



# 北控城市資源集團有限公司

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 3718

## 2026 INTERIM REPORT



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Mr. Zhou Min (*Chairman*)

Mr. Zhao Kexi (*Chief Executive Officer*)

Mr. Li Haifeng

Mr. Yu Liguang

Mr. Zhou Chen

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wu Tak Kong

Dr. Du Huanzheng

Ms. Judith Yu

## AUDIT COMMITTEE

Mr. Wu Tak Kong (*Chairman*)

Dr. Du Huanzheng

Ms. Judith Yu

## NOMINATION COMMITTEE

Mr. Zhou Min (*Chairman*)

Mr. Wu Tak Kong

Ms. Judith Yu

## REMUNERATION COMMITTEE

Dr. Du Huanzheng (*Chairman*)

Mr. Wu Tak Kong

Mr. Li Haifeng

## SUSTAINABILITY COMMITTEE

Mr. Zhao Kexi (*Chairman*)

Mr. Zhou Chen

Mr. Wu Tak Kong

## COMPANY SECRETARY

Mr. Zhang Xiangyu

## STOCK CODE

3718

## WEBSITE

[www.beur.net.cn](http://www.beur.net.cn)

[www.becs.cc](http://www.becs.cc)

## INVESTOR RELATIONS CONTACT

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Cayman Islands

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Hong Kong

## CORPORATE INFORMATION

### PRINCIPAL PLACE OF BUSINESS IN CHINESE MAINLAND

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PRC

### PRINCIPAL SHARE REGISTRAR

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Cricket Square  
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Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
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Hong Kong

### AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

### PRINCIPAL BANKERS

*In Hong Kong:*  
DBS Bank (Hong Kong) Limited

*In Chinese Mainland:*  
Bank of Communications Co., Ltd  
Industrial and Commercial Bank of China

# CHAIRMAN'S STATEMENT

## DEAR SHAREHOLDERS,

The year 2026 is the first year of the national "15th Five-Year Plan". The domestic economy is progressing steadily amid structural adjustments. However, regional market divergence continues to manifest. The industry is facing multiple challenges, including intensified competition in the existing market, prolonged receivable collection cycles, and an aging workforce. Concurrently, the rapid rollout of green, low-carbon initiatives and unmanned intelligent equipment has created structural growth opportunities across the industry. In the face of an external environment where opportunities and risks coexist, Beijing Enterprises Urban Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") remain committed to the strategic direction of high-quality development, strengthening its core businesses through lean operations and building differentiated competitive advantages through digital and intelligent innovation. By balancing cash flow security with improved asset quality and actively fostering new growth drivers, the Group aims to achieve sustainable development marked by steady progress and long-term resilience.

## BUSINESS REVIEW

For the six months ended 30 June 2026 (the "Reporting Period"), the Group recorded revenue of approximately RMB3,132 million, representing an increase of approximately 3.1% as compared to the corresponding period of last year, demonstrating steady and resilient growth. Profit attributable to shareholders of the Company amounted to approximately RMB35.3 million, representing a year-on-year increase of approximately 8.6%, reflecting continuous improvement in profitability. The Board resolved to declare an interim dividend of HK1.8 cents per share to the shareholders (2025 interim: HK1.8 cents per share), continuously rewarding the shareholders for their support.

In January 2026, the State Council issued the Action Plan for Comprehensive Treatment of Solid Waste 《固體廢物綜合治理行動計劃》 to systematically advance the development of zero-waste cities and the comprehensive environmental governance of urban and rural areas, continuously unleashing the demand for the urban services business. Meanwhile, the in-depth advancement of a package of debt resolution plans, along with the successive introduction of policies related to equipment upgrades and green and low-carbon development, has promoted the accelerated deployment of new-energy equipment and unmanned intelligent equipment in urban services. This has driven the industry's transition from the traditional "human-wave tactics" or labor-intensive model toward an operating model characterized by human-robot collaboration and digital-intelligence. Focusing on its core urban services business, the Group, on the one hand, selectively expanded high-quality incremental projects and, on the other hand, deeply explored the value of existing projects to extend value-added services. The Group actively established a presence in the innovative business of outdoor cleaning robots. By driving business upgrading through technological innovation, the Group facilitated the continuous improvement of the urban and rural living environments.

## CHAIRMAN'S STATEMENT

The urban services industry has entered a stage of development focused on stock management, with the market transitioning from “scale expansion” to “value reconstruction”. According to industry statistics, environmental hygiene projects nationwide with an aggregate contract value exceeding RMB250 billion will collectively expire in 2026. Market competition has become increasingly fierce, characterized by a prominent trend of fragmented tender lots and shorter contract durations, resulting in an increase of downward pressure on prices. However, the commercialisation of unmanned intelligent equipment has entered a period of explosive growth. In the first half of 2026, the annualised transaction value of unmanned intelligent sweeping reached RMB5.3 billion, representing a significant year-on-year increase of 77%. The transaction volume of unmanned environmental hygiene equipment recorded 1,135 units, representing a year-on-year increase of 106%, and is expected to exceed 3,000 units for the full year. The industry is currently transitioning from the pilot verification stage to the large-scale commercialization stage. The reshaping of the industry’s cost structure by technology has already begun to exert a profound impact on project pricing and business models. Technological innovation is driving the evolution of the competitive landscape in the industry, with technological efficiency, financial resilience, and lean operations gradually becoming the core competitive strengths of enterprises.

During the Reporting Period, the Group firmly upheld the principle of “cash flow first, high-quality development”, selectively pursuing high-quality incremental projects with stable cash flows and premium gross profit margins, while continuing to deepen its presence in the Hong Kong market and consolidating its core business foundation nationwide. The Group was newly awarded a total of 54 urban service projects through public tenders, with an aggregate contract amount of approximately RMB2.92 billion and a corresponding annualised service fee of approximately RMB950 million. As at the end of the Reporting Period, the Group had a total of 298 existing urban services projects on hand. The annualised service fee from the existing projects increased by 8.8% year-on-year, marking that tangible results have been achieved in the Group’s transition from scale expansion to quality enhancement.

Amidst the continued downturn of the hazardous waste industry, the Group, on the one hand, revitalised its existing assets, and continuously cleared historical burdens through measures such as asset impairment, thereby operating with reduced burdens and enhancing asset utilisation. On the other hand, the Group strictly controlled operational risks, with special initiatives for loss reduction and efficiency enhancement gradually yielding results. During the Reporting Period, the average unit price for hazardous waste treatment rebounded year-on-year, and the actual processing volume increased year-on-year, driving a year-on-year increase in revenue and gross profit margin. Overall operating performance gradually improved.

## CHAIRMAN'S STATEMENT

### COMPANY CONTROL

During the Reporting Period, with a core focus on “enhancing the efficiency of existing operations, improving the quality of incremental operations”, the Group continued to deepen its operational management and quality control. In respect of operational management, the Group implemented the management approach of “regional baselines + progressive targets for customised project”, comprehensively promoting the lean operation system. It established a vehicle efficiency indicator system alongside a three-tier “Group-Region-Project” BI visualisation dashboard to manage the entire process of vehicle operation, maintenance, and dispatching, thereby continuously enhancing vehicle operational efficiency. The Group innovatively established an asset revitalisation model featuring “rapid inventorying, stratified classification, internal-allocation priority, and revenue-driven external expansion”, successfully revitalising idle assets such as vehicles and saving investment costs. In respect of quality control, the Group established a tiered operational quality control framework, classifying projects into five categories (A to E) to execute differentiated management, and set up a deduction analysis BI dashboard, leading to sustained improvements in operational quality.

In respect of cash flow management, the Group steadfastly safeguarded cash flow as its lifeline. The Group has promulgated and implemented the Cash Flow and Collection Management Measures 《現金流及回款管理辦法》, and established health indicators for operating cash flows to dynamically balance collections against expenditures. The Group standardized accounts payable management, tightened capital expenditures, and optimized its debt structure, which sustained a stable net cash flow, mitigated operational risks, and fostered systemic capabilities in comprehensive cash flow management. The Group established a weekly scheduling mechanism dedicated to accounts receivable collection, employing a tailored “one-policy-for-each-item” strategy, deepening the Group’s resource coordination and alignment with clients to accelerate decision-making and sustain intensive collection efforts. The Group established a “Smart Policy and Debt Resolution Intelligence Platform” to dynamically track the latest updates on local government debt resolution across various regions and central government subsidies. This platform enables the sharing of resources, information, and experience across the Group, while securing policy-based financial support, including special treasury bonds and special bonds, through multiple channels. During the Reporting Period, the free cash flow of the Group maintained a trend of net inflow, with abundant cash reserves providing a robust financial cushion. Concurrently, the Group continuously optimized its financing structure and effectively lowered finance costs, further reinforcing the foundation for its financial stability.

