

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Beijing Enterprises Urban Resources Group Limited**

**北控城市資源集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3718)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **HIGHLIGHTS**

- The Group recorded a revenue of approximately RMB3,039.3 million for the six months ended 30 June 2025, representing an increase of approximately 13.1% as compared with that of approximately RMB2,687.8 million for the six months ended 30 June 2024.
- Profit attributable to shareholders of the Company decreased by approximately 74.7% to approximately RMB32.5 million for the six months ended 30 June 2025 as compared to approximately RMB128.5 million for the six months ended 30 June 2024. The decrease was mainly due to the provision of impairment loss on non-current assets of RMB161.5 million recognised during the six months ended 30 June 2025. The provision of impairment loss was a one-off non-cash expenditure and had no impacts on the Group's cash flow.
- The Group's financial position and cash flow remain healthy, the production and operation remain normal and smooth. During the six months ended 30 June 2025, the Group newly obtained 30 urban services projects through public tenders, with total contract values and estimated annual revenue amounting to approximately RMB852.5 million and RMB243.8 million, respectively.
- Achieved strong operating cash inflow during the six months ended 30 June 2025.
- Interim dividend of HK1.8 cents per share is declared for the six months ended 30 June 2025 (six months ended 30 June 2024: HK1.2 cents).

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Enterprises Urban Resources Group Limited (the “**Company**”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 and the unaudited interim condensed consolidated statement of financial position as at 30 June 2025, together with comparative figures for the corresponding period in 2024, as follows:

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

*For the six months ended 30 June 2025*

	Notes	2025 <b>RMB’000</b> (Unaudited)	2024 <b>RMB’000</b> (Unaudited)
<b>REVENUE</b>	4	<b>3,039,289</b>	2,687,769
Cost of sales		<u>(2,425,282)</u>	<u>(2,130,923)</u>
Gross profit		<b>614,007</b>	556,846
Other income and gains, net	5	<b>17,912</b>	26,407
Administrative expenses		<b>(255,833)</b>	(282,230)
Selling and distribution expenses		<b>(6,308)</b>	(12,080)
Other expenses		<b>(39,502)</b>	(22,087)
Finance costs	7	<b>(42,350)</b>	(55,846)
Impairment loss on non-current assets		<b>(161,537)</b>	–
Share of losses of joint ventures		<u>(252)</u>	<u>(1,104)</u>
<b>PROFIT BEFORE TAX</b>	6	<b>126,137</b>	209,906
Income tax expense	8	<u><b>(60,703)</b></u>	<u>(58,485)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>65,434</b></u>	<u>151,421</u>
Attributable to:			
Owners of the Company		<b>32,520</b>	128,499
Non-controlling interests		<u><b>32,914</b></u>	<u>22,922</u>
		<u><b>65,434</b></u>	<u>151,421</u>
<b>EARNINGS PER SHARE</b>			
Basic and diluted	9	<u><b>RMB0.91 cents</b></u>	<u>RMB3.61 cents</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the six months ended 30 June 2025*

	<b>2025</b> <b><i>RMB'000</i></b> <b>(Unaudited)</b>	2024 <i>RMB'000</i> (Unaudited)
<b>PROFIT FOR THE PERIOD</b>	<b>65,434</b>	151,421
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
– Translation of foreign operations	<b>6,095</b>	(6,234)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
– Translation from functional currency to presentation currency	–	5,289
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET OF INCOME TAX</b>	<b>6,095</b>	(945)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>71,529</b>	150,476
Attributable to:		
Owners of the Company	<b>38,615</b>	127,554
Non-controlling interests	<b>32,914</b>	22,922
	<b>71,529</b>	150,476

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		2,203,598	2,582,861
Right-of-use assets		284,084	292,263
Goodwill		16,480	16,551
Service concession arrangements		460,698	465,804
Other intangible assets		13,845	15,107
Investments in joint ventures		48,814	48,974
Prepayments, deposits and other receivables		29,922	31,882
Deferred tax assets		83,933	90,221
Total non-current assets		3,141,374	3,543,663
<b>CURRENT ASSETS</b>			
Inventories		99,413	74,763
Trade and bills receivables	11	3,309,934	3,368,756
Environmental decommissioning fees receivable	12	323,091	333,326
Other tax recoverable		117,356	113,934
Prepayments, deposits and other receivables		215,618	191,924
Restricted cash and pledged deposits		11,716	14,600
Cash and cash equivalents		1,056,857	939,671
Total current assets		5,133,985	5,036,974
<b>TOTAL ASSETS</b>		<b>8,275,359</b>	<b>8,580,637</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

		30 June 2025 <b>RMB'000</b> (Unaudited)	31 December 2024 <b>RMB'000</b> (Audited)
	Notes		
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	13	572,995	595,901
Other payables and accruals		776,439	1,031,548
Other taxes payable		44,120	41,334
Income tax payable		58,000	67,035
Interest-bearing bank borrowings	14	511,690	946,454
Total current liabilities		1,963,244	2,682,272
<b>NET CURRENT ASSETS</b>		3,170,741	2,354,702
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,312,115	5,898,365
<b>NON-CURRENT LIABILITIES</b>			
Deferred income		149,039	153,075
Other payables and accruals		59,872	55,688
Deferred tax liabilities		53,337	60,020
Interest-bearing bank borrowings	14	2,085,369	1,685,572
Provision for major overhauls		133,490	130,352
Total non-current liabilities		2,481,107	2,084,707
Net assets		3,831,008	3,813,658
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	15	313,584	313,584
Reserves		2,766,523	2,769,984
<b>Non-controlling interests</b>		3,080,107	3,083,568
Total equity		750,901	730,090
		3,831,008	3,813,658

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

## 1.1 CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate and ultimate holding company is Beijing Enterprises Water Group Limited, which is a limited liability company incorporated in Bermuda and shares of which are listed on the Main Board of the Stock Exchange. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. During the six months ended 30 June 2025, the Group was involved in the following principal activities:

- provision of urban services
- provision of hazardous waste treatment services
- provision of waste electrical, electronic equipment treatment services and sale of dismantled products

## 1.2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the urban services segment provides urban environmental governance services and construction services;
- (b) the hazardous waste treatment segment provides hazardous waste treatment services; and
- (c) the “others” segment comprise, principally, the waste electrical and electronic equipment treatment services and the sale of dismantled products.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit for the period attributable to owners of the Company. The adjusted profit for the period attributable to owners of the Company is measured consistently with the Group’s profit for the period attributable to owners of the Company except that corporate and other unallocated income and expenses are excluded from such measurement.

