



# 台州市水務集團股份有限公司 Taizhou Water Group Co., Ltd.\*

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 1542

INTERIM REPORT

2025

\* for identification purposes only



# CONTENT

Corporate Information	2
Definitions	4
Financial Highlights	6
Management Discussion and Analysis	7
Other Information	14
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	20
Interim Condensed Consolidated Statement of Financial Position	21
Interim Condensed Consolidated Statement of Changes in Equity	23
Interim Condensed Consolidated Statement of Cash Flows	25
Notes to Interim Condensed Consolidated Financial Statements	27

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Yang Jun (*Chairman of the Board*)  
Mr. Pan Gang

### Non-executive Directors

Mr. Lin Genman  
Ms. Fang Ya  
Mr. Yu Yangbin  
Mr. Yang Yide  
Mr. Lin Yang  
Mr. Shao Aiping  
Ms. Ying Nan  
Ms. Mo Danjun (resigned on 28 March 2025)  
Mr. Ye Xiaofeng (was appointed on 27 June 2025)

### Independent Non-executive Directors

Mr. Huang Chun  
Ms. Lin Suyan  
Ms. Hou Meiwen  
Mr. Li Wai Chung  
Mr. Wang Yongyue

## REMUNERATION COMMITTEE

Mr. Wang Yongyue (*Chairman*)  
Mr. Yang Jun  
Mr. Pan Gang  
Mr. Huang Chun  
Ms. Lin Suyan

## NOMINATION COMMITTEE

Mr. Yang Jun (*Chairman*)  
Mr. Yu Yangbin  
Mr. Yang Yide  
Mr. Huang Chun  
Ms. Lin Suyan  
Ms. Hou Meiwen  
Mr. Wang Yongyue

## AUDIT COMMITTEE

Mr. Li Wai Chung (*Chairman*)  
Mr. Lin Genman  
Ms. Hou Meiwen

## STRATEGY COMMITTEE

Mr. Yang Jun (*Chairman*)  
Mr. Pan Gang  
Ms. Fang Ya  
Ms. Mo Danjun (resigned on 28 March 2025)  
Mr. Lin Yang  
Mr. Shao Aiping  
Mr. Huang Chun  
Mr. Ye Xiaofeng (was appointed on 27 June 2025)

## JOINT COMPANY SECRETARIES

Ms. Siu Pui Wah  
Ms. Zheng Ranhan

## AUTHORISED REPRESENTATIVES

Mr. Yang Jun  
Ms. Siu Pui Wah

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 308 Yin Quan Road  
Xicheng Street  
Huangyan District  
Taizhou, Zhejiang Province  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19/F., Golden Centre  
188 Des Voeux Road Central  
Hong Kong



## H SHARE REGISTRAR

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

## LEGAL ADVISERS

### As to Hong Kong law

Jingtian & Gongcheng LLP  
Suites 3203-3207  
32/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

### As to PRC law

Tian Yuan Law Firm  
Suite 509, Tower A  
Corporate Square, 35 Financial Street  
Xicheng District, Beijing 100033  
PRC

## PRINCIPAL BANKERS

Agricultural Bank of China, Taizhou Branch  
China Bank of Construction, Taizhou Huangyan Branch  
Industrial and Commercial Bank of China,  
Taizhou Huangyan Branch  
Bank of China, Taizhou Luqiao District Branch  
Taizhou Bank

## AUDITOR

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## STOCK CODE

1542

## COMPANY WEBSITE

[www.zjtzwater.com](http://www.zjtzwater.com)

# DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Binhai Water”	Taizhou Binhai Water Co., Ltd.* (台州市濱海水務有限公司), a limited liability company established in the PRC on 7 June 2016 and a subsidiary of our Company owned as to 51% by our Company and 49% by Taizhou City Water, our subsidiary, as at the date of this interim report
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context otherwise requires, references in this interim report to “China” and the “PRC” do not apply to Taiwan, the Macau Special Administrative Region and Hong Kong
“Company”	Taizhou Water Group Co., Ltd.* (台州市水務集團股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1542)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	issued ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Group”, “we” or “our”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in HKD
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the agreement dated 19 April 2023 entered into between the Company and Zhejiang Yongan in relation to the formation of the Joint Venture Company
“Joint Venture Company”	Zhejiang Xianzhiquan Water Co., Ltd.* (浙江仙之泉水業有限公司), a limited liability company established on 24 May 2023 by the Company and Zhejiang Yongan under the laws of the PRC pursuant to the Joint Venture Agreement

\* For identification purpose only

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the 6-month period from 1 January 2025 to 30 June 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the Domestic Share(s) and/or the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“Supervisor(s)”	member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“Taizhou City Water”	Taizhou City Water Co., Ltd.* (台州城市水務有限公司), a limited liability company established in the PRC on 30 September 2003 and a subsidiary of the Company owned as to 82% by the Company and 18% by Wenling Water Group Co., Ltd.* (溫嶺市水務集團有限公司), respectively, as at the date of this interim report
“Taizhou South Bay Water Supply”	Taizhou South Bay Water Supply Co., Ltd.* (台州市南部灣區水務有限公司), limited liability company established in the PRC on 13 March 2018 and a subsidiary of our Company owned as to 60% by our Company and 40% by Yuhuan Water Supply Group Co., Ltd.* (玉環市水務集團有限公司) as at the date of this interim report
“Zhejiang Yongan”	Zhejiang Yongan Water Group Co., Ltd.* (浙江永安水務集團有限公司), a limited liability company incorporated under the laws of the PRC on 1 June 1977

\* For identification purpose only

# FINANCIAL HIGHLIGHTS

The Board is pleased to announce the following financial summary:

## RESULTS

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue	274,903	300,346
Loss before tax	(13,877)	(32,755)
Income tax expense	(10,145)	(14,162)
Loss for the period	(24,022)	(46,917)
Attributable to:		
Owners of the parent	(19,875)	(36,276)
Non-controlling interests	(4,147)	(10,641)
	(24,022)	(46,917)
Loss per share attributable to ordinary equity holders of the parent Basic and diluted (RMB)	(0.10)	(0.18)

## ASSETS AND LIABILITIES

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Total assets	5,641,998	5,695,815
Total liabilities	4,689,806	4,717,417
Total equity	952,192	978,398
Equity attributable to owners of the parent	748,605	770,664
Non-controlling interests	203,587	207,734
Net assets	952,192	978,398

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY OVERVIEW

In recent years, against the dual backdrop of the deepening “water conservation priority” strategy and increasingly stringent water resource constraints, the water supply industry has entered a critical phase of policy implementation and efficiency enhancement. In April 2025, five government departments including the Ministry of Water Resources jointly issued the “Guidelines on Comprehensively Establishing a Water Conservation Policy and Institutional Framework”\* (《關於全面構建節水制度政策體系的意見》), which enhances top-level design and systematic planning for water-saving mechanisms. Concurrently, the expansion of water resource tax pilot reforms and accelerated development of water rights trading markets are creating stronger incentives for improving water-use efficiency. Local governments are accelerating the construction of smart water management platforms, leveraging IoT, big data, and other technologies to optimize water supply scheduling and leakage control while enhancing water quality safety. On one hand, intensifying efforts to upgrading water supply networks and implement district metering to reduce leakage rates; on the other hand, retrofitting aging water plants with advanced treatment technologies to continuously elevate water quality standards.

Looking ahead, with the gradual deepening of the ESG development philosophy, the water supply industry will further transition toward intelligent, low-carbon, intensive and sustainable development, providing a solid foundation for high-quality economic and social growth.

