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## **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)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **HIGHLIGHTS**

- The Group recorded a revenue of approximately RMB6,293.5 million for the year ended 31 December 2025, representing an increase of approximately 4.4% as compared with that of approximately RMB6,027.7 million for the year ended 31 December 2024.
- Profit for the year attributable to shareholders of the Company increased by approximately 760.6% to approximately RMB221.1 million for the year ended 31 December 2025 as compared to approximately RMB25.7 million for the year ended 31 December 2024. The increase was primarily attributable to (i) the expansion of urban services business and improved operational efficiency; (ii) the decrease in finance costs; (iii) the decrease in impairment losses on non-current assets of hazardous waste treatment projects as compared to the corresponding period of last year; and (iv) the one-off gain on liquidation of a subsidiary.
- During the year ended 31 December 2025, the Group newly obtained 44 urban services projects through public tenders, with total contract values and estimated annual revenue amounting to approximately RMB1,528.4 million and RMB502.2 million, respectively.
- Achieved strong operating cash inflow during the year ended 31 December 2025.
- A final dividend of HK2.0 cents per share is proposed for the year ended 31 December 2025. Full-year dividend is HK3.8 cents per share.

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Enterprises Urban Resources Group Limited (the “**Company**”) is hereby to announce the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 and the consolidated statement of financial position of the Group as at 31 December 2025, together with comparative figures for the year ended 31 December 2024, as follows:

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

Year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>REVENUE</b>	4	<b>6,293,469</b>	6,027,696
Cost of sales		<u>(5,076,153)</u>	<u>(4,878,861)</u>
Gross profit		<b>1,217,316</b>	1,148,835
Other income and gains, net	5	<b>98,869</b>	52,922
Administrative expenses		<b>(547,656)</b>	(593,508)
Selling and distribution expenses		<b>(12,443)</b>	(13,389)
Other expenses		<b>(72,368)</b>	(48,674)
Finance costs	7	<b>(77,256)</b>	(112,310)
Impairment loss on goodwill, property, plant and equipment and other intangible assets		<b>(161,537)</b>	(237,683)
Share of profit/(loss) of joint ventures		<u>1,317</u>	<u>(930)</u>
<b>PROFIT BEFORE TAX</b>	6	<b>446,242</b>	195,263
Income tax expense	8	<u>(164,253)</u>	<u>(108,914)</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>281,989</u></b>	<b><u>86,349</u></b>
Attributable to:			
Owners of the Company		<b>221,103</b>	25,693
Non-controlling interests		<u>60,886</u>	<u>60,656</u>
		<b><u>281,989</u></b>	<b><u>86,349</u></b>
<b>EARNINGS PER SHARE</b>	9		
Basic		<b><u>RMB6.22 cents</u></b>	<b><u>RMB0.72 cents</u></b>

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

*Year ended 31 December 2025*

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>281,989</b>	86,349
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
– Translation of foreign operations	<b>(5,134)</b>	(3,725)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
– Translation from functional currency to presentation currency	–	7,668
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<b>(5,134)</b>	3,943
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>276,855</b>	90,292
Attributable to:		
Owners of the Company	<b>215,969</b>	29,636
Non-controlling interests	<b>60,886</b>	60,656
	<b>276,855</b>	90,292

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,081,682</b>	2,582,861
Right-of-use assets		<b>261,014</b>	292,263
Goodwill		<b>16,412</b>	16,551
Service concession arrangements		<b>496,188</b>	465,804
Other intangible assets		<b>10,761</b>	15,107
Investments in joint ventures		<b>50,577</b>	48,974
Prepayments, deposits and other receivables		<b>26,606</b>	31,882
Deferred tax assets		<b>103,871</b>	90,221
		<hr/>	<hr/>
Total non-current assets		<b>3,047,111</b>	3,543,663
<b>CURRENT ASSETS</b>			
Inventories		<b>85,369</b>	74,763
Trade and bills receivables	<i>11</i>	<b>3,497,162</b>	3,368,756
Environmental decommissioning fees receivable	<i>12</i>	<b>248,667</b>	333,326
Other tax recoverable		<b>106,570</b>	113,934
Prepayments, deposits and other receivables		<b>213,447</b>	191,924
Restricted cash and pledged deposits		<b>17,436</b>	14,600
Cash and cash equivalents		<b>1,320,115</b>	939,671
		<hr/>	<hr/>
Total current assets		<b>5,488,766</b>	5,036,974
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>8,535,877</b>	8,580,637