	Urban services Six months ended 30 June		Hazardous waste treatment Six months ended 30 June		Others Six months ended 30 June		Total Six months ended 30 June	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue (Note 4)	2,664,179	2,402,168	215,256	228,956	159,854	56,645	3,039,289	2,687,769
Cost of sales	(2,066,440)	(1,865,278)	(214,593)	(218,691)	(144,249)	(46,954)	(2,425,282)	(2,130,923)
Gross profit	<u>597,739</u>	<u>536,890</u>	<u>663</u>	<u>10,265</u>	<u>15,605</u>	<u>9,691</u>	<u>614,007</u>	<u>556,846</u>
Segment results	365,884	291,962	(45,480)	(43,996)	9,429	6,576	329,833	254,542
Impairment loss on non-current assets	-	-	(161,537)	-	-	-	(161,537)	-
	<u>365,884</u>	<u>291,962</u>	<u>(207,017)</u>	<u>(43,996)</u>	<u>9,429</u>	<u>6,576</u>	<u>168,296</u>	<u>254,542</u>
Corporate and other unallocated income and expenses, net:								
- Interest income							122	142
- Other corporate gains							-	270
- Finance costs							(22,447)	(29,367)
- Corporate and other unallocated expenses							(19,834)	(15,681)
							<u>(42,159)</u>	<u>(44,636)</u>
Profit before tax							126,137	209,906
Income tax expense							(60,703)	(58,485)
Profit for the period							<u>65,434</u>	<u>151,421</u>
Segmental profit/(loss) for the period	305,349	233,281	(207,110)	(43,800)	9,354	6,576	107,593	196,057
Non-controlling interests	(40,563)	(31,160)	12,603	10,672	(4,954)	(2,434)	(32,914)	(22,922)
Owners of the Company	<u>264,786</u>	<u>202,121</u>	<u>(194,507)</u>	<u>(33,128)</u>	<u>4,400</u>	<u>4,142</u>	<u>74,679</u>	<u>173,135</u>
Corporate and other unallocated income and expenses, net							<u>(42,159)</u>	<u>(44,636)</u>
							<u>32,520</u>	<u>128,499</u>

	Urban services		Hazardous waste treatment		Others		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Other segment information:</b>								
Share of profit/(loss) of joint ventures	564	264	(816)	(1,368)	-	-	(252)	(1,104)
Impairment losses	14,015	4,362	161,537	1,666	2,500	-	178,052	6,028
Write-down of inventories to net realisable value	-	-	3,463	5,289	-	-	3,463	5,289
Depreciation and amortisation	230,940	211,970	73,442	71,854	1,061	1,975	305,443	285,799
Capital expenditure*	98,337	242,501	27,354	67,403	1,320	441	127,011	310,345
	<u>98,337</u>	<u>242,501</u>	<u>27,354</u>	<u>67,403</u>	<u>1,320</u>	<u>441</u>	<u>127,011</u>	<u>310,345</u>

\* Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, service concession arrangements and other intangible assets.

### Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operations.

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Chinese Mainland	2,768,318	2,687,769
Hong Kong	270,971	-
	<u>3,039,289</u>	<u>2,687,769</u>

Over 90% of the Group's non-current assets were derived from the Group's operations in the Chinese Mainland during the period.

### Information about major customers

During the six months ended 30 June 2025 and 2024, no revenue from transactions with a single external customer contributed over 10% of the total revenue of the Group.



#### 4. REVENUE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers</b>		
Urban services		
– Urban environmental governance services	2,660,989	2,392,808
– Construction services	3,190	9,360
	<u>2,664,179</u>	<u>2,402,168</u>
Hazardous waste treatment businesses		
– Hazard-free waste disposal services	151,158	171,606
– Sale of recycling and reuse products	64,098	57,350
	<u>215,256</u>	<u>228,956</u>
Sale of dismantled products	<u>117,525</u>	<u>37,513</u>
	<b>2,996,960</b>	<b>2,668,637</b>
<b>Revenue from other source</b>		
Environmental decommissioning fees income	<u>42,329</u>	<u>19,132</u>
	<b><u>3,039,289</u></b>	<b><u>2,687,769</u></b>

#### 5. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	2,217	3,809
Government grants (note (a))	6,335	9,914
VAT refunds and super deduction (note (b))	1,967	3,124
Rental income of motor vehicles and equipment	1,726	321
Sale of scrap materials	441	633
Consultancy services provided	–	3,851
Others	5,226	4,755
	<u>17,912</u>	<u>26,407</u>

#### Notes:

- (a) The government grants recognised during the period represented grants received from certain government authorities. There are no unfulfilled conditions or contingencies relating to these grants.
- (b) Certain subsidiaries are entitled to a refund of 50% to 70% of the VAT paid/payable under the Catalogue of Products and Services related to Recycling Businesses Qualified for Value-Added Tax (VAT) Preferential Treatment (Caishui [2015] No. 78) jointly issued by the PRC State Administration of Taxation and the Ministry of Finance.

Certain subsidiaries are also entitled to an additional VAT super deduction of 10% to 15% of the input VAT under the rules issued by the PRC State Administration of Taxation, the Ministry of Finance and the General Administration of Customs China.