## DEVELOPMENT STRATEGIES AND OUTLOOK

The year 2025 marks the conclusion of the “14th Five-Year Plan” and the preparation for the “15th Five-Year Plan”. It also coincides with the 30th anniversary of the completion and operation of the Changtan Water Diversion Project Phase I (Huangjiaowen Joint Water Supply Project). This pivotal year will be critical for the Group to accelerate

quality and efficiency enhancement, transformation and upgrading. Guided by the national strategic directions of “water conservation priority” and the “Dual Carbon” goals, the Group will anchor the overarching goal of building a modern and comprehensive water group, with smart water management as its core driver. Aligning with water industry policy trends, we will thoroughly implement the spirit of General Secretary Xi Jinping’s important expositions on the reform and development of state-owned enterprises, Party building, and water management, water conservation and water use. The Group will optimize its industrial layout, further strengthen and refine its core businesses, focus on building a higher-standard water supply security system, steadily advance the extension of the industrial chain, accelerate the cultivation and development of new quality productive forces, establish an integrated innovation system of “water services + technology + talent”, enhance core functionalities, elevate core competitiveness, and drive high-quality development of the Group.

## BUSINESS REVIEW

As a leading water supply service provider in Taizhou, the Group’s principal business includes supply of raw water, municipal water and tap water, ranking the first in Taizhou in terms of raw water and municipal water supply. The Group also offers tap water directly to end-users and engages in the installation services of water pipelines for distributing tap water to end-users.

The Group owns, operates and manages the Taizhou Water Supply System (Phase I), the Taizhou Water Supply System (Phase II), the Taizhou Water Supply System (Phase III) and the Taizhou Water Supply System (Phase IV), with a designed raw water supply capacity of approximately 1,220,000 tonnes per day, and a designed municipal water supply capacity of 984,000 tonnes per day in southern Taizhou.

\* For identification purposes only



### 1. Raw Water Supply Project

The designed water supply capacity of Taizhou Water Supply System (Phase I) is 250,000 tonnes per day, and the raw water is supplied to local municipal water service providers and Wenling Zeguo Water Supply Co., Ltd. (a wholly-owned subsidiary of the Company) ("**Zeguo Water Supply**"). The raw water supply capacity of the Taizhou Water Supply System (Phase II) is 490,000 tonnes per day, of which 380,000 tonnes per day is supplied to Taizhou Water Treatment Plant of the Group. The Taizhou Water Supply System (Phase III) has a raw water supply capacity of 480,000 tonnes per day, including a raw water supply capacity of 150,000 tonnes per day for the Taizhou Water Supply System (Phase IV). During the Reporting Period, the raw water sales volume was 61.6 million tonnes, representing a decrease of 2.9 million tonnes as compared with 64.5 million tonnes for the six months ended 30 June 2024.

### 2. Municipal Water Supply Project

Taizhou Water Treatment Plant of the Taizhou Water Supply System (Phase II) has a designed municipal water supply capacity of 600,000 tonnes per day (after the Taizhou Water Treatment Plant phase II expansion project has been put into operation, the municipal water supply capacity of the Taizhou Water Supply System (Phase II) increased from 366,000 tonnes per day to 600,000 tonnes per day) and is responsible for providing the municipal water which is sold to local municipal water service providers. The water treatment plant in the East Zone of the Taizhou Water Supply System (Phase III) has a designed municipal water supply capacity of 284,000 tonnes per day and the South Bay water treatment plant of the Taizhou Water Supply System (Phase IV) has a designed municipal water supply capacity of 100,000 tonnes per day. During the Reporting Period, municipal water sales volume was 77.9 million tonnes, representing a decrease of 2.8 million tonnes as compared with 80.7 million tonnes for the six months ended 30 June 2024.

### 3. Tap Water Supply Project

The Group is responsible for supplying tap water to local end-users of Zeguo Town, Wenling City (including commercial users, government authorities, industrial users and residential households in Zeguo Town). During the Reporting Period, tap water sales volume was 5.8 million tonnes, as compared to 5.6 million tonnes for the six months ended 30 June 2024.

### 4. Installation Services

In connection with tap water supply services, the Group undertakes water pipeline installation works to connect new end-users to the Group's pipeline network and charges an installation fee for such services. During the Reporting Period, revenue from installation services amounted to approximately RMB9.8 million, representing an increase of RMB1.7 million as compared to approximately RMB8.1 million for the six months ended 30 June 2024.

### 5. Expansion Projects

In order to expand the market and increase revenue, as well as to tap into potential and improve efficiency, the Group successively established Zhejiang Xianzhiquan Water Co., Ltd.\* (浙江仙之泉水業有限公司) ("**Xianzhiquan Water**") in May 2023 and Taizhou Bishui Water Technology Co., Ltd.\* (台州碧水科工有限公司) ("**Bishui Water**") in September 2023, to expand into the packaged drinking water and pipeline potable water projects. This will promote the optimization of the Group's industrial layout and structural adjustment to achieve high-quality development. Currently, both projects are in the early stages of business expansion. Among them, Xianzhiquan Water has completed the production line acceptance and started production, with an expected annual output of 13,500 tons. The packaged drinking water produced by Xianzhiquan Water has successively appeared at major meetings and event sites such as the Asian Games torch relay in Taizhou, the municipal party congress, the

\* For identification purposes only

city's two sessions, and concerts. It has also been custom-produced for some government agencies and enterprises and institutions. Bishui Water has laid out pipeline potable water project in government agencies, enterprises and institutions, and residential areas. Currently, the pipeline construction or equipment room installation has been completed for 8 projects, among which 4 projects have been put into operation, and the other 4 are in the trial operation phase.

## 6. Construction Project

During the Reporting Period, construction projects in progress of the Group were the Taizhou Water Supply System (Phase III), the Taizhou Water Supply System (Phase IV), the Taizhou South Water Resources Optimization Project, the packaged drinking water and the pipeline potable water projects. The construction of the Taizhou Water Supply System (Phase III) commenced in February 2018 and put into operation in October 2022, while the construction of the Taizhou Water Supply System (Phase IV) commenced in November 2018 and put into operation in August 2022. The construction of the Taizhou South Water Resources Optimization Project commenced in October 2023. The construction of the packaged drinking water of Xianzhiquan Water commenced in April 2023 and was formally accepted and put into operation in April 2024. The construction of the first pipeline potable water project of Bishui Water commenced in September 2023.

During the Reporting Period, the Group has been continuously promoting the acceptance, rectification and settlement for various sections of the Taizhou Water Supply System (Phase III) and the Taizhou Water Supply System (Phase IV). On the basis of completing land expropriation work for the Zhan Tang booster pump station of the Taizhou Water Supply System (Phase IV), the Group has applied to the planning authorities for the construction project planning permit. The Taizhou Water Treatment Plant phase II expansion project has been put into operation. After completing the production line acceptance and starting production, as well as establishing a comprehensive quality control system from the water source to wastewater treatment, Xianzhiquan Water has meticulously planned brand channel development. Bishui Water has laid out pipeline potable water project in government agencies, enterprises and institutions, and residential areas. Currently, the pipeline construction or equipment room installation has been completed for 8 projects, among which 4 projects have been put into operation, and the other 4 are in the trial operation phase.

## FINANCIAL REVIEW

### 1. Analysis of Key Items of Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Continuing Operations

#### 1.1 Revenue

Revenue of the Group decreased by RMB25.4 million or 8.5%, from approximately RMB300.3 million for the six months ended 30 June 2024 to approximately RMB274.9 million for the Reporting Period.