## CHAIRMAN'S STATEMENT

The Group's digital and intelligent construction has penetrated deeply across the entire business value chain. The Group established an automated data collection platform for mechanical operations alongside an operational object management platform, bridging data links across multiple systems, unifying data standards, and setting up a routine data validation mechanism to drive data-informed decision-making. The Group vigorously advanced the application of AI technology, spanning scenarios such as safety and environmental hazard identification, human resources recruitment screening, financial process auditing, and policy intelligence analysis. Leveraging a solid data foundation, the Group created a diversified middle- and back-office management model to enhance management efficiency. To drive urban services operations along a three-tier evolutionary path from "traditional manual labour to smart collaboration, and ultimately to unmanned automation", the Group actively piloted and progressively expanded the use of autonomous smart sweeping equipment and intelligent dispatch systems in new projects, optimizing task dispatch through digital platforms and boosting unit efficiency via human-robot collaboration. The Group established a full-domain, round-the-clock digital and intelligent urban services operational benchmark pilot in the Qianhai area of Nanshan District, Shenzhen. By deploying a high density of multi-model autonomous driving equipment, the Group formed a full-scenario combinatorial operational framework. Supported by our self-developed smart platform, this setup enabled cross-brand equipment interconnection and unified dispatch, constructing a three-tier operational matrix comprising "vehicle-to-vehicle collaboration, single-vehicle operation, and human-vehicle collaboration". With remarkable pilot results achieved, a replicable and standardized model for digital and intelligent urban services has successfully taken shape.

### SUSTAINABLE DEVELOPMENT

The Group upheld the mission of "creating a better environment for the people", deeply integrating the concept of sustainable development into its business strategy. It proactively addressed environmental challenges. Leveraging technological innovation and cross-sector synergy, the Group collaborated with customers, the industrial chain partners and the capital market to co-create economic benefits and ecological value.

The Group actively responded to the national "Dual-Carbon" strategy by continuously upgrading and iterating its new-energy environmental hygiene equipment, optimizing the energy consumption structure, and promoting waste classification and resource recycling to continuously reduce operational carbon emissions. In addition, the Group incorporated ESG indicators, such as climate change response, into the management performance appraisal, promoting the deep integration of ESG governance with operational management. Meanwhile, through initiatives such as ethnic integration and professional training, the Group cultivated an equal, inclusive, and diverse workplace that supports employee growth. The Group mandated green procurement and audits on suppliers' ESG performance to build a sustainable value chain. The Group actively promoted green concepts, advocated for low-carbon lifestyles, and continuously enhanced its community service, working hand in hand with all stakeholders to build a beautiful and livable environment.

## CHAIRMAN'S STATEMENT

The Group has continuously optimized its risk management and internal control systems by strengthening emergency management mechanisms and fostering a culture of safety through continuous advocacy and education. The Group enhanced inspection and closed-loop rectification of safety and environmental hazards, while revising its management guidelines for extreme weather events, so as to fortify its safety defense. Furthermore, the Group established a dynamic risk management mechanism for projects and continuously tracked emerging risks, including safety assessments for Artificial Intelligence (AI) tools, thereby comprehensively elevating the Group's risk resilience.

During the Reporting Period, the achievements of the Group in ESG practices were widely recognized by the market. The Group was included in the S&P Global Sustainability Yearbook (China Edition) for two consecutive years. Its CDP Climate Change rating was upgraded to "B", and it achieved an "A" rating in the Wind ESG Composite Rating. Leveraging its sound ESG performance, the Group received special green and low-carbon awards from the local government and further broadened its green financing channels.

### OUTLOOK

Looking ahead to the second half of 2026, as the "15th Five-Year Plan" advances in depth, macro policies aimed at "seeking progress while maintaining stability, and enhancing quality and efficiency" will continue to drive momentum. The cultivation of new quality productive forces will be deeply integrated with technological innovation and green, low-carbon transformation, opening up broader development space for the industry and propelling ecological environmental governance to a new horizon characterized by "precision, intelligence, and systematization". Driven by both policy guidance and market mechanisms, the urban services industry is accelerating its transition towards green, intelligent, and quality-driven growth. Technological barriers and comprehensive service capabilities have emerged as key competitive factors. Enterprises equipped with lean operational capabilities, robust cash flows, and proprietary technological and product barriers will capture greater development opportunities and market space.

The Group will remain steadfast in its strategic focus on high-quality development by placing equal emphasis on both optimizing existing operations and capturing incremental growth. In respect of its existing businesses, the Group will deepen lean operations, leveraging digitalization, intelligence, and AI tools to further enhance personnel and vehicle efficiency. It will improve internal quality control for operational quality, and remediate underperforming assets and loss-making projects to consolidate the profitability of urban services business. In respect of incremental expansion, the Group will strictly enforce project evaluation benchmarks to screen for high-quality projects, and continuously reinforce its competitive edge in the Hong Kong market. Concurrently, the Group will relentlessly pursue policy-driven debt resolution and refine the end-to-end management of receivables to safeguard operating cash flows; actively revitalize idle assets and optimize its debt and financing structures to defend its financial bottom line; as well as continuously enhance its safety and environmental protection, risk control, and talent and organisational foundations to elevate its overall operational resilience.

## CHAIRMAN'S STATEMENT

Against the backdrop of growth constraints in the traditional manual operation model within the urban services industry, the Group will accelerate the deployment of its digital and intelligent “urban steward” product suite, while actively promoting the application of unmanned cleaning equipment and intelligent scheduling systems, to drive its business transition from scale expansion to value creation. To capitalize on the dividends of technological iterations in Artificial Intelligence and autonomous driving, the Group establishes an outdoor cleaning robotics joint venture with top-tier technical partners in the field of embodied AI. The Group will steadily advance research and development (R&D), production line setup, and scenario-based pilots, aiming to complete a closed-loop commercialisation cycle spanning “scenario testing, product R&D, mass manufacturing, and market sales”. This precise strategic layout into the intelligent equipment sector will not only empower the Group’s existing urban services operations to reduce costs, enhance efficiency, and improve profitability, but also help refine its full value chain layout, forging a second growth curve for the Group and developing new core competitiveness. Going forward, leveraging its dual advantages in technology and application scenarios, the Group will continuously unleash its growth momentum to achieve high-quality development, striving to become a highly trusted and industry-leading comprehensive service provider for digital and intelligent urban operations.

Finally, on behalf of the Board, I would like to express my sincere gratitude to all shareholders and business partners for their steadfast support, as well as to all employees for their hard work and dedication.

**Zhou Min**

*Chairman of the Board*

25 August 2026

## MANAGEMENT DISCUSSION AND ANALYSIS



cover **26** provinces, municipalities, autonomous regions and **1** special administrative region, with **298** urban service projects contracted under the Group's management, and **10** hazardous waste treatment projects and **2** waste electrical and electronic equipment treatment projects owned by the Group



Regions where we have urban service, hazardous waste treatment, as well as waste electrical and electronic equipment treatment business



Regions where we have urban service business

## MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL HIGHLIGHTS

The analysis of the Group's financial results, by business segments, for the six months ended 30 June 2026 and 2025 is set out in details below:

|                                                                                                   | Revenue         |                 |             | Gross profit margin |           |             | Profit/(loss) attributable to shareholders of the Company |                 |             |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------|---------------------|-----------|-------------|-----------------------------------------------------------|-----------------|-------------|
|                                                                                                   | 2026<br>RMB'000 | 2025<br>RMB'000 | Change<br>% | 2026<br>%           | 2025<br>% | Change<br>% | 2026<br>RMB'000                                           | 2025<br>RMB'000 | Change<br>% |
| Urban services                                                                                    | 2,722,982       | 2,664,179       | 2.2%        | 20.3%               | 22.4%     | (2.1)%      | 208,765                                                   | 264,786         | (21.2)%     |
| Hazardous waste treatment business                                                                | 247,610         | 215,256         | 15.0%       | 6.2%                | 0.3%      | 5.9%        | (20,977)                                                  | (32,970)        | 36.4%       |
| Others                                                                                            | 161,840         | 159,854         | 1.2%        | (3.7)%              | 9.8%      | (13.5)%     | (2,849)                                                   | 4,400           | (164.8)%    |
| Business results                                                                                  | 3,132,432       | 3,039,289       | 3.1%        | 17.9%               | 20.2%     | (2.3)%      | 184,939                                                   | 236,216         | (21.7)%     |
| Impairment loss on property, plant and equipment, right-of-use assets and other intangible assets |                 |                 |             |                     |           |             | (101,618)                                                 | (161,537)       | 37.1%       |
|                                                                                                   |                 |                 |             |                     |           |             | 83,321                                                    | 74,679          | 11.6%       |
| Corporate and other unallocated income and expenses, net                                          |                 |                 |             |                     |           |             | (47,992)                                                  | (42,159)        | (13.8)%     |
| Total                                                                                             |                 |                 |             |                     |           |             | 35,329                                                    | 32,520          | 8.6%        |