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>13</i>	<b>695,842</b>	595,901
Other payables and accruals		<b>880,019</b>	1,031,548
Other taxes payable		<b>44,161</b>	41,334
Income tax payable		<b>65,159</b>	67,035
Interest-bearing bank borrowings	<i>14</i>	<b>1,117,548</b>	946,454
Total current liabilities		<b>2,802,729</b>	2,682,272
<b>NET CURRENT ASSETS</b>		<b>2,686,037</b>	2,354,702
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,733,148</b>	5,898,365
<b>NON-CURRENT LIABILITIES</b>			
Deferred income		<b>144,386</b>	153,075
Other payables and accruals		<b>60,577</b>	55,688
Deferred tax liabilities		<b>75,993</b>	60,020
Interest-bearing bank borrowings	<i>14</i>	<b>1,405,901</b>	1,685,572
Provision for major overhauls		<b>135,810</b>	130,352
Total non-current liabilities		<b>1,822,667</b>	2,084,707
<b>NET ASSETS</b>		<b>3,910,481</b>	3,813,658
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	<i>15</i>	<b>313,584</b>	313,584
Reserves		<b>2,885,517</b>	2,769,984
		<b>3,199,101</b>	3,083,568
<b>Non-controlling interests</b>		<b>711,380</b>	730,090
<b>TOTAL EQUITY</b>		<b>3,910,481</b>	3,813,658

## NOTES TO FINANCIAL STATEMENTS

### 1 GENERAL 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 (“**BEWG**”), 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 year, 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

### 2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**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 consolidated financial statements:

Amendments to HKAS 21 *Lack of Exchangeability*

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these 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 year attributable to owners of the Company. The adjusted profit for the year attributable to owners of the Company is measured consistently with the Group’s profit for the year attributable to owners of the Company except that corporate and other unallocated income and expenses are excluded from such measurement.

The following is an analysis of the Group's revenue and results by reportable segments:

	Urban services		Hazardous waste treatment		Others		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>Segment revenue (note 4)</b>	<b>5,495,087</b>	5,310,493	<b>478,308</b>	536,459	<b>320,074</b>	180,744	<b>6,293,469</b>	6,027,696
Cost of sales	<u>(4,294,771)</u>	<u>(4,208,139)</u>	<u>(456,172)</u>	<u>(509,518)</u>	<u>(325,210)</u>	<u>(161,204)</u>	<u>(5,076,153)</u>	<u>(4,878,861)</u>
Gross profit/(loss)	<u><b>1,200,316</b></u>	<u>1,102,354</u>	<u><b>22,136</b></u>	<u>26,941</u>	<u><b>(5,136)</b></u>	<u>19,540</u>	<u><b>1,217,316</b></u>	<u>1,148,835</u>
<b>Segment results</b>	<b>716,361</b>	572,135	<b>(71,938)</b>	(55,668)	<b>(12,335)</b>	10,771	<b>632,088</b>	527,238
Impairment loss on property, plant and equipment and other intangible assets	-	-	<b>(161,537)</b>	-	-	-	<b>(161,537)</b>	-
Gain on liquidation of a subsidiary	-	-	<b>54,800</b>	-	-	-	<b>54,800</b>	-
	<u><b>716,361</b></u>	<u>572,135</u>	<u><b>(178,675)</b></u>	<u>(55,668)</u>	<u><b>(12,335)</b></u>	<u>10,771</u>	<u><b>525,351</b></u>	<u>527,238</u>
Corporate and other unallocated income and expenses, net:								
- Corporate gains							<b>10</b>	1,626
- Finance costs							<b>(45,591)</b>	(59,234)
- Impairment loss on goodwill							-	(237,683)
- Corporate and other unallocated expenses							<b>(33,528)</b>	(36,684)
							<u><b>(79,109)</b></u>	<u>(331,975)</u>
Profit before tax							<b>446,242</b>	195,263
Income tax expense							<b>(164,253)</b>	(108,914)
Profit for the year							<u><b>281,989</b></u>	<u>86,349</u>
Segmental profit/(loss) for the year	<b>565,549</b>	463,591	<b>(181,705)</b>	(54,934)	<b>(22,746)</b>	9,667	<b>361,098</b>	418,324
Non-controlling interests	<u>(93,853)</u>	<u>(75,354)</u>	<u>24,810</u>	<u>20,024</u>	<u>8,157</u>	<u>(5,326)</u>	<u>(60,886)</u>	<u>(60,656)</u>
Owners of the Company	<u><b>471,696</b></u>	<u>388,237</u>	<u><b>(156,895)</b></u>	<u>(34,910)</u>	<u><b>(14,589)</b></u>	<u>4,341</u>	<u><b>300,212</b></u>	<u>357,668</u>
Corporate and other unallocated income and expenses, net							<u><b>(79,109)</b></u>	<u>(331,975)</u>
							<u><b>221,103</b></u>	<u>25,693</u>
<b>Other segment information:</b>								
Share of profit/(loss) of joint ventures	<b>1,381</b>	802	<b>(64)</b>	(1,732)	-	-	<b>1,317</b>	(930)
Impairment losses and (reversal of write-down) write-down of inventory to net realisable value, net	<b>33,788</b>	23,488	<b>11,924</b>	2,777	<b>(4,628)</b>	6,733	<b>41,084</b>	32,998
Depreciation and amortisation	<b>393,060</b>	463,089	<b>115,059</b>	136,900	<b>3,417</b>	5,022	<b>511,536</b>	605,011
Capital expenditure*	<u><b>197,194</b></u>	<u>511,105</u>	<u><b>43,314</b></u>	<u>114,184</u>	<u><b>4,011</b></u>	<u>2,414</u>	<u><b>244,519</b></u>	<u>627,703</u>

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

## Geographical information

The Group's operations are located in the Chinese Mainland and Hong Kong.

