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Corporate Information
公司資料

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

Independent Non-executive Directors
Mr. Chau Kam Wing Donald
Mr. Chang Qing
Mr. Peng Yongzhen

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

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

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

Mr. Wong Wan Sing

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

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

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

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

獨立非執行董事

Corporate Information
公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

As to Hong Kong law:
Norton Rose Fulbright Hong Kongng law6,to Hong Kong laEG >>BDCPTj ET EMC /Span <</LanBTj ET EMC Nw

Chairman's Statement
主席報告

Dear Shareholders,

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

RESULTS REVIEW

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

To conclude, in 2024, the Group continued to focus on urban water treatment segment. Total revenue for the year was RMB2,261.3 million, representing an increase of 2.0% year-on-year, with urban water treatment operation accounting for 95.5 0g638 0e

Chairman's Statement
主席報告

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

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

During the year, the state repeatedly reaffirmed and emphasized its support for the healthy development of private enterprises, issuing policy documents such as the Rules for Fair Competition Review in Bidding and Tendering, the Guidelines on Resolving Arrears to Enterprises, and the Notice on Further Regulating the Implementation of New Public-Private Partnership (PPP) Mechanisms. In these policies, fair competition, compliance with laws and regulations and strengthening supervision over law enforcement were advocated, to address delayed payments to enterprises, and it was stated that priority would be given to private enterprises to participate in franchise projects, aiming at improving the business environment and fostering the healthy growth of all types of enterprises. For the water environment pro

Chairman's Statement
主席報告

DEVELOPMENT STRAT

本集團發展策略及未來展望

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

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

主席
李中

香港，二零二五年三月三十一日

Management Discussion and Analysis
管理層討論及分析

BUSINESS REVIEW

During the year ended 31 December 2024 (the "Reporting Period"), the Group's principal business activities

1.1 Urban Water Treatment

As at 31 December 2024, the Group had entered into a total of 110 service concession arrangements projects, including 104 wastewater t

	Number of projects 項目數量	Treatment capacity 處理量 (Tonnes/Day)	Actual processing volume during the year ended 31 December 2024 截至二零二四年十二月三十一日止年度的實際處理量 (Million Tonnes)

1.1.1 Operation Services

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

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

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

截至二零二四年十二月三十一日止年度，已就21個項目確認建設收益，包括17個污水處理廠、1個供水廠、1個再生水處理廠及2個污泥處理廠，主要位於中國內地的山東省、山西省及天津市。截至二零二四年十二月三十一日止年度，該等項目的總建設收益為人民幣251.2百萬元，同比增加約108% (截至二零二三年十二月三十一日止年度：人民幣121.0百伺扤墾練蕆糨枒甥醼蔽醇滬뉲醥

1.2 Water Environment Comprehensive Remediation

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

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

1.3 Rural Water Improvement

The Group had 2 Rural Water Improvement projects during the year ended 31 December 2024. The projects were located in Guangdong province in Chinese Mainland. For the year ended 31 December 2024, total revenue of those projects was RMB78.9 million, representing a yea

Gross Profit Margin

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

Other Income and Gains

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

Administrative Expenses

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

Other expenses for the year ended 31 December 2024 was RMB88.3 million, representing an increase spopp

Finance Costs

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

融資成本

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

Share of Profits and Losses of Associates

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

分佔聯營公司溢利及虧損

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

Share of Profits and Losses of Joint ventures

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

分佔合營企業溢利及虧損

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

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

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

Financial Receivables

		As at 於	
		31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元	31 December 2023 二零二三年十二月三十一日 RMB'000 人民幣千元
Receivables for service concession arrangements	服務特許經營安排應收款項	**11,673,981**	11,592,250
Portion classified as current	分類為即期的部分	**(2,041,985)**	(2,079,291)
Non-current portion	非流動部分		

Trade Receivables

As at 31 December 2024, the Group's trade receivables (including the portion transferred to assets held for sale amounting to RMB24.7 million) of RMB3,194.4 million (31 December 2023: RMB2,808.5 million) mainly arose from the provision of wastewater treatment and sludge treatment services for Urban Water Treatment projects as well as construction services for the Group's Water Environment Comprehensive Remediation projects. The balance increased by RMB385.9 million, mainly due to (i) the increase in Urban Water Treatment projects receivables of approximately RMB393.2 million, (i