During the period ended 30 June 2026, the Group recorded a revenue of approximately RMB3,132.4 million, representing an increase of approximately 3.1% as compared to approximately RMB3,039.3 million in the same period last year. Profit for the period attributable to shareholders of the Company increased by approximately 8.6% to approximately RMB35.3 million as compared to approximately RMB32.5 million in the same period last year. Basic earnings per share increased to RMB0.99 cents, representing an increase of RMB0.08 cents from RMB0.91 cents in the same period last year.

The Group continued to deepen the “high-quality development” strategy in the urban services business. During the period, the Group recalibrated its tender bidding and operational approach in the Chinese Mainland, focusing on high-quality projects and adopting prudent tender bidding strategies to enhance project quality and mitigate operational risks. As a result, revenue from the urban services in the Chinese Mainland decreased by approximately 3.0% during the period. Meanwhile, the Group actively expanded its Hong Kong urban services business and successfully won a number of projects, diversifying its urban services from street cleaning to urban leisure venues cleaning and waste collection services, which led to a significant revenue increase of approximately 48.1% from Hong Kong business, making it a key growth driver for the urban services business during the period. The Group's urban services business recorded a revenue of approximately RMB2,723.0 million, representing an increase of 2.2% as compared with approximately RMB2,664.2 million in the corresponding period of last year.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the period, the overall gross profit margin of the Group's urban services business decreased, primarily due to an increase in the proportion of revenue from the Hong Kong business, whose project gross profit margin was relatively low. In addition, the Chinese Mainland business was under pressure from rising labor costs, vehicle and other operating costs, which led to a decrease in gross profit margin compared with the corresponding period of last year. The Group's urban services business recorded a profit attributable to shareholders of the Company of approximately RMB208.8 million, representing a decrease of 21.2% as compared with approximately RMB264.8 million in the corresponding period of last year.

In terms of the hazardous waste treatment business, the average unit treatment price of hazardous waste recovered compared with the corresponding period of last year, and the Group's special action plan to address losses and improve efficiency gradually delivered results. With cost controls and other operational areas steadily improving, the gross profit margin of the hazardous waste treatment business increased compared with the corresponding period of last year, leading to a gradual improvement in the operating performance. However, the hazardous waste treatment business remained at a cyclical trough, with certain projects still recording operating losses. For the six months ended 30 June 2026, the Group's hazardous waste treatment business recorded a loss attributable to Shareholders of the Company of approximately RMB21.0 million, representing a decrease of approximately 36.4% as compared with a loss of approximately RMB33.0 million for the corresponding period of last year.

During the six months ended 30 June 2026, driven by the intensified industry competition, hazardous waste disposal prices have continued to stay at low levels. Combined with the lower utilisation of the hazardous waste disposal capacity, this has rendered absorption of fixed costs more difficult. As a result, the Group recognised a provision for impairment of assets approximately RMB127.0 million in respect of Xuzhou Pingfu Environmental Resources Development Co., Ltd.\* (徐州平福環保資源開發有限公司) (the "**Xuzhou Project**").

## 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, 3 municipalities and 1 special administrative region all across Greater China.

## MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2026, the Group had 298 urban service projects, the movements of which, during the six months ended 30 June 2026, were as follow:

|                       | Chinese<br>Mainland<br>projects | Hong Kong<br>projects | Total<br>number of<br>projects |
|-----------------------|---------------------------------|-----------------------|--------------------------------|
| As at 1 January 2026  | 202                             | 49                    | 251                            |
| Newly added           | 9                               | 45                    | 54                             |
| Terminated to operate | (6)                             | (1)                   | (7)                            |
| As at 30 June 2026    | 205                             | 93                    | 298                            |

The following table sets for an analysis of the urban services projects obtained during the six months ended 30 June 2026:

|                                            | Chinese<br>Mainland<br>projects | Hong Kong<br>projects | Total   |
|--------------------------------------------|---------------------------------|-----------------------|---------|
| Number of urban services projects obtained | 9                               | 45                    | 54      |
| Total contract value (RMB million)         | 448.9                           | 2,466.3               | 2,915.2 |
| Estimated annual revenue (RMB million)     | 159.3                           | 790.2                 | 949.5   |

As at 30 June 2026, the Group successfully won a total of 54 urban services projects through public tender with total contract value and estimated annual revenue amounting to approximately RMB2,915.2 million and RMB949.5 million, respectively. This comprised 9 projects in Chinese Mainland with total contract value and estimated annual revenue amounting to approximately RMB448.9 million and RMB159.3 million, respectively; and 45 projects in Hong Kong with total contract value and estimated annual revenue amounting to approximately RMB2,466.3 million and RMB790.2 million, respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2026, the Group had recorded a total revenue of approximately RMB206.2 million in respect of these 54 projects located in Chinese Mainland and Hong Kong.

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

| Operating Models                                    | Chinese Mainland projects | Hong Kong projects | Total number of projects |
|-----------------------------------------------------|---------------------------|--------------------|--------------------------|
| Operation & Maintenance ("O&M")                     |                           |                    |                          |
| • Urban Butler Integrated Service Project           | 4                         | –                  | 4                        |
| • Comprehensive Cleaning Project                    | 109                       | 4                  | 113                      |
| • Traditional Environmental Hygiene Service Project | 85                        | 89                 | 174                      |
| Public-Private-Partnership ("PPP")                  |                           |                    |                          |
| • Build-Operate-Transfer ("BOT")                    | 3                         | –                  | 3                        |
| • Transfer-Operate-Transfer                         | 4                         | –                  | 4                        |
| Total                                               | 205                       | 93                 | 298                      |

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 2026, 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.

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 2026, the Group had 10 hazardous waste treatment projects in operation (31 December 2025: 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 2026, the total design treatment capacity of treatment facilities that engaged in hazard-free disposal is 419,716 tons per annum (31 December 2025: 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 2025: 280,000 tons).

During the six months ended 30 June 2026, driven by intensified competition in the industry, hazardous waste disposal treatment prices have continued to stay at low levels. Combined with the lower utilization of hazardous waste disposal capacity, this has rendered absorption of fixed costs more difficult. As a result, Xuzhou Project has incurred losses and experienced insufficient cash flow. Therefore, the Group recognised a provision for impairment of non-current assets during the six months ended 30 June 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OTHER BUSINESS

Other business represents waste electrical and electronic equipment treatment business. As of 30 June 2026, 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 2026, revenue from our waste electrical and electronic equipment treatment business amounted to approximately RMB161.8 million (six months ended 30 June 2025: RMB159.9 million), representing approximately 5.2% (six months ended 30 June 2025: 5.3%) of the Group's total revenue. Waste electrical and electronic equipment treatment business comprises sales of dismantled products and income from environmental decommissioning fees. During the six months ended 30 June 2026, as a result of the reduction in government subsidy rates, the business recorded negative gross margin and operating losses.

## FINANCIAL PERFORMANCE

### REVENUE AND GROSS PROFIT MARGIN

The Group's total revenue increased by approximately 3.1% from approximately RMB3,039.3 million for the six months ended 30 June 2025 to approximately RMB3,132.4 million for the six months ended 30 June 2026, primarily due to increase in revenue from the Group's urban services.

The Group's gross profit margin decreased from 20.2% for the six months ended 30 June 2025 to 17.9% for the six months ended 30 June 2026, primarily due to decrease in gross profit margin from urban services.