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

	Revenue	
	2025	2024
	RMB'000	RMB'000
Chinese Mainland	5,779,117	5,692,940
Hong Kong	514,352	334,756
	<u>6,293,469</u>	<u>6,027,696</u>

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

## Information about major customers

During the years ended 31 December 2025 and 2024, no revenue from transactions with a single external customer contributed over 10% of the total revenue of the Group.

## 4. REVENUE

### Disaggregation of revenue

	2025	2024
	RMB'000	RMB'000
<b>Revenue from contracts with customers</b>		
Urban services		
– Urban environmental governance services	5,430,091	5,253,268
– Construction services	64,996	57,225
	<u>5,495,087</u>	<u>5,310,493</u>
Hazardous waste treatment businesses		
– Hazard-free waste disposal services	323,713	364,875
– Sale of recycling and reuse products	154,595	171,584
	<u>478,308</u>	<u>536,459</u>
Sale of dismantled products	<u>278,091</u>	<u>128,560</u>
	<u>6,251,486</u>	<u>5,975,512</u>
<b>Revenue from other source</b>		
Environmental decommissioning fees income	<u>41,983</u>	<u>52,184</u>
	<u>6,293,469</u>	<u>6,027,696</u>

## 5. OTHER INCOME AND GAINS, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	4,063	9,686
Government grants (note (a))	17,844	20,256
Value-Added Tax (“VAT”) refunds and super deduction (note (b))	2,557	3,050
Rental income of motor vehicles and equipment	4,892	1,705
Gain on liquidation of a subsidiary	54,800	–
Gain on disposal of items of property, plant and equipment	–	3,932
Sales of scarp materials	2,196	3,469
Others	12,517	10,824
	<u>98,869</u>	<u>52,922</u>

### *Notes:*

- (a) The government grants recognised during the years 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 People’s Republic of China (“PRC”)’s State Administration of Taxation and the Ministry of Finance.

Certain subsidiaries are entitled to an additional VAT super deduction of 10% to 15% of the input VAT under the rules issued by the PRC’s 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):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold (note (a))	456,314	324,883
Cost of services provided (note (a))	4,559,059	4,480,982
Depreciation of property, plant and equipment	417,813	488,716
Depreciation of right-of-use assets	28,257	41,269
Amortisation of service concession arrangements (note (a))	60,780	72,996
Amortisation of other intangible assets	4,686	2,030
(Reversal of write-down)/write-down of inventories to net realisable value	(668)	1,998
Impairment losses of trade receivables and environmental decommissioning fees receivable, net (note (b))	41,752	31,000
Impairment loss on goodwill	–	237,683
Impairment loss on property, plant and equipment	161,243	–
Impairment loss on other intangible assets	294	–
Provision for major overhauls	970	1,654
Lease payments under short term leases	56,723	67,268
Loss/(gain) on disposal of items of property, plant and equipment, net	2,480	(3,932)
Loss/(gain) on modification of leases	2,876	(2,037)
Auditor's remuneration	3,229	3,076
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Salaries and benefits in kind	2,828,847	2,523,157
Pension scheme contributions	380,603	357,095
	<u>3,209,450</u>	<u>2,880,252</u>

*Notes:*

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

## 7. FINANCE COSTS

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	<b>70,424</b>	98,439
Interest on lease liabilities	<b>3,015</b>	8,705
	<hr/>	<hr/>
Total interest on bank and other borrowings	<b>73,439</b>	107,144
Increase in discounted amounts of provision for major overhauls arising from the passage of time	<b>4,488</b>	5,166
	<hr/>	<hr/>
	<b>77,927</b>	112,310
Less: Interest capitalised	<b>(671)</b>	–
	<hr/>	<hr/>
	<b>77,256</b>	112,310
	<hr/> <hr/>	<hr/> <hr/>

## 8. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for current year. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for prior year.

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 year 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 the PRC.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Hong Kong	<b>1,183</b>	–
Chinese Mainland	<b>157,431</b>	116,758
	<hr/>	<hr/>
	<b>158,614</b>	116,758
	<hr/>	<hr/>
Over/(under) provision in prior years		
Chinese Mainland	<b>3,316</b>	(1,681)
Deferred tax	<b>2,323</b>	(6,163)
	<hr/>	<hr/>
	<b>164,253</b>	108,914
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## 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Earnings:</b>		
Profit for the year attributable to owners of the Company	<u>221,103</u>	<u>25,693</u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue less treasury shares	<u><u>3,556,664,000</u></u>	<u><u>3,558,142,623</u></u>

No diluted earnings per share for the years ended 31 December 2025 and 2024 was presented as there was no dilutive potential ordinary share in issue for both years.