## 6. PROFIT BEFORE TAX

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of inventories sold (note (a))	<b>197,908</b>	127,334
Cost of services provided (note (a))	<b>2,201,847</b>	1,972,011
Depreciation of property, plant and equipment	<b>263,810</b>	230,691
Depreciation of right-of-use assets	<b>15,138</b>	21,580
Amortisation of service concession arrangements (note (a))	<b>25,527</b>	31,578
Amortisation of other intangible assets	<b>968</b>	1,950
Impairment losses of trade receivables and environmental decommissioning fees receivable (note (b))	<b>16,515</b>	6,028
Write-down of inventories to net realisable value (note (b))	<b>3,463</b>	5,289
Loss/(gain) on disposal of items of property, plant and equipment (note (b))	<b>9,683</b>	(147)
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Salaries and benefits in kind	<b>1,550,328</b>	1,417,324
Pension scheme contributions	<b>196,877</b>	165,051
	<b>1,747,205</b>	<b>1,582,375</b>

*Notes:*

- (a) Included in "Cost of sales" in the condensed consolidated statement of profit or loss.
- (b) Included in "Other expenses" in the condensed consolidated statement of profit or loss.

## 7. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest on bank borrowings	<b>39,188</b>	57,456
Interest on lease liabilities	<b>1,670</b>	1,817
	<b>40,858</b>	59,273
Increase in discounted amounts of provision for major overhauls arising from the passage of time	<b>2,163</b>	2,077
	<b>43,021</b>	61,350
Less: Interest capitalised	<b>(671)</b>	(5,504)
	<b>42,350</b>	<b>55,846</b>

## 8. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the current period. No provision for Hong Kong profits tax has been made during the six months ended 30 June 2024 as the Group did not generate any assessable profits in Hong Kong.

The income tax provisions in respect of operations in Chinese Mainland are calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof. In accordance with the relevant tax rules and regulations of Chinese Mainland, a number of the Company's subsidiaries enjoy income tax exemptions and reductions, by reasons that (1) these companies are engaged in the operations of environmental protection, energy and water conservation; and/or (2) they have operations in the Western region of Chinese Mainland that are qualified for a 15% concessionary corporate income tax rate for a prescribed period of time pursuant to the "Circular of the State Council on Policies and Measures Concerning the Large-scale Development of China's Western Regions" (Guo Fa [2000] No. 33) issued by the State Council of PRC.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax:		
Hong Kong	<b>889</b>	—
Chinese Mainland	<b>68,494</b>	65,564
Overprovision in prior years	<b>(7,381)</b>	(522)
Deferred tax	<b>(1,299)</b>	(6,557)
	<b>60,703</b>	<b>58,485</b>

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company	<b>32,520</b>	128,499
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue less treasury shares	<b>3,556,664,000</b>	3,559,637,495

No diluted earnings per share for the six months ended 30 June 2025 and 2024 was presented as there was no dilutive potential ordinary share in issue for both periods.

## 10. DIVIDENDS

During the six months ended 30 June 2025, a final dividend of HK1.3 cents per share in respect of the year ended 31 December 2024 was declared to owners of the Company. The aggregate amount of the final dividend declared and paid amounted to HK\$46,237,000 (equivalent to RMB42,076,000).

On 26 August 2025, the Board declared an interim dividend in respect of the six months ended 30 June 2025 of HK1.8 cents (six months ended 30 June 2024: HK1.2 cents) per ordinary share, in an aggregate amount of HK\$64,020,000 (equivalent to RMB58,258,000) (six months ended 30 June 2024: HK\$42,680,000 (equivalent to RMB38,554,000)).

## 11. TRADE AND BILLS RECEIVABLES

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Trade receivables	<b>3,387,728</b>	3,420,935
Less: Allowance for credit losses	<b>(82,465)</b>	(68,451)
	<b>3,305,263</b>	3,352,484
Bills receivable	<b>4,671</b>	16,272
	<b>3,309,934</b>	3,368,756

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables based on the invoice date or revenue recognition date (when the invoices had yet been issued by then) and net of loss allowance, is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Within 3 months	<b>1,197,456</b>	1,363,535
4 to 6 months	<b>704,974</b>	639,632
7 to 12 months	<b>731,743</b>	757,062
Over 1 year	<b>671,090</b>	592,255
	<b>3,305,263</b>	3,352,484

## 12. ENVIRONMENTAL DECOMMISSIONING FEES RECEIVABLE

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Environmental decommissioning fees receivable	<b>323,091</b>	333,326

The balance represented government subsidies receivable from the Central Government of the PRC (the “**Central Government**”) for the waste electrical and electronic equipment treatment services. The Group submits the quantities and products dismantled to the government online system on a weekly basis. The Central Government would appoint independent auditors to perform fieldwork audit quarterly or semi-annually, depending on the province practice, to verify the submitted details in the online system posted by the dismantling entities. Audit report would be issued by the independent auditors and submitted to the Central Government for the quantities confirmation results. Subject to the internal procedures for processing the auditor reports, the Central Government would publish online confirmation notices on its website the quantities of appliances being dismantling appliance and an environmental decommissioning fee would be paid to the entities after the online publication. The whole confirmation process from performing the waste electrical and electronic equipment treatment services until the cash receipt from Central Government ranged from 4 to 5 years.

The Group does not hold any collateral over these balances.