## MANAGEMENT DISCUSSION AND ANALYSIS

**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 |           |             |
|-----------------------------------------|------------------|-----------------|-------------|---------------------|-----------|-------------|
|                                         | 2026<br>RMB'000  | 2025<br>RMB'000 | Change<br>% | 2026<br>%           | 2025<br>% | Change<br>% |
| Urban Environmental Governance Services |                  |                 |             |                     |           |             |
| – Chinese Mainland                      | <b>2,309,719</b> | 2,390,018       | (3.4)%      | <b>23.2%</b>        | 24.3%     | (1.1)%      |
| – Hong Kong                             | <b>401,374</b>   | 270,971         | 48.1%       | <b>3.9%</b>         | 6.0%      | (2.1)%      |
| Subtotal                                | <b>2,711,093</b> | 2,660,989       | 1.9%        | <b>20.3%</b>        | 22.5%     | (2.2)%      |
| Construction Services                   |                  |                 |             |                     |           |             |
| – Chinese Mainland                      | <b>11,889</b>    | 3,190           | 272.7%      | <b>8.0%</b>         | 8.0%      | –           |
| Total                                   | <b>2,722,982</b> | 2,664,179       | 2.2%        | <b>20.3%</b>        | 22.4%     | (2.1)%      |

During the six months ended 30 June 2026, the Group recorded a total revenue of RMB2,723.0 million (six months ended 30 June 2025: RMB2,664.2 million). As at 30 June 2026, the Group had a total of 298 urban service projects (30 June 2025: 239).

- Urban Environmental Governance Services

During the six months ended 30 June 2026, the Group recorded a total revenue of approximately RMB2,711.1 million (six months ended 30 June 2025: RMB2,661.0 million) from its urban services projects. The increase was mainly attributable to revenue from the urban environmental governance services in Hong Kong.

The gross profit margin of the Urban Environmental Governance Services in Chinese Mainland was 23.2% (six months ended 30 June 2025: 24.3%). The decrease in gross profit margin was mainly attributable to the increase in labor costs, vehicle and other operating costs in Chinese Mainland.

The gross profit margin of the Urban Environmental Governance Services in Hong Kong was 3.9% (six months ended 30 June 2025: 6.0%). The Group successfully won a number of leisure venue cleaning and waste collection services projects in Hong Kong with relatively lower gross profit margins, resulting in a decrease in the overall gross profit margin.

## MANAGEMENT DISCUSSION AND ANALYSIS

- Construction services

During the six months ended 30 June 2026, 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 Sichuan Province. During the six months ended 30 June 2026, the Group recorded a total revenue of approximately RMB11.9 million (six months ended 30 June 2025: RMB3.2 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 2025: 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*

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

|                                         | 2026           | 2025    | Change |
|-----------------------------------------|----------------|---------|--------|
| Revenue (RMB'000)                       | <b>247,610</b> | 215,256 | 15.0%  |
| Actual treatment/sales volume (tons)    | <b>159,243</b> | 144,920 | 9.9%   |
| Average treatment/sales price (RMB/ton) | <b>1,555</b>   | 1,485   | 4.7%   |

During the six months ended 30 June 2026, the Group recorded a total revenue of RMB247.6 million (six months ended 30 June 2025: RMB215.3 million) from its hazardous waste treatment services projects. The increase was primarily attributable to the increase in the sales volume of recycling and reuse products and the increase in the average unit price for hazardous waste treatment.

In addition, the Group implemented cost control measures to enhance operational efficiency, resulting in an increase in the gross profit margin. Accordingly, the Group's gross profit margin of its hazardous waste treatment services projects increased from 0.3% for the six months ended 30 June 2025 to 6.2% for the six months ended 30 June 2026.

### *Other income and gains, net*

Other income and gains, net for the six months ended 30 June 2026 increased to RMB26.1 million, as compared to corresponding period of last year of RMB17.9 million. The increase was mainly due to increase in government grants and rental income of motor vehicles and equipment.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Administrative expenses*

Administrative expenses for the six months ended 30 June 2026 decreased to RMB248.9 million, as compared to the corresponding period in 2025 of RMB255.8 million. The decrease was mainly due to the cost control measures and optimization of the organizational structure and positions.

### *Other expenses*

Other expenses for the six months ended 30 June 2026 increased to RMB48.7 million, as compared to the corresponding period of last year of RMB39.5 million. The increase was mainly due to increase in the impairment losses of trade receivables and Environmental decommissioning fees receivable and the loss on deregistration of a subsidiary during the six months ended 30 June 2026.

### *Finance costs*

Finance costs mainly comprised of interests on bank borrowings. The decrease in finance costs was mainly due to decrease in market interest rates charged on bank borrowings during the six months ended 30 June 2026.

### *Impairment loss on property, plant and equipment, right-of-use assets and other intangible assets*

#### **DURING THE SIX MONTHS ENDED 30 JUNE 2026**

The impairment loss on property, plant and equipment, right-of-use assets and other intangible assets represented the provision of impairment on the carrying amounts of certain property, plant and equipment and right-of-use assets (leasehold land) of the Xuzhou Project during the six months ended 30 June 2026.

The Xuzhou Project's non-current assets mainly include property, plant and equipment, and right-of-use assets (leasehold land) in an aggregate amount of approximately RMB173.2 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 the Xuzhou Project's non-current assets (being fair value less costs of disposal) to be approximately RMB46.2 million. Therefore, the Group recognised a provision for impairment loss in the amount of approximately RMB127.0 million on the hazardous waste related assets for the six months ended 30 June 2026.

Details of the provision for impairment of property, plant and equipment and right-of-use assets (leasehold land) of the Xuzhou Project were set out in the announcement of the Company dated 14 August 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

### DURING THE SIX MONTHS ENDED 30 JUNE 2025

The impairment loss on property, plant and equipment, right-of-use assets and other intangible 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.

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

#### *Income tax expense*

The income tax expense increased from RMB60.7 million for the six months ended 30 June 2025 to RMB71.5 million for the six months ended 30 June 2026. 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 during the period; and (ii) impairment loss of property, plant and equipment provided during the period.

#### *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 2026.

#### *Goodwill*

Goodwill mainly represented the goodwill arose from the acquisition of subsidiaries engaged in urban services. The change 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 decrease was mainly due to amortisation provided during the six months ended 30 June 2026.

#### *Trade and bills receivables*

Increase in trade and bills receivables was mainly due to the business expansion in urban services and the extended collection period for trade receivables outstanding.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***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***

Prepayments, deposits and other receivables mainly represented prepayments for the Group's expenses and purchases of inventories, prepayments for the acquisition of property, plant and equipment and land use rights, guarantee deposits held by customers and receivables from related parties and non-controlling shareholders.

### ***Cash and cash equivalents***

Cash and cash equivalents increased by RMB115.6 million, primarily due to a decrease in cash outflows from investing activities, partially offset by a decrease in cash inflows from operating activities compared with the corresponding period of last year.

### ***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.

### ***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 increase was mainly due to the increase of the payables for acquisition of property, plant and equipment.

### ***Interest-bearing bank borrowings***

Increase in bank borrowings was mainly due to business expansion in urban services during the six months ended 30 June 2026.

### ***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 2026, the Group's cash and cash equivalents amounted to approximately RMB1,435.7 million (31 December 2025: approximately RMB1,320.1 million).

As at 30 June 2026, the Group's bank borrowings amounted to RMB2,631.7 million (31 December 2025: RMB2,523.4 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

The net gearing ratio (defined as bank borrowings, net of cash and cash equivalents (the “**Net Debt Amounts**”), divided by the total equity) was 30.8% as at 30 June 2026 (31 December 2025: 30.8%).

### *Capital expenditures*

During the six months ended 30 June 2026, the Group’s total capital expenditures were RMB205.1 million (six months ended 30 June 2025: RMB127.0 million), out of which RMB163.8 million, RMB12.4 million and RMB28.9 million (six months ended 30 June 2025: RMB97.5 million, RMB12.3 million and RMB17.2 million) were the additions of property, plant and equipment, right-of-use assets and operating concession, respectively.

## CHARGES ON THE GROUP’S ASSETS

The secured bank borrowings of the Group as at 30 June 2026 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 2026 and 31 December 2025; and
- (ii) pledges over certain of the Group’s property, plant and equipment, right-of-use assets and operating concession rights as at 30 June 2026 and 31 December 2025.

Save as disclosed above, as at 30 June 2026, the Group did not have any charges on the Group’s assets.

