3 to 4 years	3-4年	20,485,713.86	10,242,856.93	50.00	
4 to 5 years	4-5年	23,532,988.61	18,826,390.88	80.00	
Over 5 years	5年以上	15,694,253.83	15,694,253.83	100.00	
Total	合計	255,611,919.18	62,379,644.35		

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

1. Accounts receivable (Continued)

(2) The ageing analysis of accounts receivable based on the transaction date is as follows

Ageing	賬齡	Closing balance 年末餘額
Within 1 year (inclusive)	1年以內(含1年)	89,225,504.66
1 to 2 years	1-2年	83,181,488.73
2 to 3 years	2-3年	32,511,669.00
3 to 4 years	3-4年	23,004,139.61
4 to 5 years	4-5年	23,532,988.61
Over 5 years	5年以上	17,890,853.83
Total	合計	269,346,644.44

(3) Provision for bad debts of accounts receivable in the current year

1. 應收賬款(續)

(2) 根據交易日期的應收賬款賬齡分析如下

(3) 本年應收賬款壞賬準備情況

Category	類別	Opening balance 年初餘額	Provision 計提	Changes during the current year 本年變動金額			Closing balance 年末餘額
				Recoveries or reversals 收回或轉回	Write off or charge off 轉銷或核銷	Others 其他	
Provision for bad debts	壞賬準備	44,970,421.87	19,605,822.48				64,576,244.35

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

1. Accounts receivable (Continued)

(4) Accounts receivable of top 5 closing balance by debtor

The total top five accounts receivable by debtor as at the end of the year amounted to RMB198,640,238.56, accounting for 73.75% of the closing balance of accounts receivable. A provision for bad debts of RMB45,825,286.93 in total was made as at the end of the year.

2. Other receivables

Items	項目	Closing balance 年末餘額	Opening balance 年初餘額
Other accounts	其他收賬款	106,587,095.27	129,120,219.18
Less: Provision for bad debts	減：壞賬準備	39,135,977.10	30,901,974.15
Total	合計	67,451,118.17	98,218,245.03

(1) Classification of other receivables by nature of the amount

Nature of the amount	款項性質	Closing balance 年末餘額	Opening balance 年初餘額
Financial subsidies	財政補貼款項	74,701,943.53	84,602,883.30
Transactions with related parties within the scope of consolidation	合併範圍內關聯方往來款	28,489,483.46	28,788,381.57
Withholding payment	代扣代繳款	718,000.00	706,766.55
Deposits and guarantees	押金、保證金	80,400.00	78,400.00
Others	其他	2,597,268.28	14,943,787.76
Total	合計	106,587,095.27	129,120,219.18

1. 應收賬款(續)

(4) 按欠款方歸集的年末餘額前五名的應收賬款情況

本年按欠款方歸集的年末餘額前五名應收賬款匯總金額198,640,238.56元，佔應收賬款年末餘額合計數的比例73.75%，相應計提的壞賬準備年末餘額匯總金額45,825,286.93元。

2. 其他應收款

(1) 其他應收款按款項性質分類

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

(2) Provision for bad debts of other receivables

		First stage	Second stage	Third stage	Total
		第一階段	第二階段	第三階段	
		12-month expected credit losses	Lifetime expected credit losses (not credit-impaired)	Lifetime expected credit losses (credit-impaired)	
		未來12個月預期信用損失	整個存續期預期信用損失(未發生信用減值)	整個存續期預期信用損失(已發生信用減值)	合計
Provision for bad debts	壞賬準備				
Balance as at 1 January 2025	2025年1月1日餘額	44,603.20	29,917,027.79	940,343.16	30,901,974.15
Provision in the current year	本年計提		8,931,427.03		8,931,427.03
Reversal in the current year	本年轉回	1,024.08		696,400.00	697,424.08
Write-off in the current year	本年轉銷				
Charge-off in the current year	本年核銷				
Other changes	其他變動				
Balance as at 31 December 2025	2025年12月31日餘額	43,579.12	38,848,454.82	243,943.16	39,135,977.10

十六、母公司財務報表主要項目註釋(續)

2. 其他應收款(續)

(2) 其他應收款壞賬準備計提情況

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

2. Other receivables (Continued)

2. 其他應收款(續)

(3) Other receivables presented by ageing

(3) 其他應收款按賬齡列示

Ageing	賬齡	Closing balance 年末餘額
Within 1 year (inclusive)	1年以內(含1年)	4,184,253.79
1 to 2 years	1-2年	1,291,902.60
2 to 3 years	2-3年	56,554,966.83
3 to 4 years	3-4年	2,520,642.63
4 to 5 years	4-5年	39,758,943.53
Over 5 years	5年以上	2,276,385.89
Total	合計	106,587,095.27