## 13. TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	<b>572,995</b>	575,901
Bills payable	–	20,000
	<b>572,995</b>	<b>595,901</b>

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	<b>58,051</b>	264,193
1 to 2 months	<b>62,161</b>	80,488
2 to 3 months	<b>49,602</b>	56,464
Over 3 months	<b>403,181</b>	174,756
	<b>572,995</b>	<b>575,901</b>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

#### 14. INTEREST-BEARING BANK BORROWINGS

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Secured bank loans	669,941	632,954
Unsecured bank loans	<u>1,927,118</u>	<u>1,999,072</u>
	2,597,059	2,632,026
Less: Amounts due within one year shown under current liabilities	<u>(511,690)</u>	<u>(946,454)</u>
Amounts shown under non-current liabilities	<u><u>2,085,369</u></u>	<u><u>1,685,572</u></u>

#### 15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.1 each	Nominal value of ordinary shares <i>HK\$'000</i>
Authorised:		
At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	<u><u>30,000,000,000</u></u>	<u><u>3,000,000</u></u>
	Number of shares in issue of HK\$0.1 each	Share capital <i>RMB'000</i>
Issued and fully paid:		
At 1 January 2024	3,600,000,000	317,405
Shares cancelled (Note)	<u>(43,336,000)</u>	<u>(3,821)</u>
At 30 June 2024	<u>3,556,664,000</u>	<u>313,584</u>
At 1 January 2025 and 30 June 2025	<u><u>3,556,664,000</u></u>	<u><u>313,584</u></u>

*Note:*

During the six months ended 30 June 2024, the Company repurchased its own ordinary shares of 39,700,000 on the Stock Exchange at an aggregate consideration of approximately HK\$22,569,000 (equivalent to RMB20,746,000) (before expenses). A total of 43,336,000 ordinary shares repurchased were cancelled during the six months ended 30 June 2024.

## FINANCIAL HIGHLIGHTS

The analysis of the Group's financial results, by business segments, for the six months ended 30 June 2025 and 2024 is set out in details below:

	Revenue			Gross profit margin			Profit/(loss) attributable to shareholders of the Company		
	2025 RMB'000	2024 RMB'000	Change %	2025 %	2024 %	Change %	2025 RMB'000	2024 RMB'000	Change %
<b>Urban services</b>									
– Urban Environmental Governance Services	2,660,989	2,392,808	11.2%	22.5%	22.4%	0.1%			
– Construction Services	3,190	9,360	(65.9)%	8.0%	8.0%	–			
Subtotal	2,664,179	2,402,168	10.9%	22.4%	22.4%	–	264,786	202,121	31.0%
<b>Hazardous waste treatment business</b>									
– Hazard-free waste disposal projects	151,158	171,606	(11.9)%	0.1%	4.4%	(4.3)%	(25,848)	(30,611)	15.6%
– Recycling and reuse projects	64,098	57,350	11.8%	0.9%	4.8%	(3.9)%	(7,122)	(2,517)	(183.0)%
Subtotal	215,256	228,956	(6.0)%	0.3%	4.5%	(4.2)%	(32,970)	(33,128)	0.5%
<b>Others</b>	159,854	56,645	182.2%	9.8%	17.1%	(7.3)%	4,400	4,142	6.2%
<b>Business results</b>	<u>3,039,289</u>	<u>2,687,769</u>	13.1%	20.2%	20.7%	(0.5)%	236,216	173,135	36.4%
Impairment loss on non-current assets							(161,537)	–	N/A
							74,679	173,135	(56.9)%
Corporate and other unallocated income and expenses, net							(42,159)	(44,636)	5.5%
<b>Total</b>							<u>32,520</u>	<u>128,499</u>	(74.7)%

## BUSINESS REVIEW

The Group is principally engaged in urban services, hazardous waste treatment business and waste electrical and electronic equipment treatment business.

The coverage of the Group's businesses have extended to 19 provinces, 4 autonomous regions, 2 municipalities and 1 special administrative region all across Greater China.

### Urban services

Urban Services refer to services in relation to environmental hygiene maintenance and management, such as road cleaning, garbage collection and transportation, garbage transportation station management, public toilet management and other services. Generally, the Group utilises existing public facilities, including garbage transportation stations and public toilets, to provide comprehensive urban services. The Group's urban services primarily cover comprehensive road cleaning, garbage sorting, garbage collection and transportation, garbage transportation station management, public toilet management, manure collection and transportation, greenway maintenance, river cleaning services and property management services (the "Urban environmental governance services").

As at 30 June 2025, the Group had 239 urban service projects, the movements of which, during the six months ended 30 June 2025, were as follow:

	Chinese Mainland projects	Hong Kong projects	Total number of projects
As at 1 January 2025	196	35	231
Newly added	9	21	30
Terminated to operate	(6)	(16)	(22)
As at 30 June 2025	<u>199</u>	<u>40</u>	<u>239</u>

The following table sets for an analysis of the urban services projects obtained during the six months ended 30 June 2025:

	Chinese Mainland projects	Hong Kong projects	Total
Number of urban services projects obtained	<u>9</u>	<u>21</u>	<u>30</u>
Total contract value ( <i>RMB million</i> )	<u>392.0</u>	<u>460.5</u>	<u>852.5</u>
Estimated annual revenue ( <i>RMB million</i> )	<u>100.5</u>	<u>143.3</u>	<u>243.8</u>



As at 30 June 2025, the Group successfully won a total of 30 urban services projects through public tender with total contract value and estimated annual revenue amounting to approximately RMB852.5 million and RMB243.8 million, respectively. This comprised 9 projects in Chinese Mainland with total contract value and estimated annual revenue amounting to approximately RMB392.0 million and RMB100.5 million, respectively; and 21 projects in Hong Kong with total contract value and estimated annual revenue amounting to approximately RMB460.5 million and RMB143.3 million, respectively.

During the six months ended 30 June 2025, the Group had recorded a total revenue of approximately RMB84.1 million in respect of these 30 projects located in Chinese Mainland and Hong Kong.