## CONTINGENT LIABILITIES

At 30 June 2026, performance guarantees of RMB233,183,000 (31 December 2025: RMB103,963,000) were given by banks 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 2026, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed 62,924 employees (30 June 2025: 67,198 employees) with total staff cost of approximately RMB1,652.0 million incurred for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB1,747.2 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 2026.

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

There was no other important event affecting the Group since 30 June 2026 and up to the date of this report.

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

For the six months ended 30 June 2026

|                                                                                                           | Notes | Six months ended 30 June       |                                |
|-----------------------------------------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
|                                                                                                           |       | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| <b>REVENUE</b>                                                                                            | 4     | <b>3,132,432</b>               | 3,039,289                      |
| Cost of sales                                                                                             |       | (2,571,181)                    | (2,425,282)                    |
| Gross profit                                                                                              |       | <b>561,251</b>                 | 614,007                        |
| Other income and gains, net                                                                               | 5     | <b>26,104</b>                  | 17,912                         |
| Administrative expenses                                                                                   |       | (248,892)                      | (255,833)                      |
| Selling and distribution expenses                                                                         |       | (6,078)                        | (6,308)                        |
| Other expenses                                                                                            |       | (48,703)                       | (39,502)                       |
| Finance costs                                                                                             | 7     | (39,583)                       | (42,350)                       |
| Impairment loss on property, plant and equipment,<br>right-of-use assets and other intangible assets      | 11    | (127,022)                      | (161,537)                      |
| Share of profit/(loss) of joint ventures                                                                  |       | 359                            | (252)                          |
| <b>PROFIT BEFORE TAX</b>                                                                                  | 6     | <b>117,436</b>                 | 126,137                        |
| Income tax expense                                                                                        | 8     | (71,451)                       | (60,703)                       |
| <b>PROFIT FOR THE PERIOD</b>                                                                              |       | <b>45,985</b>                  | 65,434                         |
| Attributable to:                                                                                          |       |                                |                                |
| Shareholders of the Company                                                                               |       | 35,329                         | 32,520                         |
| Non-controlling interests                                                                                 |       | 10,656                         | 32,914                         |
|                                                                                                           |       | <b>45,985</b>                  | 65,434                         |
| Other comprehensive (expense)/income that may be<br>reclassified to profit or loss in subsequent periods: |       |                                |                                |
| Exchange differences:                                                                                     |       |                                |                                |
| – Translation of foreign operations                                                                       |       | (1,684)                        | 6,095                          |
| <b>OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR<br/>THE PERIOD, NET OF INCOME TAX</b>                         |       | <b>(1,684)</b>                 | 6,095                          |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE PERIOD</b>                                                      |       | <b>44,301</b>                  | 71,529                         |
| Attributable to:                                                                                          |       |                                |                                |
| Shareholders of the Company                                                                               |       | 33,645                         | 38,615                         |
| Non-controlling interests                                                                                 |       | 10,656                         | 32,914                         |
|                                                                                                           |       | <b>44,301</b>                  | 71,529                         |
| <b>EARNINGS PER SHARE</b>                                                                                 |       |                                |                                |
| Basic                                                                                                     | 9     | <b>RMB0.99 cents</b>           | RMB0.91 cents                  |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

|                                               | Notes | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|-----------------------------------------------|-------|-------------------------------------------|---------------------------------------------|
| <b>NON-CURRENT ASSETS</b>                     |       |                                           |                                             |
| Property, plant and equipment                 | 11    | 1,914,673                                 | 2,081,682                                   |
| Right-of-use assets                           |       | 258,303                                   | 261,014                                     |
| Goodwill                                      |       | 16,207                                    | 16,412                                      |
| Service concession arrangements               |       | 492,664                                   | 496,188                                     |
| Other intangible assets                       |       | 9,968                                     | 10,761                                      |
| Investments in joint ventures                 |       | 50,936                                    | 50,577                                      |
| Prepayments, deposits and other receivables   |       | 37,144                                    | 26,606                                      |
| Deferred tax assets                           |       | 112,826                                   | 103,871                                     |
| Total non-current assets                      |       | 2,892,721                                 | 3,047,111                                   |
| <b>CURRENT ASSETS</b>                         |       |                                           |                                             |
| Inventories                                   |       | 91,106                                    | 85,369                                      |
| Trade and bills receivables                   | 12    | 3,806,028                                 | 3,497,162                                   |
| Environmental decommissioning fees receivable | 13    | 219,463                                   | 248,667                                     |
| Other tax recoverable                         |       | 70,720                                    | 106,570                                     |
| Prepayments, deposits and other receivables   |       | 200,647                                   | 213,447                                     |
| Restricted cash and pledged deposits          |       | 17,717                                    | 17,436                                      |
| Cash and cash equivalents                     |       | 1,435,677                                 | 1,320,115                                   |
| Total current assets                          |       | 5,841,358                                 | 5,488,766                                   |
| <b>TOTAL ASSETS</b>                           |       | <b>8,734,079</b>                          | <b>8,535,877</b>                            |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2026

|                                                           | Notes | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|-----------------------------------------------------------|-------|-------------------------------------------|---------------------------------------------|
| <b>CURRENT LIABILITIES</b>                                |       |                                           |                                             |
| Trade and bills payables                                  | 14    | 693,771                                   | 695,842                                     |
| Other payables and accruals                               |       | 998,819                                   | 880,019                                     |
| Other taxes payable                                       |       | 50,840                                    | 44,161                                      |
| Income tax payable                                        |       | 64,816                                    | 65,159                                      |
| Interest-bearing bank borrowings                          | 15    | 2,007,081                                 | 1,117,548                                   |
| Total current liabilities                                 |       | 3,815,327                                 | 2,802,729                                   |
| <b>NET CURRENT ASSETS</b>                                 |       | <b>2,026,031</b>                          | <b>2,686,037</b>                            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>              |       | <b>4,918,752</b>                          | <b>5,733,148</b>                            |
| <b>NON-CURRENT LIABILITIES</b>                            |       |                                           |                                             |
| Deferred income                                           |       | 139,922                                   | 144,386                                     |
| Other payables and accruals                               |       | 60,447                                    | 60,577                                      |
| Deferred tax liabilities                                  |       | 73,982                                    | 75,993                                      |
| Interest-bearing bank borrowings                          | 15    | 624,587                                   | 1,405,901                                   |
| Provision for major overhauls                             |       | 138,135                                   | 135,810                                     |
| Total non-current liabilities                             |       | 1,037,073                                 | 1,822,667                                   |
| Net assets                                                |       | 3,881,679                                 | 3,910,481                                   |
| <b>EQUITY</b>                                             |       |                                           |                                             |
| <b>Equity attributable to shareholders of the Company</b> |       |                                           |                                             |
| Share capital                                             | 16    | 313,584                                   | 313,584                                     |
| Reserves                                                  |       | 2,857,254                                 | 2,885,517                                   |
|                                                           |       | 3,170,838                                 | 3,199,101                                   |
| <b>Non-controlling interests</b>                          |       | <b>710,841</b>                            | <b>711,380</b>                              |
| Total equity                                              |       | 3,881,679                                 | 3,910,481                                   |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