- (1) Raw water supply  
Revenue of the Group generated from sales of raw water decreased by RMB11.3 million or 15.6%, from approximately RMB72.6 million for the six months ended 30 June 2024 to approximately RMB61.3 million for the Reporting Period.
- (2) Municipal water supply  
Revenue of the Group generated from sales of municipal water decreased by RMB15.9 million or 8.2%, from approximately RMB194.7 million for the six months ended 30 June 2024 to approximately RMB178.8 million for the Reporting Period. The decrease was primarily due to reduced water prices resulting from the reform policy of uniform water pricing within the same city.

- (3) Tap water supply  
Revenue of the Group generated from sales of tap water decreased by RMB0.6 million or 2.4%, from approximately RMB24.6 million for the six months ended 30 June 2024 to approximately RMB24.0 million for the Reporting Period.
- (4) Installation services  
Revenue of the Group generated from installation services increased by RMB1.7 million or 21.0%, from approximately RMB8.1 million for the six months ended 30 June 2024 to approximately RMB9.8 million for the Reporting Period. The increase was mainly due to the increased “one household, one water meter installation project”.

#### 1.2 Cost of sales

The Group's cost of sales decreased by RMB9.7 million or 4.2%, from approximately RMB232.7 million for the six months ended 30 June 2024 to approximately RMB223.0 million for the Reporting Period. The decrease was mainly due to the decrease in the volume of water sold.

**1.3 Gross profit and gross profit margin**

As a result of the above, the Group's gross profit decreased by RMB15.7 million or 23.2%, from approximately RMB67.6 million for the six months ended 30 June 2024 to approximately RMB51.9 million for the Reporting Period. Gross profit margin decreased from 22.5% for the six months ended 30 June 2024 to 18.9% for the Reporting Period.

**1.4 Other income and gains**

Other income and gains increased by RMB13.2 million or 86.8%, from approximately RMB15.2 million for the six months ended 30 June 2024 to approximately RMB28.4 million for the Reporting Period. The increase was mainly due to the receipt of financial subsidies from Yuhuan government by Taizhou South Bay Water Supply during the Reporting Period.

**1.5 Administrative expenses**

Administrative expenses decreased by RMB2.0 million or 4.8%, from approximately RMB41.3 million for the six months ended 30 June 2024 to approximately RMB39.3 million for the Reporting Period mainly because of the lower labor costs.

**1.6 Finance costs**

Finance costs decreased by RMB6.5 million or 9.5%, from approximately RMB68.7 million for the six months ended 30 June 2024 to approximately RMB62.2 million for the Reporting Period. The decrease was mainly due to a reduction of interest rate on borrowings.

**1.7 Income tax expense**

Income tax expense decreased by RMB4.1 million or 28.9%, from approximately RMB14.2 million for the six months ended 30 June 2024 to approximately RMB10.1 million for the Reporting Period. Such decrease was primarily due to the decrease in profit before tax of Taizhou Water Group Co., Ltd.\* (the "parent company").

**1.8 Loss after tax and loss margin after tax**

During the Reporting Period, the Company recorded a loss after tax of approximately RMB24.0 million as compared with a loss after tax of approximately RMB46.9 million for the six months ended 30 June 2024. Further, the Company's loss margin after tax for the six months ended 30 June 2025 was 8.7% as compared with a loss margin after tax of 15.6% for the six months ended 30 June 2024. The decrease in the loss of results was mainly due to the financial subsidy received by Taizhou South Bay Water Supply from the Yuhuan government during the Reporting Period.

## 2. Analysis of Key Items of Consolidated Statement of Financial Position

**2.1 Property, plant and equipment**

As at 31 December 2024 and 30 June 2025, property, plant and equipment were approximately RMB4,298.5 million and RMB4,207.3 million, respectively, and mainly comprised construction in progress, water supply pipelines, buildings, machinery and equipment for water supply business. The decrease was primarily attributable to the depreciation of fixed assets.



**2.2 Right-of-use assets**

As at 31 December 2024 and 30 June 2025, right-of-use assets were approximately RMB363.9 million and RMB411.0 million, respectively. The increase was primarily attributable to the addition of land use rights for Taizhou South Bay Water Supply.

**2.3 Inventories**

As at 31 December 2024 and 30 June 2025, inventories were approximately RMB5.3 million and RMB4.9 million, respectively. Inventories mainly comprised chemicals used in the water treatment process.

**2.4 Trade receivables**

As at 31 December 2024 and 30 June 2025, trade receivables were approximately RMB143.4 million and RMB150.5 million, respectively. Trade receivables were related to receivables from customers of the water supply business.

**2.5 Prepayments, other receivables and other assets**

As at 31 December 2024 and 30 June 2025, prepayments, other receivables and other assets were approximately RMB35.2 million and RMB43.3 million, respectively.

**2.6 Trade payables**

As at 31 December 2024 and 30 June 2025, trade payables were approximately RMB71.2 million and RMB66.8 million, respectively. Trade payables mainly comprised outstanding payments for raw water procurement.

**2.7 Other payables and accruals**

As at 31 December 2024 and 30 June 2025, other payables and accruals were approximately RMB838.4 million and RMB650.8 million, respectively. The decrease was mainly due to the decrease in other construction payables.

**2.8 Deferred government grants**

As at 31 December 2024 and 30 June 2025, deferred government grants were approximately RMB131.7 million and RMB126.8 million, respectively. Such decrease was mainly due to amortization.

**2.9 Liquidity and financial resources**

The Group manages its capital to ensure that its entities will be able to operate on a going concern basis and maximises the return to the Shareholders through optimisation of the debt and equity balance. During the Reporting Period, the overall strategy of the Group remained unchanged. The capital structure of the Group consisted of net debt (including borrowings net of cash and cash equivalents) and total equity (including paid-in capital/share capital, capital reserve, statutory surplus reserve, retained profits and non-controlling interests). The Group was not subject to any externally imposed capital requirements. As at 30 June 2025, cash and bank balance of the Group was approximately RMB291.4 million (as at 31 December 2024: approximately RMB321.3 million). As at 30 June 2025, total borrowings and corporate debt instruments of the Group were approximately RMB3,838.0 million (as at 31 December 2024: approximately RMB3,669.9 million) and included bank and other loans, with 88.5% of bank and other loans at floating rates. As at 30 June 2025, gearing ratio of the Group (total debts divided by total equity as at the end of the period) was 403.1% (as at 31 December 2024: 375.1%). The increase in gearing ratio was mainly due to the increase in bank and other borrowings of approximately RMB164.5 million for the construction of Taizhou Water Supply System (Phase III) and Taizhou Water Supply System (Phase IV).

## SIGNIFICANT INVESTMENTS

For the six months ended 30 June 2025, the Group did not hold any significant investment in equity interest in any other company (for the six months ended 30 June 2024: nil).

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

## PLEDGE OF THE GROUP'S ASSETS

As at the end of the Reporting Period, the bank borrowings of the Group amounted to approximately RMB3,686.5 million (as at 31 December 2024: approximately RMB3,515.2 million), which were secured by the Group's trade receivables, the right of charge on the future revenue generated by Taizhou Water Supply System (Phase I, Phase II, Phase III and Phase IV). Save as disclosed above, as at the end of the Reporting Period, the Group did not pledge any other assets.

## FOREIGN EXCHANGE RISK

During the Reporting Period, the Group carried out business in the PRC and received revenue and paid its costs/expenses in RMB. The Group denominated and declared dividends in RMB. Dividend on Domestic Share will be paid in RMB and dividend on H Share will be paid in Hong Kong dollar. The Group recognised net foreign exchange loss of approximately RMB10,383 during the Reporting Period. The Group does not currently hedge its exposure to foreign currencies.