The Group operates its urban service projects under the following models:

<b>Operating Models</b>	<b>Chinese Mainland projects</b>	<b>Hong Kong projects</b>	<b>Total number of projects</b>
Operation & Maintenance (“ <b>O&amp;M</b> ”)			
• Urban Butler Integrated Service Project	5	–	5
• Comprehensive Cleaning Project	106	2	108
• Traditional Environmental Hygiene Service Project	81	38	119
Public-Private-Partnership (“ <b>PPP</b> ”)			
• Build-Operate-Transfer (“ <b>BOT</b> ”)	3	–	3
• Transfer-Operate-Transfer	4	–	4
Total	<b>199</b>	<b>40</b>	<b>239</b>

Under the O&M model, the Group acts as a third-party professional municipal operator for operation and maintenance for its customers, i.e., the local government, which usually outsource the municipal projects whose construction has been completed or nearly completed to the Group. With the rising specifications and requirements for urban governance stipulated by the policies in the PRC, improving the operational efficiency of urban management, enhancing the efficiency of the utilization of financial funds and reducing the cost of public services have become the core demands of the government competent authorities. Based on traditional environmental hygiene services, the Group has expanded its business boundary horizontally to strengthen its urban service capabilities on all fronts. Through the integration of its industrial chain, the Group has effectively integrated government services such as full regional sweeping and cleaning, garbage sorting, resource utilization, municipal maintenance, greening management and maintenance, garbage sorting and transportation, cityscape management and control, and digital urban management, thereby building a new urban management mode of “management + service + operation”. The Group has developed an independent smart urban management platform to create the smart urban butler integrated service.

As of 30 June 2025, the Group had a total of 5 urban butler projects in operation, with an annual service fee amounting to approximately RMB654.2 million and a total contract value exceeding RMB5.4 billion, which demonstrated the Group's leading position as an urban butler in the industry. In the future, the Group will continue to focus on urban butler projects and expand the depth and breadth of such business.

Under the PPP model, the Group enters into operating concession arrangements with the local governments which regulate the scope and price of services that the Group provides by utilising the assets, and also set out the treatment of any significant residual interests in the assets at the end of the term of the arrangements.

### **Hazardous waste treatment business**

Hazardous waste treatment business comprises the provision of hazard-free waste disposal services and sale of recycling and reuse products.

Disposal is mainly used for waste on which no other proper treatment methods are available. Hazard-free waste disposal aims to eliminate or minimise negative effect that hazardous waste may have on the environment. Landfill and incineration are two of the most common treatment methods for solid hazardous waste. For liquid hazardous waste, common treatment methods include flocculation and purification. Before being disposed of, hazardous waste needs to undergo certain pretreatment methods based on its nature. Common pretreatment methods include physical-chemical and solidification or stabilization.

Under the hazard-free waste disposal services, the Group processes and safely disposes of hazardous waste for industrial companies and medical institutions and charge them waste treatment fees. The Group's business mainly cover collection, transportation, storage and disposal of wastes such as medical waste and industrial solid waste.

By recycling waste methanol and mixed alcohol acquired by the Group, through its advanced recycling and reuse technology, the Group is able to produce related products such as methanol, ethanol, propanol and butanol and generates revenue from sales of these products. In addition, the reutilization technology also covers the storage, transportation, treatment, dehydration and product separation systems of silicon copper slag and etching solution wastewater, deodorization facilities and related auxiliary facilities. The wet disposal process is used to separate and recycle silicon copper slag, which becomes a useful supplement to the hazard-free business.

As at 30 June 2025, the Group had 10 hazardous waste treatment projects in operation (31 December 2024: 10 projects). Among these, 2 hazardous waste treatment projects provided integrated services encompassing both hazard-free disposal and recycling and reuse treatment services. As of 30 June 2025, the total design treatment capacity of treatment facilities that engaged in hazard-free disposal is 419,716 tons per annum (31 December 2024: 419,716 tons) and total design treatment capacity of treatment facilities that engaged in recycling and reuse is 280,000 tons per annum (31 December 2024: 280,000 tons).

## Other business

Other business represents waste electrical and electronic equipment treatment business. As of 30 June 2025, the Group had 2 revenue-generating waste electrical and electronic equipment treatment projects.

The Group procures waste electrical and electronic appliances mainly from local waste electrical and electronic appliances recycling stations. Types of dismantled equipment include computers, refrigerators, television sets, washing machines and air conditioners.

For the six months ended 30 June 2025, revenue from our waste electrical and electronic equipment treatment business amounted to approximately RMB159.9 million (six months ended 30 June 2024: RMB56.6 million), representing approximately 5.3% (six months ended 30 June 2024: 2.1%) of the Group's total revenue.

## FINANCIAL PERFORMANCE

### Revenue and gross profit margin

The Group's total revenue increased by approximately 13.1% from approximately RMB2,687.8 million for the six months ended 30 June 2024 to approximately RMB3,039.3 million for the six months ended 30 June 2025, primarily due to increase in revenue from the Group's urban services.

The Group's gross profit margin decreased from 20.7% for the six months ended 30 June 2024 to 20.2% for the six months ended 30 June 2025, primarily due to decrease in gross profit margin from hazardous waste treatment business.

### Urban services

The following table sets forth an analysis of the revenue and gross profit margin of the Group's urban services, categorized by geographical location of the operation:

	Revenue			Gross profit margin		
	2025	2024	Change	2025	2024	Change
	RMB'000	RMB'000	%	%	%	%
Urban Environmental Governance Services						
– Chinese Mainland	<b>2,390,018</b>	2,392,808	(0.1)%	<b>24.3%</b>	22.4%	1.9%
– Hong Kong	<b>270,971</b>	Nil	N/A	<b>6.0%</b>	Nil	N/A
Subtotal	<b>2,660,989</b>	2,392,808	11.2%	<b>22.5%</b>	22.4%	0.1%
Construction Services						
– Chinese Mainland	<b>3,190</b>	9,360	(65.9)%	<b>8.0%</b>	8.0%	–
Total	<b><u>2,664,179</u></b>	<b><u>2,402,168</u></b>	<b><u>10.9%</u></b>	<b><u>22.4%</u></b>	<b><u>22.4%</u></b>	<b><u>–</u></b>

During the six months ended 30 June 2025, the Group recorded a total revenue of RMB2,664.2 million (six months ended 30 June 2024: RMB2,402.2 million). As at 30 June 2025, the Group had a total of 239 urban service projects (30 June 2024: 224).