## 10. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HK2.0 cents (2024: final dividend in respect of the year ended 31 December 2024 of HK1.3 cents) per ordinary share, in an aggregate amount of HK\$71,133,000 (equivalent to RMB64,020,000) (2024: HK\$46,237,000 (equivalent to RMB42,076,000)), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 11. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	3,603,966	3,420,935
Less: Allowance for credit losses	<u>(114,831)</u>	<u>(68,451)</u>
	3,489,135	3,352,484
Bills receivable	<u>8,027</u>	<u>16,272</u>
	<u><u>3,497,162</u></u>	<u><u>3,368,756</u></u>

The Group's trading terms with its customers are mainly on credit. 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. Other than bills receivable, 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 allowance for credit losses, is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	<b>1,109,354</b>	1,363,535
4 to 6 months	<b>695,593</b>	639,632
7 to 12 months	<b>930,732</b>	757,062
Over 1 year	<b>753,456</b>	592,255
	<b>3,489,135</b>	3,352,484

## 12. ENVIRONMENTAL DECOMMISSIONING FEES RECEIVABLE

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Environmental decommissioning fees receivable	<b>248,667</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. Auditors’ reports 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 auditors’ reports, the Central Government would publish online confirmation notices on its website about the quantities of appliances being dismantled 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 (2024: 4 to 5 years).

The Group does not hold any collateral over these balances.

## 13. TRADE AND BILLS PAYABLES

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<b>691,930</b>	575,901
Bills payable	<b>3,912</b>	20,000
	<b>695,842</b>	595,901

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	<b>190,520</b>	264,193
1 to 2 months	<b>62,570</b>	80,488
2 to 3 months	<b>52,469</b>	56,464
Over 3 months	<b>386,371</b>	174,756
	<b>691,930</b>	575,901

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

#### 14. INTEREST-BEARING BANK BORROWINGS

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Secured bank loans	<b>567,559</b>	632,954
Unsecured bank loans	<b>1,955,890</b>	1,999,072
Total bank borrowings	<b>2,523,449</b>	2,632,026
Less: Amounts due within one year shown under current liabilities	<b>(1,117,548)</b>	(946,454)
Amounts shown under non-current liabilities	<b>1,405,901</b>	1,685,572

#### 15. SHARE CAPITAL

	<b>Number of ordinary shares of HK\$0.1 each</b>	<b>Nominal value of ordinary shares <i>HK\$'000</i></b>
Authorised: At 1 January 2024, 31 December 2024 and 31 December 2025	<b>30,000,000,000</b>	<b>3,000,000</b>
	<b>Number of shares in issue of HK\$0.1 each</b>	<b>Share capital <i>RMB'000</i></b>
Issued and fully paid: At 1 January 2024	3,600,000,000	317,405
Shares cancelled (note)	(43,336,000)	(3,821)
At 31 December 2024 and 2025	<b>3,556,664,000</b>	<b>313,584</b>

*Note:*

During the year ended 31 December 2024, the Company repurchased 39,700,000 of its shares on the Stock Exchange at an aggregate consideration of HK\$22,569,000 (equivalent to RMB20,746,000) (before expenses). The above shares were cancelled during the year ended 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL HIGHLIGHTS

The analysis of the Group's financial results, by business segments, for the years ended 31 December 2025 and 2024 is set out in details below:

	Revenue		Change %	Gross profit margin			Profit (loss) attributable to owners of the Company		
	2025 RMB'000	2024 RMB'000		2025 %	2024 %	Change %	2025 RMB'000	2024 RMB'000	Change %
<b>Urban services</b>									
– Urban environmental governance services	5,430,091	5,253,268	3.4%	22.0%	20.9%	1.1%			
– Construction services	64,996	57,225	13.6%	8.0%	8.0%	–			
Subtotal	<u>5,495,087</u>	<u>5,310,493</u>	3.5%	21.8%	20.8%	1.0%	471,696	388,237	21.5%
<b>Hazardous waste treatment business</b>	478,308	536,459	(10.8)%	4.6%	5.0%	(0.4)%	(50,158)	(34,910)	(43.7)%
<b>Others</b>	<u>320,074</u>	<u>180,744</u>	77.1%	(1.6)%	10.8%	(12.4)%	(14,589)	4,341	(436.1)%
<b>Business results</b>	<u><u>6,293,469</u></u>	<u><u>6,027,696</u></u>	4.4%	19.3%	19.1%	0.2%	<u><u>406,949</u></u>	<u><u>357,668</u></u>	13.8%
Impairment loss on goodwill, property, plant and equipment and other intangible assets							(161,537)	(237,683)	32.0%
Gain on liquidation of a subsidiary							54,800	–	N/A
							<u>300,212</u>	<u>119,985</u>	150.2%
Corporate and other unallocated income and expenses, net							(79,109)	(94,292)	16.1%
<b>Total</b>							<u><u>221,103</u></u>	<u><u>25,693</u></u>	760.6%

During the year ended 31 December 2025, The Group recorded a revenue of approximately RMB6,293.5 million, representing an increase of approximately 4.4% as compared to approximately RMB6,027.7 million in the same period last year. Profit for the year attributable to shareholders of the Company increased by approximately 760.6% to approximately RMB221.1 million as compared to approximately RMB25.7 million in the same period last year. Basic earnings per share increased to RMB6.22 cents, representing an increase of RMB5.50 cents from RMB0.72 cents in the same period last year.