## CONTINGENT LIABILITIES

As at the end of the Reporting Period, the Group did not have any material contingent liability (as at 31 December 2024: nil).

## SUBSEQUENT EVENTS AFTER REPORTING PERIOD

Based on the results of the public tender process for the appointment of the Company's domestic and international auditors on 16 May 2025 and 9 June 2025, and with the approval of the Audit Committee, the Board resolved on 27 June 2025 to propose the appointment of Grant Thornton International Ltd. as the domestic auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and the re-appointment of Ernst & Young as the international auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and the authorization to the Board to fix their respective remunerations. These resolutions are approved by the Shareholders at the extraordinary general meeting of the Company held on 18 July 2025 as ordinary resolutions.

For details, please refer to the circulars and announcements of the Company dated 13 June 2025, 27 June 2025 and 18 July 2025.

Save as disclosed above, the Group has no other significant events occurred after the Reporting Period that require additional disclosures or adjustments.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 256 employees (as at 30 June 2024: 251). During the Reporting Period, the employee benefit expenses amounted to approximately RMB41.9 million (for the six months ended 30 June 2024: RMB45.9 million). The employees of the Group are generally remunerated by way of fixed salary, and are also entitled to a performance based bonus, paid leave and various subsidies. During the Reporting Period, the Group did not experience any significant labour disputes causing any material impact on its normal business operations.

## OTHER INFORMATION

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code since the Listing Date and complied with the applicable code provisions throughout the six months ended 30 June 2025 up to the date of this interim report.

The Company is committed to enhancing its corporate governance practices appropriate to the conduct and the growth of its business and to reviewing such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

### MODEL CODE

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors and Supervisors. Specific enquiries have been made to

all the Directors and Supervisors and the Directors and Supervisors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2025 up to the date of this interim report.

### CHANGE IN DIRECTORS', SUPERVISORS' AND THE SENIOR MANAGEMENT'S INFORMATION

The changes in information of the Directors, Supervisors and senior management of the Company since the date of the Company's last published annual report pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Ms. Mo Danjun resigned as a non-executive Director and a member of the Strategy Committee with effect from 28 March 2025.

Mr. Ye Xiaofeng was appointed as a non-executive Director, and serves as a member of the Strategy Committee with effect from 27 June 2025.

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

As at 30 June 2025, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### Interests in Shares

Name of Director	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Mr. Yang Yide	Interest of controlled corporation <sup>(2)</sup>	Domestic Shares	10,058,338 (L)	6.71%	5.03%
Ms. Ying Nan	Interest of controlled corporation <sup>(3)</sup>	Domestic Shares	10,058,338 (L)	6.71%	5.03%

## Notes:

- (1) As at 30 June 2025, the Company had issued 200,000,000 Shares in total, including 150,000,000 Domestic Shares and 50,000,000 H Shares. The letter "L" denotes the person's long position in the Shares.
- (2) Qufeng Holdings Limited, which is owned as to 80% by Mr. Yang Yide, directly held 10,058,338 Domestic Shares. By virtue of the SFO, Mr. Yang Yide was deemed to have an interest in the Shares held by Qufeng Holdings Limited.
- (3) Shanghai Lipin Sanmin Culture Communication Co., Ltd. which is held as to 99.7% by Ms. Ying Nan, directly held 10,058,338 Domestic Shares. By virtue of the SFO, Ms. Ying Nan was deemed to have an interest in Shares held by Shanghai Lipin Sanmin Culture Communication Co., Ltd..

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors or chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2025, the following persons (not being a Director, Supervisor or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

### Interests in Shares

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Taizhou State-owned Capital Operation Group Co., Ltd.* <sup>(2)</sup>	Interest in controlled corporation	Domestic Shares	43,250,855	28.83%	21.63%
Taizhou Urban Construction and Investment Development Group Co., Ltd.* <sup>(2)</sup>	Beneficial owner	Domestic Shares	43,250,855	28.83%	21.63%
The Finance Bureau of Huangyan District of Taizhou* <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	26,679,541	17.79%	13.34%
Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd.* <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	26,679,541	17.79%	13.34%

\* For identification purpose only



## Other Information

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Taizhou Huangyan Technology Innovation Investment Co., Ltd.* <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	26,679,541	17.79%	13.34%
Zhejiang Yongning Financial Consulting Co., Ltd.* <sup>(3)</sup>	Beneficial owner	Domestic Shares	26,679,541	17.79%	13.34%
Taizhou Finance Bureau of Jiaojiang District* <sup>(4)</sup>	Interest in controlled corporation	Domestic Shares	22,222,893	14.82%	11.11%
Taizhou Jiaojiang Infrastructure Investment Company <sup>(4)</sup>	Beneficial owner	Domestic Shares	22,222,893	14.82%	11.11%
Zhejiang International Business Group Co., Ltd. <sup>(5)</sup>	Interest in controlled corporation	Domestic Shares	20,116,677	13.41%	10.06%
Zhejiang Zheshang Asset Management Co., Ltd.* <sup>(5)</sup>	Interest in controlled corporation	Domestic Shares	20,116,677	13.41%	10.06%
Taizhou State-owned Assets Investment Group Co., Ltd. <sup>(5)</sup>	Interest in controlled corporation	Domestic Shares	20,116,677	13.41%	10.06%
Zhejiang Taixin Asset Management Co., Ltd.* <sup>(5)</sup>	Beneficial owner	Domestic Shares	20,116,677	13.41%	10.06%
Taizhou Luqiao Public Assets Investment Management Group Co., Ltd.*	Beneficial owner	Domestic Shares	17,613,358	11.74%	8.81%
Qufeng Holdings Limited* <sup>(6)</sup>	Beneficial owner	Domestic Shares	10,058,338	6.71%	5.03%
Mr. Yang Yide <sup>(6)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Ms. Ying Nan <sup>(7)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Shanghai Yushen Enterprise Management Consulting Co., Ltd.* <sup>(7)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Shanghai Lipin Sanmin Culture Communication Co., Ltd.* <sup>(7)</sup>	Beneficial owner	Domestic Shares	10,058,338	6.71%	5.03%
Mr. Lin Maoyuan <sup>(7)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Shanghai Industrial Investment (Holdings) Company Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
Shanghai Industrial Investment Treasury Company Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
Shanghai Investment Holdings Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Shanghai Industrial Holdings Limited <sup>(6)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
S.I. Infrastructure Holdings Limited <sup>(6)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
S.I. Triumph Power Limited <sup>(6)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
SIIC Environment Holdings Ltd. <sup>(6)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
SIIC Environment Tech (Hong Kong) Limited <sup>(6)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
Shanghai Yangtze River Delta Water Environment Investment Fund Limited <sup>(6)</sup>	Beneficial owner	H Shares	12,500,000	25.00%	6.25%
Mr. Chung Chi Man <sup>(9)</sup>	Interest in controlled corporation	H Shares	11,700,000	23.40%	5.85%
Billion Shine International Investment Limited <sup>(9)</sup>	Interest in controlled corporation	H Shares	11,700,000	23.40%	5.85%
Innovax Holdings Limited <sup>(9)</sup>	Interest in controlled corporation	H Shares	11,700,000	23.40%	5.85%
Ms. Lee Yin Har <sup>(10)</sup>	Interest of spouse	H Shares	11,700,000	23.40%	5.85%
Caitong Fund Management Co., Ltd.	Trustee	H Shares	8,590,000	17.18%	4.30%
Orient Fund Management Co., Ltd.*	Trustee	H Shares	4,860,000	9.72%	2.43%
PING AN TRUST CO., LTD.	Trustee	H Shares	3,622,000	7.24%	1.81%