- Urban Environmental Governance Services

During the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB2,661.0 million (six months ended 30 June 2024: RMB2,392.8 million) from its urban services projects. The growth was mainly due to revenue contributions from a Hong Kong project company which was acquired in June 2024.

The Company has implemented labor cost control measures by optimizing organizational structure and positions. As a result, the gross profit margin of the Urban Environmental Governance Services in Chinese Mainland improved to 24.3% (six months ended 30 June 2024: 22.4%).

The gross profit margin of the Urban Environmental Governance Services in Hong Kong was 6.0% (six months ended 30 June 2024: Nil).

- Construction services

During the six months ended 30 June 2025, the Group had 1 service concession contract on a BOT basis in respect of its urban services. This urban services facility under construction was located in Shandong Province. During the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB3.2 million (six months ended 30 June 2024: RMB9.4 million) from its construction services for urban services project.

The gross profit margin of construction services was approximately 8.0% (six months ended 30 June 2024: 8.0%). Under HK(IFRIC)-Int 12 Service Concession Arrangements, the Group recognises the construction revenue with reference to the fair value of the construction service delivered in the building phase. Construction revenue is recognised over time, using an input method.

#### *Hazardous waste treatment services*

During the six months ended 30 June 2025, the Group recorded a total revenue of RMB215.3 million (six months ended 30 June 2024: RMB229.0 million) from its hazardous waste treatment services projects.

The Group's gross profit margin of its hazardous waste treatment services projects decreased from 4.5% for the six months ended 30 June 2024 to 0.3% for the six months ended 30 June 2025.

The following table sets forth an analysis of the actual treatment or sales volume and the sales price of the Group's hazardous waste treatment service projects:

	Hazard-free waste disposal projects			Recycling and reuse projects			Total		
	Six months ended 30 June		Change	Six months ended 30 June		Change	Six months ended 30 June		Change
	2025	2024		2025	2024		2025	2024	
Revenue (RMB'000)	151,158	171,606	(11.9)%	64,098	57,350	11.8%	215,256	228,956	(6.0)%
Actual treatment/sale volume (tons)	125,719	136,683	(8.0)%	19,201	19,074	0.7%	144,920	155,757	(7.0)%
Average sales price (RMB/ton)	<u>1,202</u>	<u>1,256</u>	<u>(4.3)%</u>	<u>3,338</u>	<u>3,007</u>	<u>11.0%</u>	<u>1,485</u>	<u>1,470</u>	<u>1.0%</u>

- Hazard-free waste disposal projects

As at 30 June 2025, the Group has 8 hazard-free waste disposal projects in operation. The plants were mainly located in Shandong Province, Hubei Province, Sichuan Province and Jiangsu Province.

The average sales price of the Group's hazard-free waste disposal projects decreased from RMB1,256 per ton for the six months ended 30 June 2024 to RMB1,202 per ton for the six months ended 30 June 2025.

The actual treatment volume of the Group's hazard-free waste disposal projects decreased from 136,683 tons for the six months ended 30 June 2024 to 125,719 tons for the six months ended 30 June 2025. The decrease was mainly attributable to the decrease in actual treatment volume treated by a hazard-free disposal project in Sichuan Province.

The gross profit margin of the Group's hazard-free waste disposal projects decreased to 0.1% for the six months ended 30 June 2025 (six months ended 30 June 2024: 4.4%). The decrease was mainly attributable to (i) decrease in average sales price from RMB1,256 per ton for the six months ended 30 June 2024 to RMB1,202 per ton for the six months ended 30 June 2025; and (ii) decrease in utilisation rates of treatment capacities of the Group's hazard-free waste disposal projects.

- Recycling and reuse projects

As at 30 June 2025, the Group had 2 recycling and reuse projects in operation. The plants were mainly located in Ningxia Hui Autonomous Region and Hubei Province. The recycling and reuse products include copper scrap, as well as methanol, ethanol, propanol and butanol.

The sales volume of the Group's recycling project slightly increased from 19,074 tons for the six months ended 30 June 2024 to 19,201 tons for the six months ended 30 June 2025. Meanwhile, the average sales price of the Group's recycling and reuse projects increased from RMB3,007 per ton for the six months ended 30 June 2024 to RMB3,338 per ton for the six months ended 30 June 2025. The average sales price increase was mainly due to the change in sales mix, particularly higher sales of copper scrap, which has a higher market unit price compared to other recycled commodities.

However, due to rising procurement costs of waste ethanol, the gross profit margin of alcohol products has been compressed. As a result, the Group's gross profit margin for recycling and reuse products decreased from 4.8% for the six months ended 30 June 2024 to 0.9% for the six months ended 30 June 2025.

### *Other income and gains, net*

Other income and gains, net for the six months ended 30 June 2025 decreased to RMB17.9 million, as compared to corresponding period of last year of RMB26.4 million. The decrease was mainly due to decrease in interest income, government grants and VAT refunds and super deduction.

### *Administrative expenses*

Administrative expenses for the six months ended 30 June 2025 decreased to RMB255.8 million, as compared to the corresponding period in 2024 of RMB282.2 million. The decrease was mainly due to the decrease in office rental and salary expenses, resulting from cost control measures and optimization of the organizational structure and positions.

### *Other expenses*

Other expenses for the six months ended 30 June 2025 increased to RMB39.5 million, as compared to the corresponding period of last year of RMB22.1 million. The increase was mainly due to increase in the impairment losses of trade receivables and environmental decommissioning fees receivable during the six months ended 30 June 2025.

### *Finance costs*

Finance costs mainly comprised of interests on bank borrowings. The decrease in finance costs was mainly due to (i) decrease in average bank borrowings; and (ii) decrease in market interest rates charged on bank borrowings during the six months ended 30 June 2025.