In 2025, focusing on the strategy of “high-quality development”, the Group further promoted refined operation and management upgrading of the urban services business, thereby achieving an increase in the gross profit margin of the urban services business. Through measures such as “controlling expenditure by revenue”, strengthening the tracking of receivables collection and the management of historical overdue receivables, actively participating in policy-driven debt resolution efforts, and improving vehicle utilization efficiency, the Group achieved significant improvements in the operational quality and efficiency of the urban services business. Hence, the Group achieved growth in receivables collection, operating profit and operating cash flow. During the year ended 31 December 2025, the Group recorded the profit attributable to shareholders of the company from urban services business of approximately RMB471.7 million, representing an increase of 21.5% as compared to approximately RMB388.2 million in the same period last year.

In terms of the hazardous waste treatment business, the industry remained in a downturn overall. Intensified competition and insufficient utilization of hazardous waste disposal capacity have led to a continuous decline in hazardous waste disposal treatment prices and an inability to dilute fixed costs, resulting in losses in certain projects. In response to the current situation of the hazardous waste treatment business, the Group has initiated a special action plan to address losses and improve efficiency. By promoting a resource-recycling transformation, technological upgrades for cost reduction, and disposal of underperforming assets, the Group is striving to improve its operational quality. During the year ended 31 December 2025, the Group recorded a loss attributable to the shareholders of the company from hazardous waste treatment business of approximately RMB50.2 million, representing an increase of 43.7% as compared to approximately RMB34.9 million in the same period last year.

During the year ended 31 December 2025, an unexpected leakage incident occurred at Xianju Pingfu Environmental Technology Limited (仙居平福環境科技有限公司) (the “**Xianju Project**”), leading to suspension of its operations. Considering the prevailing 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 treatment price decreased significantly since Xianju Project’s commencement of production and was expected to be unlikely to rebound, the Group strategically decided to cease the operation of Xianju Project and recognized an impairment provision of approximately RMB161.5 million for the relevant non-current assets. Subsequently, the court assigned a liquidator to take over the Xianju Project. Hence, the Group lost control of the Xianju Project and therefore deconsolidated Xianju Project from the Group’s financial statements. Accordingly, the Group recognized a gain on liquidation of a subsidiary of approximately RMB54.8 million.

During the same period, the Group recorded finance costs of approximately RMB77.3 million, representing a decrease of 31.2% from approximately RMB112.3 million in the same period last year. The decrease was primarily attributed to the settlements of bank borrowings following strong operating cash inflows, as well as a reduction in average interest rates through refinancing arrangements, resulting in a significant decrease in finance costs and further optimized its capital cost structure.

## **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**”).

The Group actively explores the deep integration of technology and business. During the year, it conducted multi-scenario technical validation of the “human-robot collaboration” operational model, covering core processes such as road sweeping and garbage collection and transportation. By introducing intelligent equipment, the Group has created a safer and more efficient working environment for frontline employees while improving operational efficiency. Such exploration lays the foundation for future large-scale application and also reflects the strategic direction of the Group’s technology-driven business upgrading.

As at 31 December 2025, the Group had 251 urban services projects, the movements of which, during the year ended 31 December 2025, were as follow:

	<b>Chinese Mainland projects</b>	<b>Hong Kong, China projects</b>	<b>Total number of projects</b>
As at 1 January 2025	196	35	231
Newly added	16	28	44
Terminated to operate	(10)	(14)	(24)
	<u>202</u>	<u>49</u>	<u>251</u>
As at 31 December 2025	<u>202</u>	<u>49</u>	<u>251</u>

The following table sets for an analysis of the urban services projects obtained as at 31 December 2025:

	<b>Chinese Mainland projects</b>	<b>Hong Kong, China projects</b>	<b>Total</b>
Number of urban services projects obtained	<u>16</u>	<u>28</u>	<u>44</u>
Total contract value ( <i>RMB million</i> )	<u>621.3</u>	<u>907.1</u>	<u>1,528.4</u>
Estimated annual revenue ( <i>RMB million</i> )	<u>207.2</u>	<u>295.0</u>	<u>502.2</u>

As at 31 December 2025, the Group successfully won a total of 44 urban services projects through public tender with total contract value and estimated annual revenue amounting to approximately RMB1,528.4 million and RMB502.2 million, respectively. This comprised 16 projects in Chinese Mainland with total contract value and estimated annual revenue amounting to approximately RMB621.3 million and RMB207.2 million, respectively; and 28 projects in Hong Kong with total contract value and estimated annual revenue amounting to approximately RMB907.1 million and RMB295.0 million, respectively.

During the year ended 31 December 2025, the Group had recorded a total revenue of approximately RMB305.5 million in respect of these 44 projects located in Chinese Mainland and Hong Kong.

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

<b>Operating Models</b>	<b>Chinese Mainland projects</b>	<b>Hong Kong, China projects</b>	<b>Total number of projects</b>
Operation & Maintenance (“O&M”)			
• Urban Butler Integrated Service Project	4	–	4
• Comprehensive Cleaning Project	110	4	114
• Traditional Environmental Hygiene Service Project	81	45	126
Public-Private-Partnership (“PPP”)			
• Build-Operate-Transfer (“BOT”)	3	–	3
• Transfer-Operate-Transfer	4	–	4
Total	<b>202</b>	<b>49</b>	<b>251</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 governments 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 provide the smart urban butler integrated service.