Cash and Cash Equivalents

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

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

Note:

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

Trade and Bills Payables

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

Other Payables and Accruals

As atpviaj 0.742 31i

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

EMPLOYEES AND REMUNERATION POLICIES

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

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

僱員及薪酬政策

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

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

CONTINGENT LIABILITIES

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

或然負債

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

FOREIGN EXCHANGE RISK

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

外匯風險

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

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

除披露者外，於二零二四年十二月三十一日後並無發生重大事項。

Directors and Senior Management
董事及高級管理層

EXECUTIVE DIRECTORS (Continued)

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

執行董事 (續)

趙雋賢先生擁有超過25年的環保及污水處理行業經驗，於二零零四年至二零零九年間因其對環保發展作出的寶貴貢獻及其在環保技術方面的專業知識而屢次獲相關環保行業協會授予獎項。趙雋賢先生於二零零四年九月獲中國環境科學學會授予優秀環境科技實業家稱號。彼於二零零五年一月獲中國環境保護產業協會授予中國環保產業發展貢獻獎。彼亦於二零零六年七月獲重慶市人民政府授予環境保護先進個人稱丁㬎兒二零零仍儿驫

執行董事(續)

李中先生，太平紳士，56歲，畢業於北京化工大學高分子材料專業，並且於一九九七年獲得加拿大聖瑪麗大學工商管理碩士學位。彼在中國內地和香港服務於央企、國際知名500強企業超過二十年。彼自二零零二年起專注於以水務為主的城市公用事業和基礎設施項目的投資管理運營。彼自二零零四年起一直擔任深圳巴士集團股份有限公司董事。李

執行董事(續)

段林楠先生，34歲，曾就讀於北京師範大學心理學專業。彼於二零一一年加入中啜斗驥加

Directors and Senior Management
董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chau Kam Wing (周錦榮), aged 62, has over 30 years of experience in auditing, taxation and financial management and had been appointed as financial controller of a number of companies listed on the Hong Kong Stock Exchange.

獨立非執行董事

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

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

Corporate Governance Report
企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

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

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

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

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

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

企業管治常規

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

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

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

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

OUR CULTURE (Continued)

In the course of business, the Group adheres to high standards and strict requirements on engineering and operation quality and regards occupational health, safety in production and envdl597 0.269 0 T6 (t)Tj 0.362 0 Td Td (n)Tj 0.585 0249 0 Td (n)Tj 014 >>BD

OUR CULTURE (Continued)

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

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

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

The Board is responsible for leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance. The Board has delegated to the chief executive officer, 9 0 T874 [illegible] /S (高級管理層轉授權力及職責) [illegible] 日常管理及運作。此外，董事會已成立董事委員會，並向該等董事委員會授予多項職責，有關職責載於其各自的職權範圍內。

企業文化 (續)

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

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

遵守董事進行證券交易的標準守則

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

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

Corporate Governance Report
企業管治報告

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

於二零二四年十二月三十一日及直至本年報日期，董事會的組成載列如下：

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

執行董事
李中*(主席)*
劉玉杰
段林楠
周偉先生(於二零二四年四月十日獲委任)
趙雋賢(自二零二五年一月一日起辭任聯席主席並調任為非執行董事)

Independent non-executive Directors
Chau Kam Wing
Chang Qing
Peng Yongzhen

獨立非執行董事
周錦榮
常清
彭永臻

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

董事之間概無財務、業務、家族或其他重大／相關關係。

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

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

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

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

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

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

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

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

主席及行政總裁

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

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

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

委任及重選董事

執行董事各自與本公司訂立服[illegible]為

APPOINTMENT AND RE-ELECTION OF DIRECTORS (Continued)

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

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委任及重選董事(續)

董事會已採納董事會成員多元化政策，旨在列載為達致董事會成員多元化以提高董事會效率而採取的方針。本公司認可並相信董事會成員多元化的好處，並盡力確保董事會就適合本公司業務所需的技能多元化。

DIRECTORS' TRAINING

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

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

Name of Directors	董事姓名	Reading Materials update on rules and regulations 更新有關規則及法規的閱讀材料
Executive Directors	**執行董事**	
Li Zhong *(Chairman)*	李中*(主席)*	.
Liu Yujie	劉玉杰	.
Duan, Jerry Linnan *(Chief Executive Officer)*	段林楠*(行政總裁)*	.
Zhou Wei *(Chief Financial Officer)* (appointed on 10 April 2024)	周偉*(財務總監)* (於二零二四年四月十日獲委任)	.
Zhao Juanxian (alias, Zhao Junxian) (ceased to be Co-Chairman and re-designated as non-executive director with effect from 1 January 2025)	趙雋賢 (自二零二五年一月一日起	