### *Impairment loss on non-current assets*

The impairment loss on non-current assets represented the provision of impairment on the carrying amounts of certain property, plant and equipment and other intangible assets from a hazardous waste treatment project during the six months ended 30 June 2025.

Xianju Pingfu Environmental Technology Limited\* (仙居平福環境科技有限公司) (“**Xianju Project**”) is an indirect wholly-owned subsidiary of the Company established in 2018 and principally engaged in hazardous waste treatment services. In early 2024, unexpected leakage incidents were detected in the surrounding environment of the plant facility, leading to an immediate suspension of operations. Production has been suspended to date and it is expected that additional costs and time will be needed to resume the production of Xianju Project. Considering the current condition of Xianju project, and because of the impact of competitive pressure from other market participants leading to an oversupply of local processing capacity, the sales price has decreased significantly since Xianju Project’s commencement of production and is expected to be unlikely to rebound, the Company has strategically decided to cease the operations of Xianju Project to focus on other sustainable growth opportunities and believes a provision of impairment is needed in respect of the assets of Xianju Project.



Xianju Project's non-current assets mainly include property, plant and equipment, right-of-use assets (leasehold land) and other intangible assets in an aggregate amount of approximately RMB201.3 million. Valtech Valuation Advisory Limited, a professional valuation firm accredited with ISO-9001 in valuation advisory services appointed by the Group, assessed the recoverable amount of assets for Xianju Project (being fair value less costs of disposal) to be approximately RMB39.8 million. Therefore, the Group recognized a provision for impairment of assets that amounted to approximately RMB161.5 million for the six months ended 30 June 2025, which includes, among others, (i) the provision for the impairment loss on property and plant of approximately RMB95.4 million; (ii) the provision for the impairment loss on equipment of approximately RMB65.8 million; and (iii) the provision for the impairment loss on other intangible assets of approximately RMB0.3 million.

Details of the provision for impairment of non-current assets of Xianju Project were set out in the announcement of the Company dated 15 August 2025.

#### *Income tax expense*

The income tax expense increased from RMB58.5 million for the six months ended 30 June 2024 to RMB60.7 million for the six months ended 30 June 2025. The increase was due to continuous business expansion in urban services.

#### *Property, plant and equipment*

Property, plant and equipment consist of buildings, plant and machinery, furniture, fixtures and equipment, motor vehicles and construction in progress. The decrease in property, plant and equipment was mainly due to (i) depreciation provided; and (ii) impairment loss of property, plant and equipment during the six months ended 30 June 2025.

#### *Right-of-use-assets*

Right-of-use assets consist of buildings, motor vehicles and prepaid land lease premium. Decrease in right-of-use assets was mainly due to depreciation provided during the six months ended 30 June 2025.

#### *Goodwill*

Goodwill mainly represented the goodwill arose from the acquisition of subsidiaries engaged in urban services. The changes was due to the foreign exchange difference.

#### *Service concession arrangements*

Service concession arrangements represented arrangements involving the Group as a provider of urban services on behalf of the relevant government agencies for a period of 15 to 28 years. The decrease was mainly due to amortisation provided during the six months ended 30 June 2025.

### *Trade and bills receivables*

Decrease in trade and bills receivables was mainly due to collection of outstanding trade receivables.

### *Environmental decommissioning fees receivable*

Environmental decommissioning fees receivable represented government subsidies receivable from the PRC central government for the Group's waste electrical and electronic equipment treatment services projects.

### *Prepayments, deposits and other receivables*

Increase in prepayments, deposits and other receivables was mainly due to the increase in prepayment for purchase of inventories and amount due from related companies.

### *Cash and cash equivalents*

Cash and cash equivalents increased by RMB117.2 million which was mainly due to the increase in operating cash inflow during the six months ended 30 June 2025.

### *Trade and bills payables*

Trade and bills payables mainly represented payables due to third parties for the procurement of raw materials used for Group's hazardous waste treatment business and fuel used by Group's mechanised vehicles and other consumables used for urban services. The decrease was mainly due to the settlement of the bill payable.

### *Other payables and accruals*

Other payables and accruals mainly represented payables for acquisition of property, plant and equipment, accruals for the Group's expenses, dividend payable, lease liabilities and payables to related parties and non-controlling shareholders. The decrease was mainly due to the settlement of the payables for acquisition of property, plant and equipment and settlement of accrued salaries.

### *Interest-bearing bank borrowings*

Decrease in bank borrowings was mainly due to settlement of bank borrowings during the six months ended 30 June 2025.

### *Liquidity and financial resources*

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are mainly denominated in HK\$ and RMB. Surplus cash is generally placed in short-term deposits denominated in HK\$ and RMB.

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB1,056.9 million (31 December 2024: approximately RMB939.7 million).



As at 30 June 2025, the Group's bank borrowings amounted to RMB2,597.1 million (31 December 2024: RMB2,632.0 million).

The net gearing ratio (defined as bank borrowings, net of cash and cash equivalents (the “**Net Debt Amounts**”), divided by the total equity) was 40.2% as at 30 June 2025 (31 December 2024: 44.4%). The decrease in net gearing ratio was mainly due to decrease in the Net Debt Amounts during the period.

### *Capital expenditures*

During the six months ended 30 June 2025, the Group's total capital expenditures were RMB127.0 million (six months ended 30 June 2024: RMB310.3 million), out of which RMB97.5 million, RMB12.3 million, nil and RMB17.2 million (six months ended 30 June 2024: RMB286.3 million, RMB11.5 million, RMB11.4 million and RMB1.1 million) were the additions of property, plant and equipment, right-of-use assets, other intangible assets and operating concession, respectively.