As of 31 December 2025, the Group had a total of 4 urban butler projects in operation, with an annual service fee amounting to approximately RMB603.0 million and a total contract value exceeding RMB5.2 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 for which no other proper treatment methods are available. Hazard-free waste disposal aims to eliminate or minimize 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.

As part of its 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 31 December 2025, the Group had 10 hazardous waste treatment projects (2024: 10 projects) in operation. As of 31 December 2025, treatment facilities of our projects that engaged in hazard-free waste disposal had a total designed treatment capacity of 419,716 tons per annum (2024: 419,716 tons) and treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 280,000 tons per annum (2024: 280,000 tons).

During the year, an unexpected leakage incident occurred at the Xianju Project, a wholly-owned subsidiary of the Group, leading to suspension of its operations. Considering the prevailing 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. the Group strategically decided to terminate the operation of this project. Terminating operations will enable the Group to focus resources on business areas with greater growth potential. At the same time, the Group continued to push forward the “resource-recycling transformation” of the hazardous waste treatment business by upgrading technology to enhance added value and strictly controlling capital expenditure to improve the operational quality of this business.

### **Other business**

Other business represents waste electrical and electronic equipment treatment business. As of 31 December 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 equipment we dismantle include computers, refrigerators, television sets, washing machines and air conditioners.

For the year ended 31 December 2025, revenue from our waste electrical and electronic equipment treatment business amounted to approximately RMB320.1 million (2024: RMB180.7 million), representing approximately 5.1% (2024: 3.0%) of the Group's total revenue.

## FINANCIAL PERFORMANCE

### Revenue and gross profit margin

The Group's total revenue increased by approximately 4.4% from approximately RMB6,027.7 million for the year ended 31 December 2024 to approximately RMB6,293.5 million for the year ended 31 December 2025, primarily due to increase in revenue from the Group's urban services.

The Group's gross profit margin increased from 19.1% for the year ended 31 December 2024 to 19.3% for the year ended 31 December 2025, primarily due to an increase in gross profit margin from urban services.

#### *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 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change %	2025 %	2024 %	Change %
Urban Environmental Governance Services						
– Chinese Mainland	<b>4,915,739</b>	4,918,512	(0.1)%	<b>23.7%</b>	21.9%	1.8%
– Hong Kong	<b>514,352</b>	334,756	53.6%	<b>6.1%</b>	6.1%	–
Subtotal	<b>5,430,091</b>	5,253,268	3.4%	<b>22.0%</b>	20.9%	1.1%
Construction Services						
– Chinese Mainland	<b>64,996</b>	57,225	13.6%	<b>8.0%</b>	8.0%	–
Total	<b>5,495,087</b>	5,310,493	3.5%	<b>21.8%</b>	20.8%	1.0%

During the year ended 31 December 2025, the Group recorded a total revenue of approximately RMB5,495.1 million (year ended 31 December 2024: RMB5,310.5 million). As at 31 December 2025, the Group had a total of 251 urban services projects (31 December 2024: 231).

- Urban Environmental Governance Services

During the year ended 31 December 2025, the Group recorded a total revenue of approximately RMB5,430.1 million (year ended 31 December 2024: RMB5,253.3 million) from its urban services projects. The increase was mainly attributable to revenue from the urban environmental governance services in Hong Kong, a sector that was acquired during the year ended 31 December 2024.

The gross profit margin of the Urban Environmental Governance Services in Chinese Mainland was 23.7% (year ended 31 December 2024: 21.9%).

The gross profit margin of the Urban Environmental Governance Services in Hong Kong was 6.1% (year ended 31 December 2024: 6.1%).

- Construction services

During the year ended 31 December 2025, the Group had service concession contracts on BOT basis in respect of its urban services. The urban services facilities under construction were mainly located in Shandong Province and Sichuan Province. During the year ended 31 December 2025, the Group recorded a total revenue of approximately RMB65.0 million (year ended 31 December 2024: RMB57.2 million) from its construction services for urban services projects.

The gross profit margin of construction services was 8.0% (year ended 31 December 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 by using the percentage-of-completion method.

#### *Hazardous waste treatment services*

The following table sets forth an analysis of the sales price of the Group's hazardous waste treatment services projects:

	<b>2025</b>	2024	Change
Revenue ( <i>RMB'000</i> )	<b>478,308</b>	536,459	(10.8)%
Actual treatment/sales volume ( <i>tons</i> )	<b>305,365</b>	332,631	(8.2)%
Average treatment/sales price ( <i>RMB/ton</i> )	<b><u>1,566</u></b>	<u>1,613</u>	<u>(2.9)%</u>

During the year ended 31 December 2025, the Group recorded a total revenue of RMB478.3 million (year ended 31 December 2024: RMB536.5 million) from its hazardous waste treatment services projects.

The Group's gross profit margin of its hazardous waste treatment services projects decreased from 5.0% for the year ended 31 December 2024 to 4.6% for the year ended 31 December 2025.