|                                                           | Attributable to shareholders of the Company |                |                 |                |                              |                   | Retained profits | Total            | Non-controlling interests | Total equity     |
|-----------------------------------------------------------|---------------------------------------------|----------------|-----------------|----------------|------------------------------|-------------------|------------------|------------------|---------------------------|------------------|
|                                                           | Issued capital                              | Share premium  | Capital reserve | Merger reserve | Exchange fluctuation reserve | PRC reserve funds |                  |                  |                           |                  |
|                                                           | RMB'000                                     | RMB'000        | RMB'000         | RMB'000        | RMB'000                      | RMB'000           | RMB'000          | RMB'000          | RMB'000                   | RMB'000          |
| At 1 January 2025 (audited)                               | 313,584                                     | 140,561        | 854,699         | (1,910)        | (31,704)                     | 422,137           | 1,386,201        | 3,083,568        | 730,090                   | 3,813,658        |
| Profit for the period                                     | -                                           | -              | -               | -              | -                            | -                 | 32,520           | 32,520           | 32,914                    | 65,434           |
| Other comprehensive income for the period:                |                                             |                |                 |                |                              |                   |                  |                  |                           |                  |
| Exchange differences on translation of foreign operations | -                                           | -              | -               | -              | 6,095                        | -                 | -                | 6,095            | -                         | 6,095            |
| Total comprehensive income for the period                 | -                                           | -              | -               | -              | 6,095                        | -                 | 32,520           | 38,615           | 32,914                    | 71,529           |
| Final 2024 dividend declared                              | -                                           | -              | -               | -              | -                            | -                 | (42,076)         | (42,076)         | -                         | (42,076)         |
| Dividend declared to non – controlling shareholders       | -                                           | -              | -               | -              | -                            | -                 | -                | -                | (12,103)                  | (12,103)         |
| Transfer between reserves                                 | -                                           | -              | -               | -              | -                            | 20,731            | (20,731)         | -                | -                         | -                |
| At 30 June 2025 (unaudited)                               | 313,584                                     | 140,561        | 854,699         | (1,910)        | (25,609)                     | 442,868           | 1,355,914        | 3,080,107        | 750,901                   | 3,831,008        |
| At 1 January 2026 (audited)                               | <b>313,584</b>                              | <b>140,561</b> | <b>854,699</b>  | <b>(1,910)</b> | <b>(36,838)</b>              | <b>505,232</b>    | <b>1,423,773</b> | <b>3,199,101</b> | <b>711,380</b>            | <b>3,910,481</b> |
| Profit for the period                                     | -                                           | -              | -               | -              | -                            | -                 | 35,329           | 35,329           | 10,656                    | 45,985           |
| Other comprehensive expense for the period:               |                                             |                |                 |                |                              |                   |                  |                  |                           |                  |
| Exchange differences on translation of foreign operations | -                                           | -              | -               | -              | (1,684)                      | -                 | -                | (1,684)          | -                         | (1,684)          |
| Total comprehensive (expense)/income for the period       | -                                           | -              | -               | -              | (1,684)                      | -                 | 35,329           | 33,645           | 10,656                    | 44,301           |
| Capital contribution from non-controlling Interests       | -                                           | -              | -               | -              | -                            | -                 | -                | -                | 15,463                    | 15,463           |
| Deregistration of a subsidiary                            | -                                           | -              | -               | -              | -                            | -                 | -                | -                | (1,500)                   | (1,500)          |
| Final 2025 dividend declared                              | -                                           | -              | -               | -              | -                            | -                 | (61,908)         | (61,908)         | -                         | (61,908)         |
| Dividend declared to non – controlling shareholders       | -                                           | -              | -               | -              | -                            | -                 | -                | -                | (25,158)                  | (25,158)         |
| Transfer between reserves                                 | -                                           | -              | -               | -              | -                            | 39,859            | (39,859)         | -                | -                         | -                |
| At 30 June 2026 (unaudited)                               | <b>313,584</b>                              | <b>140,561</b> | <b>854,699</b>  | <b>(1,910)</b> | <b>(38,522)</b>              | <b>545,091</b>    | <b>1,357,335</b> | <b>3,170,838</b> | <b>710,841</b>            | <b>3,881,679</b> |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

|                                                                                                  | Six months ended 30 June |             |
|--------------------------------------------------------------------------------------------------|--------------------------|-------------|
|                                                                                                  | 2026                     | 2025        |
|                                                                                                  | RMB'000                  | RMB'000     |
|                                                                                                  | (Unaudited)              | (Unaudited) |
| <b>OPERATING ACTIVITIES</b>                                                                      |                          |             |
| Cash generated from operations                                                                   | 323,725                  | 473,563     |
| Corporate income tax paid in the People's Republic of China<br>(the "PRC" or "Chinese Mainland") | (84,157)                 | (72,954)    |
| Net cash from operating activities                                                               | 239,568                  | 400,609     |
| <b>INVESTING ACTIVITIES</b>                                                                      |                          |             |
| Purchases of items of property, plant and equipment                                              | (81,487)                 | (190,021)   |
| Addition of operating concessions                                                                | (50,339)                 | (20,461)    |
| (Increase) decrease in restricted cash and pledged deposits                                      | (281)                    | 2,884       |
| Capital injection to a joint venture                                                             | –                        | (2,308)     |
| Interest received                                                                                | 1,834                    | 2,217       |
| Proceeds from disposal of items of property, plant and equipment                                 | 12,683                   | 24,619      |
| Dividend received from a joint venture                                                           | –                        | 2,216       |
| NET CASH USED IN INVESTING ACTIVITIES                                                            | (117,590)                | (180,854)   |
| <b>FINANCING ACTIVITIES</b>                                                                      |                          |             |
| Repayments of bank borrowings                                                                    | (554,280)                | (784,321)   |
| Dividend paid                                                                                    | (61,908)                 | –           |
| Interest paid                                                                                    | (37,401)                 | (40,187)    |
| Dividend paid to non-controlling shareholders                                                    | (19,895)                 | (12,103)    |
| Principal portion of lease payments                                                              | (11,356)                 | (15,647)    |
| Capital contributions from non-controlling interests                                             | 15,463                   | –           |
| New bank borrowings raised                                                                       | 663,199                  | 749,352     |
| NET CASH USED IN FINANCING ACTIVITIES                                                            | (6,178)                  | (102,906)   |
| NET INCREASE IN CASH AND CASH EQUIVALENTS                                                        | 115,800                  | 116,849     |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD                                                 | 1,320,115                | 939,671     |
| Effect of foreign exchange rate changes, net                                                     | (238)                    | 337         |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD                                                       | 1,435,677                | 1,056,857   |

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

## 1.1 CORPORATE INFORMATION

Beijing Enterprises Urban Resources Group Limited (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 six months ended 30 June 2026, 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. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2025.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

**2. ACCOUNTING POLICIES (CONTINUED)****2.1 APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS**

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

|                                          |                                                                                  |
|------------------------------------------|----------------------------------------------------------------------------------|
| Amendments to HKFRS 9 and HKFRS 7        | <i>Amendments to the Classification and Measurement of Financial Instruments</i> |
| Amendments to HKFRS 9 and HKFRS 7        | <i>Contracts Referencing Nature-dependent Electricity</i>                        |
| Amendments to HKFRS Accounting Standards | <i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>             |

The application of the amendments to HKFRS Accounting Standards 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 shareholders of the Company. The adjusted profit for the period attributable to shareholders of the Company is measured consistently with the Group's profit for the period attributable to shareholders of the Company except that corporate and other unallocated income and expenses are excluded from such measurement.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

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

|                                                                                                    | 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 |             |
|                                                                                                    | 2026                     | 2025        | 2026                      | 2025        | 2026                     | 2025        | 2026                     | 2025        |
|                                                                                                    | RMB'000                  | RMB'000     | RMB'000                   | RMB'000     | RMB'000                  | RMB'000     | RMB'000                  | RMB'000     |
|                                                                                                    | (Unaudited)              | (Unaudited) | (Unaudited)               | (Unaudited) | (Unaudited)              | (Unaudited) | (Unaudited)              | (Unaudited) |
| <b>Segment revenue (Note 4)</b>                                                                    | <b>2,722,982</b>         | 2,664,179   | <b>247,610</b>            | 215,256     | <b>161,840</b>           | 159,854     | <b>3,132,432</b>         | 3,039,289   |
| Cost of sales                                                                                      | (2,171,077)              | (2,066,440) | (232,209)                 | (214,593)   | (167,895)                | (144,249)   | (2,571,181)              | (2,425,282) |
| Gross profit/(loss)                                                                                | 551,905                  | 597,739     | 15,401                    | 663         | (6,055)                  | 15,605      | 561,251                  | 614,007     |
| <b>Segment results</b>                                                                             | <b>333,596</b>           | 365,884     | <b>(31,270)</b>           | (45,480)    | <b>(9,876)</b>           | 9,429       | <b>292,450</b>           | 329,833     |
| Impairment loss on property, plant and equipment, right-of-use assets, and other intangible assets | -                        | -           | (127,022)                 | (161,537)   | -                        | -           | (127,022)                | (161,537)   |
|                                                                                                    | 333,596                  | 365,884     | (158,292)                 | (207,017)   | (9,876)                  | 9,429       | 165,428                  | 168,296     |
| Corporate and other unallocated income and expenses, net:                                          |                          |             |                           |             |                          |             |                          |             |
| - Interest income                                                                                  |                          |             |                           |             |                          |             | 286                      | 122         |
| - Finance costs                                                                                    |                          |             |                           |             |                          |             | (21,556)                 | (22,447)    |
| - Corporate and other unallocated expenses                                                         |                          |             |                           |             |                          |             | (26,722)                 | (19,834)    |
|                                                                                                    |                          |             |                           |             |                          |             | (47,992)                 | (42,159)    |
| Profit before tax                                                                                  |                          |             |                           |             |                          |             | 117,436                  | 126,137     |
| Income tax expense                                                                                 |                          |             |                           |             |                          |             | (71,451)                 | (60,703)    |
| Profit for the period                                                                              |                          |             |                           |             |                          |             | 45,985                   | 65,434      |
| Segmental profit/(loss) for the period                                                             | 256,651                  | 305,349     | (158,586)                 | (207,110)   | (4,088)                  | 9,354       | 93,977                   | 107,593     |
| Non-controlling interests                                                                          | (47,886)                 | (40,563)    | 35,991                    | 12,603      | 1,239                    | (4,954)     | (10,656)                 | (32,914)    |
| Shareholders of the Company                                                                        | 208,765                  | 264,786     | (122,595)                 | (194,507)   | (2,849)                  | 4,400       | 83,321                   | 74,679      |
| Corporate and other unallocated income and expenses, net                                           |                          |             |                           |             |                          |             | (47,992)                 | (42,159)    |
|                                                                                                    |                          |             |                           |             |                          |             | 35,329                   | 32,520      |
| <b>Other segment information:</b>                                                                  |                          |             |                           |             |                          |             |                          |             |
| Share of profit/(loss) of joint ventures                                                           | 957                      | 564         | (598)                     | (816)       | -                        | -           | 359                      | (252)       |
| Impairment losses and write-down to inventory to net realisable value                              | 31,817                   | 14,015      | 127,660                   | 165,000     | 108                      | 2,500       | 159,585                  | 181,515     |
| Depreciation and amortisation                                                                      | 158,016                  | 230,940     | 66,383                    | 73,442      | 2,102                    | 1,061       | 226,501                  | 305,443     |
| Capital expenditure*                                                                               | 185,072                  | 98,337      | 16,077                    | 27,354      | 3,939                    | 1,320       | 205,088                  | 127,011     |