## **FUTURE OUTLOOK**

Since the beginning of 2025, the Group has firmly implemented its “High-quality Development” strategy, focusing on the three core objectives of “Low Risk, Strong Profitability, and Stable Growth”, and promoting business development through precise management measures:

- **Low Risk:** The Group made every effort to increase operating cash collection and secure policy-based funds, effectively improving free cash flow. At the same time, it proactively reduced operating burdens by rectifying inefficient enterprises and revitalizing idle assets.
- **Strong Profitability:** The Group is accelerating the construction of a refined operating system and continuously promoting the digitalization of its business systems and the application of artificial intelligence, significantly improving operational and management efficiency and thus optimizing overall profitability.
- **Stable Growth:** The Group strictly controls the standards for new business, improves the decision-making process, and balances the scale and quality of business expansion.

Looking ahead to the second half of 2025, the Group will continue to adhere to the overarching principle of “High-quality Development” and actively promote the “Business Upgrading” strategy, focusing on its core urban services business and implementing the following two-pronged measures:

- **Horizontal expansion:** Adhere to high-quality standards, secure high-quality new projects, and consolidate core business foundations.
- **Vertical diversification:** Explore diverse urban service formats and actively cultivate innovative products.

Under this strategic framework, the Group will continue to enhance product competitiveness and brand influence, and steadily move towards integrated output, deepening expertise, technological empowerment and brand assurance.

To support business innovation and achieve high-quality development, the Group will continue to refine its organizational management structure. In the second half of the year, we will focus on optimizing the management systems of each business line and promote organizational transformation centered around the goals of “strengthening headquarters, consolidating regional operations, and refining projects.”

## **CHARGES ON THE GROUP’S ASSETS**

The secured bank borrowings of the Group as at 30 June 2025 are secured by:

- (i) pledges over the Group’s equity interest in subsidiaries and a non-controlling shareholder’s equity interest in a subsidiary as at 30 June 2025 and 31 December 2024; and
- (ii) pledges over certain of the Group’s property, plant and equipment, right-of-use assets and service concession arrangements as at 30 June 2025 and 31 December 2024.

Save as disclosed above, as at 30 June 2025, the Group did not have any charges on the Group’s assets.

## **CONTINGENT LIABILITIES**

At 30 June 2025, performance guarantees of RMB176,282,000 (31 December 2024: RMB132,062,000) were given by a bank and insurance companies in favour of the Group’s customers as security for the due performance and observance of the Group’s obligations under the contracts entered into between the Group and their customers.

## **FOREIGN EXCHANGE EXPOSURE**

Majority of the subsidiaries of the Company operate in the PRC with most of the transactions denominated and settled in RMB. Certain of the subsidiaries of the Group have their assets and liabilities denominated in HK\$. Fluctuations of exchange rates would impact the Group’s net asset value due to currency translation in the preparation of the Group’s consolidated accounts. If HK\$ appreciates/depreciates against RMB, the Group would record a(n) decrease/increase in the Group’s net asset value. During the six months ended 30 June 2025, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2025, the Group employed 67,198 employees (30 June 2024: 63,396 employees) with total staff cost of approximately RMB1,747.2 million incurred for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RMB1,582.4 million). The Group’s remuneration packages are generally structured with reference to market terms and individual merits. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

There were no significant investments, material acquisition and disposal of subsidiaries by the Group during the six months ended 30 June 2025.

## **INTERIM DIVIDEND**

The Board declared an interim dividend of HK1.8 cents per ordinary share for the six months ended 30 June 2025, payable to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 11 September 2025.

## **CLOSURES OF REGISTER OF MEMBERS**

The register of members will be closed from Tuesday, 9 September 2025 to Thursday, 11 September 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for entitlement to the interim dividend, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 September 2025. The interim dividend is expected to be paid on or around Wednesday, 8 October 2025.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company for the six months ended 30 June 2025.

## **IMPORTANT EVENT AFFECTING THE GROUP AFTER THE REVIEW PERIOD**

There was no other important event affecting the Group since 30 June 2025 and up to the date of this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company focuses on maintaining high standards of corporate governance in order to achieve sustainable development and enhance corporate performance. The Board and the management of the Company strive for adhering to the principles of corporate governance and have adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, risk management, fair disclosure and accountability to all shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to enhance shareholders value and safeguard shareholders' interests. For further details of corporate governance practices of the Company, please refer to the "Corporate Governance Report" section contained in the Company's 2024 annual report.

During the six months ended 30 June 2025, the Company has applied the principles of good corporate governance and complied with all code provisions set out in the Corporate Governance Code (Appendix C1 of the Listing Rules of the Stock Exchange).

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

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiries to all the Directors, all the Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

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

The Audit Committee comprises three independent non-executive Directors namely Mr. Wu Tak Kong (the chairman of the Audit Committee), Dr. Du Huanzheng and Ms. Judith Yu. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure and risk management and internal control of the Company. The interim results of the Group for the six months ended 30 June 2025 have been reviewed by the Audit Committee. The Audit Committee considers that appropriate accounting policies have been adopted, and the applicable requirements of the Listing Rules have been complied with, in the preparation of relevant results, and sufficient disclosures have been made.

## **FORWARD LOOKING STATEMENTS**

This announcement contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Forward looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ, in some cases materially, from those implied or anticipated in any forward looking statement or assessment of risk.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Company ([www.beur.net.cn](http://www.beur.net.cn)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the abovementioned websites in due course.

## APPRECIATION

The Board would like to express its sincere thanks to our shareholders and business partners for their continuous support and our staff for their dedication and hard work throughout the reporting period.

By Order of the Board  
**Beijing Enterprises Urban Resources Group Limited**  
**Zhou Min**  
*Chairman*

Hong Kong, 26 August 2025

*As at the date of this announcement, the executive directors of the Company are Mr. Zhou Min (Chairman), Mr. Zhao Kexi (Chief Executive Officer), Mr. Li Haifeng, Mr. Li Li and Mr. Zhou Chen; and the independent non-executive directors of the Company are Mr. Wu Tak Kong, Dr. Du Huanzheng and Ms. Judith Yu.*

*\* for identification purpose only*