\* For identification purpose only

Notes:

- (1) As at 30 June 2025, the Company had issued 200,000,000 Shares in total, including 150,000,000 Domestic Shares and 50,000,000 H Shares.
- (2) Taizhou Urban Construction and Investment Development Group Co., Ltd. is ultimately wholly-owned by Taizhou State-owned Capital Operation Group Co., Ltd.. By virtue of the SFO, Taizhou State-owned Capital Operation Group Co., Ltd. is deemed to have an interest in the Domestic Shares held by Taizhou Urban Construction and Investment Development Group Co., Ltd..
- (3) Zhejiang Yongning Financial Consulting Co., Ltd. is a state-owned enterprise indirectly wholly-owned by the Finance Bureau of Huangyan District of Taizhou through its wholly-owned subsidiary, Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd., and through the wholly-owned subsidiary of Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd., Taizhou Huangyan Technology Innovation Investment Co., Ltd.. By virtue of the SFO, each of the Finance Bureau of Huangyan District of Taizhou, Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd. and Taizhou Huangyan Technology Innovation Investment Co., Ltd. is deemed to have an interest in the Domestic Shares held by Zhejiang Yongning Financial Consulting Co., Ltd..

## Other Information

- (4) Taizhou Jiaojiang Infrastructure Investment Company is a state-owned enterprise wholly-owned by the Taizhou Finance Bureau of Jiaojiang District. By virtue of the SFO, the Taizhou Finance Bureau of Jiaojiang District is deemed to have an interest in the Domestic Shares held by Taizhou Jiaojiang Infrastructure Investment Company.
- (5) Zhejiang Taixin Asset Management Co., Ltd. is held as to (i) 40% by Taizhou State-owned Assets Investment Group Co., Ltd., a company wholly owned by Taizhou State-owned Capital Operation Group Co., Ltd.; and (ii) 60% by Zhejiang Zheshang Asset Management Co., Ltd., which is in turn owned as to approximately 58.64% by Zhejiang International Business Group Co., Ltd. By virtue of the SFO, each of Taizhou State-owned Assets Investment Group Co., Ltd., Zhejiang Zheshang Asset Management Co., Ltd., Taizhou State-owned Capital Operation Group Co., Ltd., and Zhejiang International Business Group Co., Ltd., is deemed to have an interest in the Domestic Shares held by Zhejiang Taixin Asset Management Co., Ltd..
- (6) Qufeng Holdings Limited is owned as to 80% by Mr. Yang Yide. By virtue of the SFO, Mr. Yang Yide was deemed to have an interest in the Shares held by Qufeng Holdings Limited.
- (7) Shanghai Lipin Sanmin Culture Communication Co., Ltd. is held as to 99.7% by Ms. Ying Nan and 0.3% by Shanghai Yushen Enterprise Management Consulting Co., Ltd., the latter is in turn wholly owned by Mr. Lin Maoyuan. By virtue of the SFO, Ms. Ying Nan is deemed to be interested in a total of 10,058,338 domestic shares of the Company held by Shanghai Lipin Sanmin Culture Communication Co., Ltd..
- (8) Shanghai Yangtze River Delta Water Environment Investment Fund Limited is held as to 40% by SIIC Environment Tech (Hong Kong) Limited, which is in turn wholly-owned by SIIC Environment Holdings Ltd.. SIIC Environment Holdings Ltd. is held as to 6.36% by S.I. Infrastructure Holdings Limited and as to 37.92% by S.I. Triumph Power Limited, which is in turn wholly-owned by S.I. Infrastructure Holdings Limited. S.I. Infrastructure Holdings Limited is wholly-owned by Shanghai Industrial Holdings Limited, which is in turn held as to 55.13% by Shanghai Investment Holdings Limited. Shanghai Investment Holdings Limited is wholly-owned by Shanghai Industrial Investment Treasury Company Limited, which is in turn wholly-owned by Shanghai Industrial Investment (Holdings) Company Limited. By virtue of the SFO, SIIC Environment Tech (Hong Kong) Limited, SIIC Environment Holdings Ltd., S.I. Triumph Power Limited, S.I. Infrastructure Holdings Limited, Shanghai Industrial Holdings Limited, Shanghai Investment Holdings Limited, Shanghai Industrial Investment Treasury Company Limited and Shanghai Industrial Investment (Holdings) Company Limited are deemed to have an interest in the H Shares held by Shanghai Yangtze River Delta Water Environment Investment Fund Limited.
- (9) Innovax Holdings Limited is owned as to 75% by Billion Shine International Investment Limited, which is wholly-owned by Mr. Chung Chi Man.
- (10) Ms. Lee Yin Har is the spouse of Mr. Chung Chi Man. By virtue of the SFO, Ms. Lee Yin Har is deemed to be interested in all the H Shares held by Mr. Chung Chi Man.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any other persons (other than the Directors, Supervisors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or Supervisors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OR SALE OF TREASURY SHARES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury Shares (as defined under the Listing Rules), if any). As at 30 June 2025, the Company did not hold any treasury Shares.

## AUDIT COMMITTEE

The Audit Committee has reviewed, with the management, the accounting principles and policies adopted by the Group, and reviewed and discussed the unaudited interim condensed consolidated financial statements, interim results announcement of the Group for the six months ended 30 June 2025 and this interim report, and recommended their respective adoption by the Board.

On behalf of the Board

**Mr. Yang Jun**

*Chairman of the Board*

PRC, 29 August 2025



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>REVENUE</b>	5	<b>274,903</b>	300,346
Cost of sales		<b>(223,005)</b>	(232,713)
Gross profit		<b>51,898</b>	67,633
Other income and gains	5	<b>28,399</b>	15,248
Administrative expenses		<b>(39,260)</b>	(41,343)
Other expenses		<b>(705)</b>	(227)
Finance costs	7	<b>(62,232)</b>	(68,728)
Share of profits and losses of associates		<b>8,023</b>	(5,338)
<b>LOSS BEFORE TAX</b>	6	<b>(13,877)</b>	(32,755)
Income tax expense	8	<b>(10,145)</b>	(14,162)
<b>LOSS FOR THE PERIOD</b>		<b>(24,022)</b>	(46,917)
Attributable to:			
Owners of the parent		<b>(19,875)</b>	(36,276)
Non-controlling interests		<b>(4,147)</b>	(10,641)
		<b>(24,022)</b>	(46,917)
<b>Loss per share attributable to ordinary equity holders of the parent</b>			
Basic and diluted (RMB)		<b>(0.10)</b>	(0.18)
<b>OTHER COMPREHENSIVE LOSS</b>			
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive loss of associates		<b>(2,184)</b>	(1,656)
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>		<b>(2,184)</b>	(1,656)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(26,206)</b>	(48,573)
Attributable to:			
Owners of the parent		<b>(22,059)</b>	(37,932)
Non-controlling interests		<b>(4,147)</b>	(10,641)
		<b>(26,206)</b>	(48,573)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	4,207,299	4,298,525
Prepayments for property, plant and equipment		1,617	2,289
Other intangible assets		1,930	1,818
Investments in associates		502,380	496,541
Deferred tax assets		26,588	26,555
Right-of-use assets		411,034	363,882
Total non-current assets		5,150,848	5,189,610
<b>CURRENT ASSETS</b>			
Inventories		4,935	5,275
Trade receivables	12	150,463	143,413
Prepayments, other receivables and other assets		43,312	35,175
Pledged bank deposits	13	1,080	1,077
Cash and cash equivalents	13	291,360	321,265
Total current assets		491,150	506,205
<b>CURRENT LIABILITIES</b>			
Trade payables	14	66,802	71,153
Other payables and accruals		650,848	838,416
Interest-bearing bank and other borrowings	16	31,846	20,436
Deferred government grants		9,745	9,745
Corporate debt instruments		151,559	154,656
Lease liabilities		–	684
Tax payable		5,561	3,814
Total current liabilities		916,361	1,098,904
<b>NET CURRENT LIABILITIES</b>		<b>(425,211)</b>	<b>(592,699)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,725,637</b>	<b>4,596,911</b>