BOARD MEETINGS

The Board is provided with relevant materials in relation to the matters brought before the mt ou

提名委員會(續)

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

薪酬委員會

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

截至二零二四年十二月三十一日止年度，薪酬委員會已於考慮不斷增加的職責及責任水平以及市場狀況後檢討董事(包括執行董事及獨立非執行董事)的袍金，並經考慮可資比較公司所支付的薪金、董事付出的時間及其職責等因素後批准本集團整體的薪酬獎償瀆皎轴金嵲澖

REMUNERATION COMMITTEE (Continued)

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

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

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

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

The Company has established an audit committee (the "Audit Committee") to 0.578 0 0.474 1d (t)1j 0.334 0 1d (t)1j 0.334 1d (n)1j 0.627 0.911 0 1d (m)1j5 0 1d (m)1j 0.8530.405 0 1d (a)1j 0.578 0 1

審核委員會(續)

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

BOARD MEETINGS

The Board is provided with relevant materials in relation to the matters brought before the mt ou

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratio in order to support its business and maximise shareholders' value.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid t

39. 財務風險管理目標及政策(續)

(e) 資本管理

本集團資本管理的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支持業務及為股東帶來最大價值。

本集團按風險比例設定資本金額。本集團根據經濟狀況變動及相關資產的風險特點管理及調整資本結構。為維持或調整資本結構，本集團或會調整派付予股東的股息金額、向股東歸還資本、發行新股份或出售資產以減少債務。於本年度，資本管理目標、政策或程序並無任何變動。本集團以資本負債比率監管資本，該比率乃以債務淨額除以資本加債務淨額計算。債務淨額包括貿易應付款項及應付票據、若干其他應付款項及應計費用、計息銀行及其他借款減現金及現金等價物及抵押存款。資本包括綜合財務狀況表所列母公司擁有人應佔權益及非控股權益。本集團的策略為維持資產負債比率在穩健資本水平，以支持其業務。本集團採取的主要策略包括但不限於檢討未來現金流量要求及於債務到期時按時間表還款的能力、維持可動用銀行融資在合理水平以及調整投資計劃及融資計劃(如有需要)。於各年末的資產負債比率如下：

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e)

39. 財務風險管理目標及政策(續)

(e) 資本管理(續)

於二零二四年十二月三十一日後並無發生其他重大事項。

41. STATEMENT OF FINANCIAL POSIaIaICOF F

41. 本公司財務狀況表

報告期末本公司財務狀況表的資料如下：

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

41. 本公司財務狀況表(續)

附註：

本公司儲備的概要如下：

	Share premium	Share opti0i

於二零二四年五月三十一日，本公司已根據其於二零一四年六月十四日採納的購股權計劃授出合共213,973,500份購股權，可認購本公司股本中合共213,973,500股普通 股。於截至二零二四年十二月三十一日止年度，本集團確認購股權開支人民幣5,141,000元(二零二三年十二月三十一日：零)。

該等綜合財務報表於二零二五年三月三十一日獲董事會批准及授權刊發。

Financial Summary
財務概要

A summary of the results and of the assets, liabilities and total equity of the Group for the last five financial years is as set below:

RESULTS

Financial Summary
財務概要

ASSETS, LIABILITIES AND TOTAL EQUITY 資產、負債及權益總額

		As at 31 December 於十二月三十一日				
		2024	2023	2022	2021	2020
		二零二四年	二零二三年	二零二二年	二零二一年	二零二零年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	**19,153,926**	19,227,362	18,965,750	18,281,408	17,645,830
Total liabilities	負債總額	**13,134,081**	13,377,330	13,225,142	12,873,787	12,527,632
NET ASSETS	**資產淨值**	**6,019,845**	5,850,032	5,740,608	5,407,621	5,118,198
Equity attributable to shareholders of the Company	本公司股東應佔權益	**5,934,962**	5,711,789	5,603,435	5,270,006	4,918,730
Non-controlling						

KANGDA INTE
ENVIRONME
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