(4) Provision for bad debts for other receivables

(4) 其他應收款壞賬準備情況

Category	類別	Opening balance 年初餘額	Provision 計提	Changes during the current year 本年變動金額			Closing balance 年末餘額
				Recoveries or reversals 收回或轉回	Write off or charge off 轉銷或核銷	Others 其他	
Provision for bad debts	壞賬準備	30,901,974.15	8,931,427.03	697,424.08			39,135,977.10

(5) Other receivables of top 5 closing balances by debtor

(5) 按欠款方歸集的年末餘額前五名的其他應收款情況

The total top five receivable by debtor as at the end of the year amounted to RMB77,027,588.80, accounting for 72.27% of the closing balance of receivable. A provision for bad debts of RMB38,979,254.82 in total was made as at the end of the year.

本年按欠款方歸集的年末餘額前五名其他應收款匯總金額為77,027,588.80元，佔其他應收款年末餘額合計數的比例為72.27%，相應計提壞賬準備年末餘額匯總金額38,979,254.82元。

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

3. Long-term debt investment

3. 長期股權投資

(1) Classification of long-term equity investments

(1) 長期股權投資分類

		Change in the current year 本年增減變動											
		Gains or losses on investments recognized					Adjustment of other comprehensive income		Declared cash dividends or profits		Closing balance of provision for impairment		
		Opening balance (Book value)	Increase in investment	Reduction in investment	under the equity method		Change in other equities		Provision for impairment		Closing balance Others (Book value)		
		年初餘額 (賬面價值)	追加投資	減少投資	權益法下確認的 投資損益		其他綜合 收益調整	宣告發放現金 股利或利潤	計提減值準備		年末餘額 (賬面價值)	減值準備 年末餘額	
Entity invested	被投資單位	(賬面價值)	追加投資	減少投資	投資損益		收益調整	其他權益變動	股利或利潤	計提減值準備	其他	(賬面價值)	年末餘額
I. Joint ventures: None.	一、合營企業：無。												
II. Associates: None.	二、聯營企業：無。												
III. Subsidiaries	三、子公司												
Luzhou Xinglu Water (Group) Beijiao Water Co., Ltd.	瀘州市興瀘水務 (集團)北郊水業 有限公司	100,537,417.79										100,537,417.79	
Luzhou Xinglu Water (Group) Hejiang Water Co., Ltd.	瀘州市興瀘水務 (集團)合江水業 有限公司	94,072,759.54										94,072,759.54	
Luzhou Sitong Tap Water Engineering Co., Ltd.	瀘州市四通自來水 工程有限公司	6,343,534.06										6,343,534.06	
Luzhou Nanjiao Water Co., Ltd.	瀘州市南郊水業 有限公司	20,311,312.96										20,311,312.96	
Luzhou Sitong Water Supply and Drainage Engineering Design Co., Ltd.	瀘州市四通給排水 工程設計有限 公司	969,729.13										969,729.13	
Luzhou Xinglu Wastewater Treatment Co., Ltd.	瀘州市興瀘污水 處理有限公司	442,199,192.98										442,199,192.98	

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)

財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

3. Long-term debt investment (Continued)

3. 長期股權投資(續)

(1) Classification of long-term equity investments (Continued)

(1) 長期股權投資分類(續)

Entity invested	被投資單位	Opening balance (Book value) 年初餘額 (賬面價值)	Increase in investment 追加投資	Reduction in investment 減少投資	Gains or losses on investments recognized under the equity method 權益法下確認的 投資損益	Adjustment of other comprehensive income 其他綜合 收益調整	Change in the current year 本年增減變動		Declared cash dividends or profits 宣告發放現金 股利或利潤	Provision for impairment 計提減值準備	Closing balance (Book value) 年末餘額 (賬面價值)	Closing balance of provision for impairment 減值準備 年末餘額
							Change in other equities 其他權益變動					
Xinglu Water (Group)	興瀘水務(集團)											
Weiyuan Qingxi Water Co., Ltd.	威遠清溪水務有限公司	37,570,000.00					17,590,000.00				55,160,000.00	
Weiyuan City Water Supply and Drainage Installation Engineering Co., Ltd.	威遠城市供排水安裝工程有限公司	17,590,000.00		17,590,000.00								
Luzhou Xinglu Water (Group) Xingxu Water Co., Ltd.	瀘州市興瀘水務(集團)興叙水業有限公司	6,000,000.00									6,000,000.00	
Luzhou Fanxing Environmental Development Co., Ltd.	瀘州市繁星環保發展有限公司	117,000,000.00									117,000,000.00	
Leshan Xinglu Water Xingjia Environmental Protection Technology Co., Ltd.	樂山市興瀘水務興嘉環保科技有限公司	36,483,900.00									36,483,900.00	
Leibo Xinglu Water Co., Ltd.	雷波縣興瀘水務有限公司	20,502,000.00									20,502,000.00	