Interim Condensed Consolidated Statement of Financial Position  
30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,725,637</b>	4,596,911
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	16	<b>3,654,610</b>	3,494,758
Deferred government grants		<b>117,051</b>	121,971
Other liabilities		<b>1,784</b>	1,784
Total non-current liabilities		<b>3,773,445</b>	3,618,513
Net assets		<b>952,192</b>	978,398
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	15	<b>200,000</b>	200,000
Reserves		<b>548,605</b>	570,664
		<b>748,605</b>	770,664
Non-controlling interests		<b>203,587</b>	207,734
Total equity		<b>952,192</b>	978,398

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital reserve*	Statutory surplus reserve*	Retained profits*	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
At 31 December 2024 (audited)	200,000	140,609	68,604	361,451	770,664	207,734	978,398
Loss for the period	–	–	–	(19,875)	(19,875)	(4,147)	(24,022)
Other comprehensive loss for the period:							
Share of other comprehensive loss of associates	–	(2,184)	–	–	(2,184)	–	(2,184)
Total comprehensive loss for the period	–	(2,184)	–	(19,875)	(22,059)	(4,147)	(26,206)
Transfer to statutory surplus reserve	–	–	682	(682)	–	–	–
At 30 June 2025 (unaudited)	200,000	138,425	69,286	340,894	748,605	203,587	952,192

\* These reserve accounts comprise the consolidated reserves of RMB548,605,000 in the consolidated statement of financial position as at 30 June 2025.



## Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital	Capital reserve*	Statutory surplus reserve*	Retained profits*	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
At 31 December 2023 (audited)	200,000	146,638	68,604	457,031	872,273	205,594	1,077,867
Loss for the period	–	–	–	(36,276)	(36,276)	(10,641)	(46,917)
Other comprehensive loss for the period:							
Share of other comprehensive loss of associates	–	(1,656)	–	–	(1,656)	–	(1,656)
Total comprehensive loss for the period	–	(1,656)	–	(36,276)	(37,932)	(10,641)	(48,573)
Transfer to statutory surplus reserve	–	–	336	(336)	–	–	–
At 30 June 2024 (unaudited)	200,000	144,982	68,940	420,419	834,341	194,953	1,029,294

\* These reserve accounts comprise the consolidated reserves of RMB634,341,000 in the consolidated statement of financial position as at 30 June 2024.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(13,877)	(32,755)
Adjustments for:			
Loss/(gain) on disposal of items of property, plant and equipment		629	(50)
Finance costs	7	62,232	68,728
Bank interest income		–	(3,653)
Loss on early termination of leases		–	5
Depreciation of property, plant and equipment	6	94,925	97,298
Share of losses of associates		(8,023)	5,338
Depreciation of right-of-use assets	6	5,094	5,374
Amortisation of government grants		(4,920)	(4,935)
Amortisation of other intangible assets	6	357	92
Impairment of trade receivables, net	6	(875)	686
Impairment of financial assets included in prepayments, other receivables and other assets	6	(141)	(694)
Foreign exchange differences, net	6	10	3
		<b>135,411</b>	135,437
Decrease/(increase) in inventories		340	(380)
Increase in trade receivables		(6,175)	(31,255)
(Increase)/decrease in prepayments, other receivables and other assets		(7,994)	14
(Decrease) /increase in trade payables		(4,351)	7,945
Increase/(decrease) in other payables and accruals		(9,347)	(15,645)
Cash generated from operations		<b>107,884</b>	96,116
Bank interest received		–	3,653
Income tax paid		(8,433)	(17,193)
Net cash flows from operating activities		<b>99,451</b>	82,576

## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Net cash flows from operating activities	99,451	82,576
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(177,126)	(184,555)
Prepayments for right-of-use assets	(52,930)	(7,405)
Proceeds from disposal of items of property, plant and equipment	15	113
Increase in pledged bank deposits	(3)	(41)
Purchase of other intangible assets	(469)	(199)
Net cash flows used in investing activities	(230,513)	(192,087)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank and other borrowings	183,480	95,500
Repayment of bank and other borrowings	(12,218)	(12,518)
Proceeds from issue of corporate debt instruments	149,985	149,985
Repayment of corporate debt instruments	(150,000)	(150,000)
Interest paid	(70,080)	(72,125)
Net cash flows from financing activities	101,167	10,842
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(29,895)	(98,669)
Cash and cash equivalents at beginning of period	321,265	447,830
Effect of foreign exchange rate changes, net	(10)	(3)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	291,360	349,158
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position and interim condensed consolidated statement of cash flows	291,360	349,158

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

## 1. Corporate and group information

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at No.308, Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, PRC.

The Company and its subsidiaries (together, the "Group") are principally engaged in supplying raw water, municipal water, pipeline direct drinking water, packaged drinking water and tap water directly to end-users and the installation of the water pipelines for distributing tap water to end-users.

### Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Taizhou City Water Co., Ltd. ("Taizhou City Water") (台州市城市水務有限公司)*	PRC/Mainland China 30 September 2003	RMB220,000,000	82	–	Centralised water production and supply
Wenling Zeguo Water Supply Co., Ltd. ("Wenling Zeguo Water Supply") (溫嶺市澤國自來水有限公司)*	PRC/Mainland China 9 November 2006	RMB30,000,000	100	–	Centralised water supply and pipeline installation service
Taizhou Environmental Development Co., Ltd. ("Taizhou Environmental Development") (台州市環境發展有限公司)*	PRC/Mainland China 5 September 2018	RMB10,000,000	100	–	Dormant
Taizhou South Bay Water Supply Co., Ltd. ("Taizhou South Bay Water Supply") (台州市南部灣區水務有限公司)*	PRC/Mainland China 13 March 2018	RMB340,000,000	60	–	Centralised water production and supply
Taizhou Binhai Water Co., Ltd. ("Binhai Water") (台州市濱海水務有限公司)*	PRC/Mainland China 7 June 2016	RMB215,000,000	51	49	Centralised water production and supply
Zhejiang Xianzhiquan Water Co., Ltd. ("Xianzhiquan Water") (浙江仙之泉水業有限公司)*	PRC/Mainland China 24 May 2023	RMB50,000,000	51	–	Bottled drinking spring water production
Taizhou Bishui Water Technology Co., Ltd. ("Bishui Water") (台州碧水科工有限公司)*	PRC/Mainland China 13 September 2023	RMB8,000,000	100	–	Pipeline direct drinking water production and supply

\* These entities are limited liability enterprises established under PRC law.

## 2. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

### Going concern assumption

As at 30 June 2025, the Group recorded net current liabilities of approximately RMB425,211,000; in which the Group recorded the other payables and accruals of RMB650,848,000.

In view of the net current liabilities position, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. As at 30 June 2025, the Group has available bank facilities with a total amount of RMB3,486,110,000 which can be utilised in the next twelve months. Taking into account these additional financial resources available to the Group and the internally generated funds from operations, the directors believe that the Group has sufficient cash flows in the foreseeable future to enable it to continue its operations and meet its liabilities as and when they fall due. Therefore, the consolidated financial statements have been prepared on a going concern basis.