The decrease in revenue and gross profit was mainly due to (i) a reduction in the actual treatment volume of hazard-free waste disposal projects, total treatment volume decreased from 332,631 tons in 2024 to 305,365 tons in 2025; and (ii) a decrease in the average sales price for both hazard-free waste disposal projects and recycling and reuse projects, from RMB1,613 per ton for the year ended 31 December 2024 to RMB1,566 per ton for the year ended 31 December 2025.

#### *Other income and gains, net*

Other income and gains, net for the year ended 31 December 2025 increased to RMB98.9 million, as compared to last year of RMB52.9 million. The increase was mainly due to the gain on liquidation of a subsidiary of approximately RMB54.8 million.

### *Administrative expenses*

Administrative expenses for the year ended 31 December 2025 decreased to RMB547.7 million, as compared to the corresponding period of last year of RMB593.5 million. The decrease was mainly due to the decrease in office rental and office expenses, resulting from cost control measures and optimization of the organizational structure and positions.

### *Other expenses*

Other expenses primarily consist of provision for credit impairment of trade receivables and environmental decommissioning fees receivable, impairment losses of inventories, penalties and other operational expenses. Other expenses for the year ended 31 December 2025 increased to RMB72.4 million, as compared to the corresponding period of last year of RMB48.7 million. The increase was mainly due to increase in the provision for credit impairment of trade receivables and other operational expenses during the year ended 31 December 2025.

### *Finance costs*

Finance costs mainly represented interests on bank and other borrowings. The decrease in finance costs was mainly due to (i) a decrease in average bank borrowings; and (ii) a decrease in market interest rates charged on bank borrowings during the year ended 31 December 2025.

### *Impairment loss on goodwill, property, plant and equipment and other intangible assets*

#### **During the year ended 31 December 2025**

The impairment loss 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 year ended 31 December 2025.

The 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. It is expected that additional costs and time will be needed subsequently to resume the production of Xianju Project. Considering the prevailing 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 property, plant and equipment and other intangible assets that amounted to approximately RMB161.5 million for the year ended 31 December 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 loss of Xianju Project were set out in the announcement of the Company dated 15 August 2025.

### **During the year ended 31 December 2024**

The impairment loss on goodwill represented the provision of impairment on the carrying amounts of the goodwill from hazardous waste treatment business made by the Group during the year ended 31 December 2024 due to increasing industry competition and reduced profitability.

#### *Income tax expense*

The income tax expense increased from RMB108.9 million for the year ended 31 December 2024 to RMB164.3 million for the year ended 31 December 2025, mainly due to continuous business expansion in urban services.

#### *Property, plant and equipment*

Property, plant and equipment consist of buildings, plant and machinery, leasehold improvements, furniture, fixtures and equipment, motor vehicles, construction in progress. The decrease in property, plant and equipment for the year ended 31 December 2025 was mainly due to (i) depreciation provided; and (ii) impairment losses recognized of property, plant and equipment during the year ended 31 December 2025.

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

Right-of-use assets represented right to use assets over the life of leases, which consist of buildings, motor vehicles and leasehold lands. The decrease in right-of-use assets was due to depreciation provided during the year ended 31 December 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 30 years. The increase was mainly due to net effects of (i) addition in a urban services project under service concession arrangements and (ii) the amortisation provided during the year ended 31 December 2025.

#### *Trade and bills receivables*

Increase in trade and bills receivables was mainly due to continuous business expansion in urban services.

#### *Environmental decommissioning fee receivable*

Environmental decommissioning fees receivable represented government subsidies receivable from the Central Government for the Group's waste electrical and electronic equipment treatment services projects. The decrease was mainly due to collections of receivables during the year.

### *Prepayments, deposit and other receivables*

Increase in prepayments, deposits and other receivables was mainly due to the increase in prepayment for acquisition of property, plant and equipment and operating concessions.

### *Cash and cash equivalents*

Cash and cash equivalents increased by RMB380.4 million which was mainly due to (i) strong operating cash inflow during the year; and (ii) lower capital expenditure for the same period.

### *Trade and bills payables*

Trade and bills payables 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 mechanized vehicles and other consumables used for urban services. The increase was mainly due to the expansion of business scale and the corresponding increase in procurement of the Group's urban services.

### *Other payables and accruals*

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

### *Interest-bearing bank borrowings*

Decrease in bank borrowings was mainly due to settlement of bank borrowings during the year ended 31 December 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 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB1,320.1 million (31 December 2024: approximately RMB939.7 million).

As at 31 December 2025, the Group's bank and other borrowings amounted to RMB2,523.4 million (31 December 2024: RMB2,632.0 million).

The net gearing ratio (defined as bank and other borrowings, net of cash and cash equivalents (the "Net Debt Amounts"), divided by the total equity) was 30.8% as at 31 December 2025 (31 December 2024: 44.4%). The decrease in net gearing ratio was mainly due to lower Net Debt Amounts resulting from strong operating cash inflows and settlement of bank borrowings during the year.