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

The management makes decisions according to operating results of each segment. Therefore, no analysis of segment asset and segment liability is presented.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

## 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.

|                  | Six months ended 30 June       |                                |
|------------------|--------------------------------|--------------------------------|
|                  | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Chinese Mainland | 2,731,058                      | 2,768,318                      |
| Hong Kong        | 401,374                        | 270,971                        |
|                  | <b>3,132,432</b>               | <b>3,039,289</b>               |

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

## INFORMATION ABOUT MAJOR CUSTOMERS

During the six months ended 30 June 2026 and 2025, 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       |                                |
|----------------------------------------------|--------------------------------|--------------------------------|
|                                              | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| <b>Revenue from contracts with customers</b> |                                |                                |
| Urban services                               |                                |                                |
| – Urban environmental governance services    | 2,711,093                      | 2,660,989                      |
| – Construction services                      | 11,889                         | 3,190                          |
|                                              | <b>2,722,982</b>               | <b>2,664,179</b>               |
| Hazardous waste treatment businesses         |                                |                                |
| – Hazard-free waste disposal services        | 135,018                        | 151,158                        |
| – Sale of recycling and reuse products       | 112,592                        | 64,098                         |
|                                              | <b>247,610</b>                 | <b>215,256</b>                 |
| Sale of dismantled products                  | <b>153,729</b>                 | <b>117,525</b>                 |
|                                              | <b>3,124,321</b>               | <b>2,996,960</b>               |
| <b>Revenue from other source</b>             |                                |                                |
| Environmental decommissioning fees income    | 8,111                          | 42,329                         |
|                                              | <b>3,132,432</b>               | <b>3,039,289</b>               |

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 4. REVENUE (CONTINUED)

Revenue from urban environmental governance services, construction services and consultancy services is recognised over time. Revenue from hazard-free waste disposal services, sale of recycling and reuse products and sale of dismantled products is recognised at a point in time.

## 5. OTHER INCOME AND GAINS, NET

|                                                                         | Six months ended 30 June       |                                |
|-------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                         | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Interest income                                                         | 1,834                          | 2,217                          |
| Government grants ( <i>note (a)</i> )                                   | 11,700                         | 6,335                          |
| Value-Added Tax ("VAT") refunds and super deduction ( <i>note (b)</i> ) | 1,020                          | 1,967                          |
| Rental Income of motor vehicles and equipment                           | 7,590                          | 1,726                          |
| Sale of scarp materials                                                 | 431                            | 441                            |
| Others                                                                  | 3,529                          | 5,226                          |
|                                                                         | <b>26,104</b>                  | <b>17,912</b>                  |

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 net VAT paid/payable under the Catalogue of Products and Services related to Recycling Businesses Qualified for VAT Preferential Treatment (Caishui [2015] No. 78) jointly issued by the PRC State Administration of Taxation and the Ministry of Finance.

Certain subsidiaries are entitled to an additional VAT super deduction ranging from 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.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 6. PROFIT BEFORE TAX

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

|                                                                                                              | Six months ended 30 June       |                                |
|--------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                                                              | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Cost of inventories sold ( <i>note (a)</i> )                                                                 | 262,160                        | 197,908                        |
| Cost of services provided ( <i>note (a)</i> )                                                                | 2,277,159                      | 2,201,847                      |
| Depreciation of property, plant and equipment                                                                | 179,768                        | 263,810                        |
| Depreciation of right-of-use assets                                                                          | 14,079                         | 15,138                         |
| Amortisation of service concession arrangements ( <i>note (a)</i> )                                          | 31,862                         | 25,527                         |
| Amortisation of other intangible assets                                                                      | 792                            | 968                            |
| Impairment losses of trade receivables and environmental decommissioning fees receivable ( <i>note (b)</i> ) | 31,925                         | 16,515                         |
| Write-down of inventories to net realisable value ( <i>note (b)</i> )                                        | 638                            | 3,463                          |
| (Gain)/loss on disposal of items of property, plant and equipment ( <i>note (b)</i> )                        | (3,369)                        | 9,683                          |
| Loss on deregistration of a subsidiary ( <i>note (b)</i> )                                                   | 6,418                          | —                              |
| Impairment loss on property, plant and equipment                                                             | 126,462                        | 161,243                        |
| Impairment loss on right-of-use assets                                                                       | 560                            | —                              |
| Impairment loss on other intangible assets                                                                   | —                              | 294                            |
| Employee benefit expense (excluding directors' and chief executive's remuneration):                          |                                |                                |
| Salaries and benefits in kind                                                                                | 1,458,480                      | 1,550,328                      |
| Pension scheme contributions                                                                                 | 193,491                        | 196,877                        |
|                                                                                                              | <b>1,651,971</b>               | <b>1,747,205</b>               |

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.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 7. FINANCE COSTS

|                                                                                                  | Six months ended 30 June       |                                |
|--------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                                                  | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Interest on bank borrowings                                                                      | 36,010                         | 39,188                         |
| Interest on lease liabilities                                                                    | 1,307                          | 1,670                          |
|                                                                                                  | 37,317                         | 40,858                         |
| Increase in discounted amounts of provision for major overhauls arising from the passage of time | 2,266                          | 2,163                          |
|                                                                                                  | 39,583                         | 43,021                         |
| Less: Interest capitalised                                                                       | –                              | (671)                          |
|                                                                                                  | 39,583                         | 42,350                         |

## 8. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

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.

|                                       | Six months ended 30 June       |                                |
|---------------------------------------|--------------------------------|--------------------------------|
|                                       | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Current tax:                          |                                |                                |
| Hong Kong                             | 551                            | 889                            |
| Chinese Mainland                      | 71,675                         | 68,494                         |
|                                       | 72,226                         | 69,383                         |
| Under/(over) provision in prior years |                                |                                |
| Chinese Mainland                      | 10,192                         | (7,381)                        |
| Deferred tax                          | (10,967)                       | (1,299)                        |
|                                       | 71,451                         | 60,703                         |

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 9. EARNINGS PER SHARE

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

|                                                                          | Six months ended 30 June |               |
|--------------------------------------------------------------------------|--------------------------|---------------|
|                                                                          | 2026                     | 2025          |
|                                                                          | RMB'000                  | RMB'000       |
|                                                                          | (Unaudited)              | (Unaudited)   |
| <b>Earnings</b>                                                          |                          |               |
| Profit for the period attributable to shareholders of the Company        | 35,329                   | 32,520        |
| <b>Number of shares</b>                                                  |                          |               |
| Weighted average number of ordinary shares in issue less treasury shares | 3,556,664,000            | 3,556,664,000 |

No diluted earnings per share for the six months ended 30 June 2026 and 2025 was presented as there was no dilutive potential ordinary share in issue for both periods.