## 3. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.



#### 4. Operating segment information

For management purposes, the Group only has one reportable operating segment which is water supply and installation of water pipelines. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

##### Geographic information

**(a) Revenue from external customers**

The Group operated within one geographical area as all of the Group's revenue was generated from customers located in Mainland China.

**(b) Non-current assets**

All non-current assets of the Group are located in Mainland China.

##### Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024 are set out below:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer 1	68,717	73,247
Customer 2	64,288	80,956
Customer 3	47,517	51,657
Customer 4	37,612	39,468

## 5. Revenue, other income and gains

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers	274,903	300,346

### Revenue from contracts with customers

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Type of goods or services</b>		
Sale of water	265,125	292,227
Installation services	9,778	8,119
Total	274,903	300,346
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	265,125	292,227
Services transferred over time	9,778	8,119
Total	274,903	300,346

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Other income</b>		
Value added tax refund	5,224	6,006
Bank interest income	933	3,653
Government grants	21,465	5,104
Others	769	435
Subtotal	28,391	15,198
<b>Gains</b>		
Gain on disposal of items of property, plant and equipment	8	50
Total	28,399	15,248

## 6. Loss before tax

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold	215,482	227,656
Cost of services provided	7,523	5,057
Depreciation of property, plant and equipment	94,925	97,298
Depreciation of right-of-use assets	5,094	5,374
Amortisation of other intangible assets	357	92
Impairment of trade receivables, net	(875)	686
Impairment of financial assets included in prepayments, other receivables and other assets, net	(141)	(694)
Government grants	(21,465)	(5,104)
Foreign exchange differences, net	10	3
Loss/(gain) on disposal of items of property, plant and equipment	629	(50)

## 7. Finance costs

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on bank borrowings	59,125	64,058
Interest on other borrowings	5,744	6,497
Interest on corporate debt instrument	1,559	2,534
Less: interest capitalised	(4,196)	(4,361)
Total	62,232	68,728

## 8. Income tax

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

During the period, except for Taizhou Environmental Development, the provision for current income tax in Mainland China was based on the statutory rate of 25% (2024: 25%) of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

Taizhou Environmental Development, Xianzhiquan Water and Bishui Water are qualified as small and micro enterprises and were entitled to a preferential income tax rate of 5% (2024: 5%).

The income tax expense of the Group is analysed as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax – Mainland China		
Charge for the period	10,178	18,384
Deferred tax	(33)	(4,222)
Total	10,145	14,162

## 9. Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 and does not recommend any interim dividend for the six months ended 30 June 2025.

## 10. Loss per share attributable to ordinary equity holders of the parent

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in outstanding during the period.

The Group had no potentially dilutive ordinary shares in outstanding during the six months ended 30 June 2025 and 2024.

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	(19,875)	(36,276)

	Number of shares For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
<b>Shares</b>		
Weighted average number of ordinary shares in outstanding during the period used in the basic loss per share calculation	200,000,000	200,000,000

## 11. Property, plant and equipment

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying amount at beginning of period/year	4,298,525	4,331,872
Additions	4,343	162,232
Disposals	(644)	(922)
Depreciation provided during period/year	(94,925)	(194,657)
Carrying amount at end of period/year	4,207,299	4,298,525



## 12. Trade receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	16,353	19,271
Due from related parties (note 18(c))	186,612	177,519
Subtotal	202,965	196,790
Impairment	(52,502)	(53,377)
Total	150,463	143,413

The Group's trading terms with its customers are mainly on credit. The credit period is generally two months. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

As at 30 June 2025, certain of the Group's trade receivables with a carrying amount of RMB152,951,000 (31 December 2024: RMB128,581,000) were pledged to secure the Group's bank loans (note 16).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	85,599	120,419
3 to 6 months	57,888	20,345
6 to 12 months	5,792	1,302
1 to 2 years	1,180	1,177
2 to 3 years	4	170
Total	150,463	143,413

## 13. Cash and cash equivalents and pledged bank deposits

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank balances	291,360	321,265
Pledged bank deposits	1,080	1,077
	292,440	322,342
Less: Pledged deposits for land reclamation fee	(1,080)	(1,077)
Cash and cash equivalents	291,360	321,265
Denominated in:		
RMB	290,688	320,582
Hong Kong dollars ("HK\$")	672	683
Cash and cash equivalents	291,360	321,265

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged bank deposits mainly represent deposits pledged to banks to secure land reclamation fee. The pledged bank deposits carry interest at floated rates which range from 0.050% to 0.950% (2024: 0.150% to 1.250%) per annum. The bank balances and pledged bank deposits are deposited with creditworthy banks with no recent history of default.

## 14. Trade payables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	66,802	71,153

An ageing analysis of the trade payables as at the end of the period, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	26,559	36,948
3 to 6 months	40	3,342
6 to 12 months	2,854	5,154
Over 12 months	37,349	25,709
Total	66,802	71,153

## 15. Share capital

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
Domestic shares of 150,000,000 (2024: 150,000,000) of RMB1.00 each	150,000	150,000
H shares of 50,000,000 (2024: 50,000,000) of RMB1.00 each	50,000	50,000
Total	200,000	200,000

All domestic shares and H shares rank pari passu with each other in terms of dividend and voting rights.

## 16. Interest-bearing bank and other borrowings

	Effective interest rate (%)	Maturity	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Current</b>				
Bank loans – secured	3.25	2026	533	–
Current portion of long term bank loans – secured	3.35	2026	267	–
Current portion of long term bank loans – secured	3.40	2026	267	–
Current portion of long term bank loans – secured	3.50	2026	1,830	–
Current portion of long term bank loans – secured	3.55	2026	4,800	–
Current portion of long term bank loans – secured	3.60	2026	1,000	–
Current portion of long term bank loans – secured	3.80	2026	30	–
Current portion of long term bank loans – secured	3.85	2026	4,197	–
Current portion of long term bank loans – secured	4.05	2026	11	–
Current portion of long term bank loans – secured	3.50	2025	2,730	4,460
Current portion of long term bank loans – secured	3.80	2025	20	23
Current portion of long term bank loans – secured	3.85	2025	1,150	533
Current portion of long term bank loans – secured	3.95	2025	–	266
Current portion of long term bank loans – secured	4.00	2025	–	267
Current portion of long term bank loans – secured	4.05	2025	11	40
Current portion of long term bank loans – secured	4.15	2025	–	4,800
Current portion of long term- bank loans – secured	4.20	2025	–	5,000
Current portion of long term bank loans – secured	4.45	2025	–	5,047
Subtotal – current			16,846	20,436
Short-term loan				
other borrowings – secured	2.25	2025	15,000	–
Total – current			31,846	20,436