## *Capital expenditure*

During the year ended 31 December 2025, the Group's total capital expenditures were RMB244.5 million (2024: RMB627.7 million), out of which RMB131.1 million, RMB0.6 million, RMB21.6 million, RMB91.2 million and nil (2024: RMB496.1 million, RMB1.2 million, RMB33.8 million, RMB56.6 million and RMB40.0 million) were paid for the additions of property, plant and equipment, other intangible assets, right-of-use assets, service concession arrangements and acquisition of a subsidiary, respectively.

## **FUTURE OUTLOOK**

### **Urban Services: Building Foundations and Enhancing Quality to Embrace an Intelligent Rebirth**

The year 2026 marks the inaugural year of the nation's 15th Five-Year Plan and a pivotal year for the Group's comprehensive advancement toward high-quality development. Facing profound industry transformations centered on "enhancing quality and efficiency while embracing digital and intelligent drivers", the Group will steadfastly adhere to the strategic focus of "high-quality development". With digital and intelligent transformation as its core engine, the Group will propel its urban services business toward a fundamental shift from scale expansion to value creation.

The Group will focus on three strategic pillars - "low risk, strong profitability, and stable growth" - to rebuild its core competitiveness through digital and intelligent transformation. By comprehensively upgrading the lean operation system, it will continuously enhance labor efficiency, vehicle efficiency, and asset turnover efficiency. Leveraging the large-scale application of intelligent equipment, it will drive a profound shift in operational models toward "human-robot collaboration". Adhering to the principle that "quality improvement takes precedence over quantitative expansion", the Group will build differentiated competitive advantages through its "1+N+X" digital and intelligent urban butler product system. This approach will establish competitive strengths in incremental markets, injecting sustained momentum into the Group's high-quality development and creating long-term value for shareholders.

### **Hazardous Waste Business: Proactively Optimizing Structure and Prudently Advancing Business Transformation**

In 2025, the hazardous waste treatment industry remained in a cyclical downturn. Market overcapacity continued to suppress disposal prices, intensifying industry competition. Facing this challenging market environment, the Group proactively optimized its business structure and systematically scaled back its hazardous waste treatment business to mitigate operational risks and concentrate resources on developing core businesses.

Looking ahead, the Group will continue to review the layout of the hazardous waste business, adopting a strategy of "Selective Development with Strategic Advances and Retreats". It will seize structural opportunities arising from industry integration to gradually realize business optimization and value enhancement.

## **CHARGES ON THE GROUP'S ASSETS**

The secured bank and other borrowings of the Group as at 31 December 2025 are secured by:

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

Save as disclosed above, as at 31 December 2025, the Group did not have any charges on the Group's assets.

## **CONTINGENT LIABILITIES**

At 31 December 2025, performance guarantees of RMB103,963,000 (2024: RMB132,062,000) were given by 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 year ended 31 December 2025, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group employed 63,533 employees (31 December 2024: 67,219 employees) with total staff cost of approximately RMB3,209.5 million incurred for the year ended 31 December 2025 (year ended 31 December 2024: approximately RMB2,880.3 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 year ended 31 December 2025.

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

There was no important event affecting the Group since 31 December 2025 and up to the date of this announcement.

## **DIVIDEND**

The Board proposed to pay a final dividend of HK2.0 cents per ordinary share (the “Proposed Final Dividend”) for the year ended 31 December 2025 (2024: HK1.3 cents). The Proposed Final Dividend is subject to shareholders’ approval at the annual general meeting of the Company to be held on Wednesday, 27 May 2026, and is payable to shareholders of the Company whose names appear on the register of members of the Company on Friday, 5 June 2026.

## **CLOSURES OF REGISTER OF MEMBERS**

### **For Annual General Meeting**

The register of members will be closed from Friday, 22 May 2026 to Wednesday, 27 May 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining the eligibility of shareholders to attend and vote at the forthcoming annual general meeting is Wednesday, 27 May 2026. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company to be held on Wednesday, 27 May 2026, 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 Thursday, 21 May 2026.

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

The register of members will be closed from Wednesday, 3 June 2026 to Friday, 5 June 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for ascertaining shareholder’s entitlement to the Proposed Final Dividend is Friday, 5 June 2026. In order to qualify for entitlement to the Proposed Final 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 Tuesday, 2 June 2026. Subject to the approval of shareholders of the Company at the forthcoming annual general meeting, the Proposed Final Dividend will be paid on or around Tuesday, 30 June 2026.

## **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 year ended 31 December 2025.

## **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 Group 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 Group. The Company believes that effective corporate governance is an essential factor to enhance shareholders value and safeguard shareholders’ interests. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for shareholders.

The Company adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). In the opinion of the Board, throughout the year ended 31 December 2025, the Company had complied with all the applicable code provisions set out in the CG Code.

The Board will continue to review periodically the compliance of the CG Code so as to safeguard and maximise the benefit of the shareholders of the Company.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to 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 year ended 31 December 2025.

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

The audit committee of the Company (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 annual results of the Group for the year ended 31 December 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.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 24 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

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

This annual 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 annual report of the Company for the year ended 31 December 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 during the year.

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

Hong Kong, 24 March 2026

*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. Yu Liguo 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.*