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE
PARENT COMPANY'S FINANCIAL
STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋
(續)

3. Long-term debt investment (Continued)

3. 長期股權投資(續)

(1) Classification of long-term equity
investments (Continued)

(1) 長期股權投資分類(續)

		Change in the current year 本年增減變動									
		Opening balance (Book value) 年初餘額 (賬面價值)	Increase in investment 追加投資	Reduction in investment 減少投資	Gains or losses on investments recognized under the equity method 權益法下確認的 投資損益	Adjustment of other comprehensive income 其他綜合 收益調整	Change in other equities 其他權益變動	Declared cash dividends or profits 宣告發放現金 股利或利潤	Provision for impairment 計提減值準備	Others 其他	Closing balance of provision for impairment 年末餘額 減值準備
Entity invested	被投資單位										
Chengdu Qingbaijiang	成都市青白江興瀘										
Xinglu Water Co., Ltd.	水務有限公司	34,676,700.00									34,676,700.00
Dechang Xinglu Water	德昌縣興瀘水務										
Co., Ltd.	有限公司	15,610,364.00									15,610,364.00
Litang County Xinglu	理塘縣興瀘水務										
Water Co., Ltd	有限公司	1,000,000.00		1,000,000.00							
Leshan Jingyan Xinglu	樂山井研興瀘污水										
Wastewater Treatment	處理有限公司										
Co., Ltd..		30,000,000.00									30,000,000.00
Luzhou Xinglu Water Quality	瀘州市興瀘水質										
Testing Co., Ltd.	檢測有限公司	3,000,000.00									3,000,000.00
Subtotal	小計	983,866,910.46		18,590,000.00			17,590,000.00				982,866,910.46
Total	合計	983,866,910.46		18,590,000.00			17,590,000.00				982,866,910.46

Chapter X Financial Report (Continued)

第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

4. Operating revenue and operating cost

4. 營業收入、營業成本

(1) Particulars of operating revenue and operating costs

(1) 營業收入和營業成本情況

Items	項目	Amount incurred in the current year 本年發生額		Amount incurred in the previous year 上年發生額	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Principal operations	主營業務	402,327,756.96	345,674,287.57	507,547,502.95	386,477,600.09
Other operations	其他業務	5,114,195.33	553,944.62	6,127,833.49	1,276,206.12
Total	合計	407,441,952.29	346,228,232.19	513,675,336.44	387,753,806.21

(2) Particulars of revenue from contracts

(2) 合同產生的收入的情況

Categories of contract	合同分類	Incurring revenue amount for the current year 本年收入發生額
Classification by type of goods	按商品類型分類	407,441,952.29
Including: water supply business	其中：供水業務	314,534,814.26
Engineering business	工程業務	87,792,942.70
Others	其他	5,114,195.33
Classification by business area	按經營地區分類	407,441,952.29
Including: inside Sichuan Province	其中：四川省內	407,441,952.29
Outside Sichuan Province	四川省外	

Chapter X Financial Report (Continued)
第十章 財務報告(續)

Notes to the Financial Statements (Continued)
財務報表附註(續)

XVI. NOTES TO MAJOR ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

十六、母公司財務報表主要項目註釋(續)

5. Income from investment

5. 投資收益

Items	項目	Amount incurred in the current year 本年發生額	Amount incurred in the previous year 上年發生額
Income from long-term equity investments accounted under the cost method	成本法核算的長期股權投資收益	56,728,524.40	58,748,424.63
Income from long-term equity investments accounted under the equity method	權益法核算的長期股權投資收益		
Investment income from the disposal of long-term equity investments	處置長期股權投資產生的投資收益	-398,821.37	2,093,872.79
Total	合計	56,329,703.03	60,842,297.42

XVII. SUPPLEMENTARY INFORMATION OF FINANCIAL REPORT

十七、財務報表補充資料

1. Return on net asset and earnings per share

1. 淨資產收益率及每股收益

	Weighted average return on net assets (%) 加權平均淨資產收益率(%)	Earnings per share (RMB/share) 每股收益(元/股)	
		Basic earnings per share 基本每股收益	Diluted earnings per share 稀釋每股收益
Profits during the reporting period	報告期利潤		
Net profit attributable to ordinary shareholders of the parent company	歸屬於母公司普通股股東的淨利潤	3.66	0.13

Luzhou Xinglu Water (Group) Co., Ltd.
27 March 2026

瀘州市興瀘水務(集團)股份有限公司
二〇二六年三月二十七日



瀘州市興瀘水務(集團)股份有限公司
LUZHOU XINGLU WATER (GROUP) CO., LTD.*

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