## 16. Interest-bearing bank and other borrowings (Continued)

	Effective interest rate (%)	Maturity	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Non-current</b>				
Bank loans – secured	3.15	2040	10,500	–
Bank loans – secured	3.25	2040–2046	447,617	76,270
Bank loans – secured	3.30	2043	40,000	–
Bank loans – secured	3.35	2046	8,933	–
Bank loans – secured	3.40	2041–2046	18,933	–
Bank loans – secured	3.45	2027–2048	90,000	90,000
Bank loans – secured	3.50	2041–2046	195,160	252,990
Bank loans – secured	3.55	2039–2047	650,800	190,000
Bank loans – secured	3.58	2041–2042	80,000	30,000
Bank loans – secured	3.60	2035–2048	260,000	340,500
Bank loans – secured	3.65	2042–2046	85,000	85,000
Bank loans – secured	3.70	2043–2048	115,000	65,000
Bank loans – secured	3.71	2047	45,000	45,000
Bank loans – secured	3.75	2041–2047	50,000	50,000
Bank loans – secured	3.80	2043–2046	116,860	116,890
Bank loans – secured	3.83	2024–2046	50,000	50,000
Bank loans – secured	3.85	2041–2048	567,864	163,133
Bank loans – secured	3.90	2045–2046	–	80,000
Bank loans – secured	3.95	2043–2046	–	39,067
Bank loans – secured	4.00	2046	–	9,067
Bank loans – secured	4.05	2046–2049	114,943	114,954
Bank loans – secured	4.15	2039–2046	–	383,200
Bank loans – secured	4.18	2042	–	50,000
Bank loans – secured	4.20	2044–2048	195,000	300,000
Bank loans – secured	4.30	2043–2045	50,000	100,000
Bank loans – secured	4.45	2045–2049	55,000	455,687
Subtotal – non-current			3,246,610	3,086,758
Other borrowings – secured	2.80	2026–2041	408,000	408,000
Subtotal – non-current			3,654,610	3,494,758
Total			3,686,456	3,515,194



## 16. Interest-bearing bank and other borrowings (Continued)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	16,846	20,436
In the second year	17,606	17,256
In the third to fifth years, inclusive	84,925	68,248
Beyond five years	3,144,079	3,001,254
Subtotal	3,263,456	3,107,194
Other borrowings repayable:		
Within one year	15,000	–
In the second year	51,000	51,000
In the third to fifth years, inclusive	51,000	51,000
Beyond five years	306,000	306,000
Subtotal	423,000	408,000
Total	3,686,456	3,515,194

Notes:

- (a) The Group's bank and other borrowings are secured by:
- (i) the pledge of the Group's trade receivables with a carrying amount of RMB152,951,000 (31 December 2024: RMB128,581,000) (note 12); and
  - (ii) the pledge of right of charge of the Company, Taizhou City Water, Binhai Water and Taizhou South Bay Water Supply on the future revenue generated by Taizhou water supply system (Phase I, Phase II, Phase III and Phase IV).
- (b) A subsidiary of the Company, Taizhou City Water, has guaranteed certain of the Group's bank loans up to RMB1,353,555,000 (31 December 2024: RMB1,246,600,000).
- (c) A shareholder of the Company, Taizhou Urban Construction Investment Development Group Co., Ltd. ("Taizhou Urban Construction") has guaranteed certain of the Group's other borrowings of up to RMB408,000,000 (31 December 2024: RMB459,000,000).
- (d) The Company has guaranteed certain of the Group's bank loans of up to RMB2,888,461,000 (31 December 2024: RMB2,707,720,000).

## 17. Commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for: Pipelines and buildings	234,564	186,011

## 18. Related party transactions

The Group's related parties are as follows:

Name	Relationship with the Company
Taizhou Bishui Qingquan Ecological Agriculture Co., Ltd. ("Taizhou Bishui Qingquan") (Formerly known as "Zhejiang Taizhou Landscape")	An entity controlled by the shareholders of the Company
Zhejiang Taishui Science and Trade Co., Ltd. ("Zhejiang Taishui") (Formerly known as "Taizhou Modern Construction")	An entity controlled by the shareholders of the Company
Taizhou Huangyan Water Conservancy Development Group Co., Ltd. ("Huangyan Water Conservancy")	An entity controlled by the shareholders of the Company
Wenling Water Supply Co., Ltd. ("Wenling Water Supply")	A shareholder of Taizhou City Water
Yuhuan Water Supply Co., Ltd. ("Yuhuan Water Supply")	An entity controlled by the non-controlling shareholders of a subsidiary
Taizhou Luqiao Water Supply Co., Ltd. ("Luqiao Water Supply")	An associate of the Company
Taizhou Huangyan Urban and Rural Water Supply Co., Ltd. ("Huangyan Water Supply")	An associate of the Company
Taizhou Water Supply Co., Ltd. ("Taizhou Water Supply")	An associate of the Company
Huangyan Reservoir Development ("Huangyan Reservoir")	An entity controlled by the shareholders of the Company
Taizhou Zhuxi Reservoir Development ("Zhuxi Reservoir")	An associate of the Company

## 18. Related party transactions (Continued)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Associates</b>			
Sales of water to:			
Taizhou Water Supply	(i)	68,717	73,247
Huangyan Water Supply	(i),(ii)	24,093	24,324
Luqiao Water Supply	(i)	47,517	51,657
Total		140,327	149,228
<b>Other related parties</b>			
Sales of water to:			
Wenling Water Supply	(i),(ii)	64,288	80,956
Yuhuan Water Supply	(i),(ii)	37,612	39,468
Total		101,900	120,424
Purchases of water from:			
Huangyan Reservoir	(i),(ii)	37,726	41,606
Zhuxi Reservoir	(i)	1,376	–
Total		39,102	41,606
Construction services and other services from:			
Zhejiang Taishui	(i)	2,233	475
Taizhou Bishui Qingquan	(i)	140	–
Total		2,373	475

- (i) The sales or purchases of water and provision of services to/from the associates and other related parties were made according to the published prices and conditions offered by the Group and the related parties to their major customers.
- (ii) The related party transactions in respect of sale of water to an associate and other related parties as set out above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

- (b) Other transactions with related parties:

A shareholder of the Company, Taizhou Urban Construction, has guaranteed certain borrowings made to the Group of up to RMB408,000,000 (2024: RMB459,000,000) as at the end of the period, as disclosed in note 16(c) to the financial statements.

## 18. Related party transactions (Continued)

(c) Outstanding balances with related parties:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Due from related parties:		
<b>Trade in nature</b>		
Taizhou Water Supply	79,489	57,745
Wenling Water Supply	47,882	55,924
Luqiao Water Supply	21,640	21,267
Yuhuan Water Supply	6,623	17,967
Huangyan Water Supply	30,978	24,616
Balance included in trade and notes receivables (note 12)	186,612	177,519
Due to related parties:		
<b>Trade in nature</b>		
Huangyan Reservoir	14,013	20,974
Zhejiang Taishui	2,814	12,941
Taizhou Bishui Qingquan	2,948	28,954
Zhuxi Reservoir	1,376	–
Balance included in trade payables	21,151	62,869
<b>Non-trade in nature</b>		
Huangyan Water Conservancy	88,576	88,576
Balance included in other payables and accruals	88,576	88,576

The balances with related parties are unsecured, interest-free and repayable on demand.

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,637	2,188
Pension scheme contributions	120	126
Total compensation paid to key management personnel	1,757	2,314

## 19. Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair value	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Financial liabilities</b>				
Non-current portion of interest-bearing bank and other borrowings	3,654,610	3,494,758	3,658,068	3,498,825

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management has assessed that the fair values of the non-current portion of interest-bearing bank and other borrowings based on prevailing market interest rates approximate to their carrying amounts. The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2025 and 31 December 2024 were assessed to be insignificant.

The Group did not have any financial assets and liabilities measured at fair value as at 30 June 2025 and 31 December 2024.



## 19. Fair value and fair value hierarchy of financial instruments (Continued)

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities for which fair values are disclosed:

**As at 30 June 2025**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Non-current portion of interest-bearing bank and other borrowings	–	3,658,068	–	3,658,068

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Non-current portion of interest-bearing bank and other borrowings	–	3,498,825	–	3,498,825