## 10. DIVIDENDS

|                                                                 | Six months ended 30 June |             |
|-----------------------------------------------------------------|--------------------------|-------------|
|                                                                 | 2026                     | 2025        |
|                                                                 | RMB'000                  | RMB'000     |
|                                                                 | (Unaudited)              | (Unaudited) |
| 2025 Final – HK2.0 cents (2024: HK1.3 cents) per ordinary share | 61,908                   | 42,076      |

On 25 August 2026, the Board declared an interim dividend in respect of the six months ended 30 June 2026 of HK1.8 cents (six months ended 30 June 2025: HK1.8 cents) per ordinary share, in an aggregate amount of HK\$64,020,000 (equivalent to RMB56,338,000) (six months ended 30 June 2025: HK\$64,020,000 (equivalent to RMB58,360,000)).

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group's additions of property, plant and equipment amounted to RMB163,849,000 (six months ended 30 June 2025: RMB97,451,000). In addition, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB15,551,000 (six months ended 30 June 2025: RMB34,302,000).

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

**11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

During the six months ended 30 June 2026, the management of the Group concluded that there was an indication for impairment on certain property, plant and equipment of Xuzhou Pingfu Environmental Resources Development Company Limited ("Xuzhou Pingfu"), an 80% indirect subsidiary, as treatment prices have continued to stay at low levels and demand has decreased attributable to keen competition in the industry, resulting in losses. The management of the Group conducted an impairment assessment of the non-current assets of Xuzhou Pingfu and recognised a provision for the impairment loss of RMB126,462,000 in relation to property, plant and equipment during the current interim period. Details of the impairment provision are set out in the announcement of the Company dated 14 August 2026.

During the six months ended 30 June 2025, the management of the Group concluded that there was an indication for impairment on certain property, plant and equipment in Xianju Pingfu Environmental Technology Limited ("Xianju Pingfu"), an indirect wholly owned subsidiary, due to suspension of operations, additional costs and time to resume the production, impact of competitive pressure from oversupply of local processing capacity and significantly decreased sales price which is expected to be unlikely to rebound. The management of the Group conducted an impairment assessment of the non-current assets of Xianju Pingfu and recognised a provision for the impairment loss of RMB161,243,000 related to property, plant and equipment. Details of the impairment provision are set out in the announcement of the Company dated 15 August 2025.

**12. TRADE AND BILLS RECEIVABLES**

|                                   | <b>30 June<br/>2026<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2025<br/>RMB'000<br/>(Audited)</b> |
|-----------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Trade receivables                 | <b>3,930,919</b>                                    | 3,603,966                                             |
| Less: Allowance for credit losses | <b>(146,648)</b>                                    | (114,831)                                             |
|                                   | <b>3,784,271</b>                                    | 3,489,135                                             |
| Bills receivable                  | <b>21,757</b>                                       | 8,027                                                 |
|                                   | <b>3,806,028</b>                                    | 3,497,162                                             |

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.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 12. TRADE AND BILLS RECEIVABLES (CONTINUED)

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<br/>2026<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2025<br/>RMB'000<br/>(Audited)</b> |
|-----------------|-----------------------------------------------------|-------------------------------------------------------|
| Within 3 months | <b>1,200,367</b>                                    | 1,109,354                                             |
| 4 to 6 months   | <b>674,622</b>                                      | 695,593                                               |
| 7 to 12 months  | <b>947,156</b>                                      | 930,732                                               |
| Over 1 year     | <b>962,126</b>                                      | 753,456                                               |
|                 | <b>3,784,271</b>                                    | 3,489,135                                             |

As at 30 June 2026, total bills receivable amounting to RMB21,757,000 (31 December 2025: RMB8,027,000) are held by the Group. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

## 13. ENVIRONMENTAL DECOMMISSIONING FEES RECEIVABLE

|                                               | <b>30 June<br/>2026<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2025<br/>RMB'000<br/>(Audited)</b> |
|-----------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Environmental decommissioning fees receivable | <b>219,463</b>                                      | 248,667                                               |

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.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 14. TRADE AND BILLS PAYABLES

|                | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------|-------------------------------------------|---------------------------------------------|
| Trade payables | 693,771                                   | 691,930                                     |
| Bills payable  | –                                         | 3,912                                       |
|                | <b>693,771</b>                            | 695,842                                     |

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

|                | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------|-------------------------------------------|---------------------------------------------|
| Within 1 month | 205,371                                   | 190,520                                     |
| 1 to 2 months  | 44,432                                    | 62,570                                      |
| 2 to 3 months  | 59,274                                    | 52,469                                      |
| Over 3 months  | 384,694                                   | 386,371                                     |
|                | <b>693,771</b>                            | 691,930                                     |

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

## 15. INTEREST-BEARING BANK BORROWINGS

|                                                                      | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------------------------------------|-------------------------------------------|---------------------------------------------|
| Secured bank loans                                                   | 462,142                                   | 567,559                                     |
| Unsecured bank loans                                                 | 2,169,526                                 | 1,955,890                                   |
| Total bank borrowings                                                | 2,631,668                                 | 2,523,449                                   |
| Less: Amounts due within one year shown<br>under current liabilities | (2,007,081)                               | (1,117,548)                                 |
| Amounts shown under non-current liabilities                          | <b>624,587</b>                            | 1,405,901                                   |

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 16. SHARE CAPITAL

|                                                                                    | Number of<br>ordinary shares<br>of HK\$0.1 each | Nominal value<br>of ordinary<br>shares<br>HK\$'000 |
|------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------|
| Authorised:<br>At 1 January 2025, 30 June 2025,<br>1 January 2026 and 30 June 2026 | 30,000,000,000                                  | 3,000,000                                          |

  

|                                                                                                                                           | Number of<br>shares in issue<br>of HK\$0.1 each | Share capital<br>RMB'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------|
| Issued and fully paid:<br>At 1 January 2025 (audited), 30 June 2025 (unaudited),<br>1 January 2026 (audited) and 30 June 2026 (unaudited) | 3,556,664,000                                   | 313,584                  |

## 17. COMMITMENTS

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

|                                        | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------|-------------------------------------------|---------------------------------------------|
| Construction in progress               | 4,692                                     | 4,573                                       |
| Plant and equipment and motor vehicles | 22,210                                    | 124,368                                     |
| Service concession arrangements        | 15,920                                    | 17,704                                      |
| Investment in a joint venture          | 1,689                                     | 1,689                                       |
|                                        | 44,511                                    | 148,334                                     |

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 18. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the periods:

|                                                                   | Notes | Six months ended 30 June       |                                |
|-------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
|                                                                   |       | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Related companies Entrusted operation service income <sup>#</sup> | (i)   | 8,259                          | 7,706                          |
| Sale of electric trike vehicles and consumables <sup>#</sup>      | (ii)  | 411                            | –                              |
| Motor vehicles and equipment leasing expenses <sup>#</sup>        | (iii) | 444                            | 273                            |
| Cost of market business expansion services provided               | (iv)  | –                              | 645                            |

<sup>#</sup> These related party transactions also constitute continuing connected transactions that are subject to the announcement, reporting and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Notes:

- (i) The Group entered into an arrangement with a subsidiary of BEWG to provide entrusted operation services for this subsidiary of BEWG.
- (ii) The amount represented the income generated from the sale of electric trike vehicles and consumables for the provision of urban services to a subsidiary of BEWG.
- (iii) The amount represented the leasing cost of motor vehicles and equipment to a subsidiary of BEWG.
- (iv) The Group engaged a subsidiary of BEWG for services related to market expansion, based on terms mutually agreed between the Group and the related party.
- (v) The Group leased two office buildings from subsidiaries of BEWG with lease terms ranging from 1 month to 1 year (six months ended 30 June 2025: 1 to 2 years). The rental fees were RMB160,000 (six months ended 30 June 2025: RMB160,000) and HK\$32,000 (six months ended 30 June 2025: HK\$60,400) per month throughout the contract periods. The financial impact of the leases was included in administrative expenses as short-term leases expenses in the condensed consolidated financial statements for the six months ended 30 June 2026 and right-of-use assets and lease liabilities in the condensed consolidated financial statements for the six months ended 30 June 2025.

## (b) Transactions with other state-owned entities in Chinese Mainland

The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "Other SOEs"). During the period, the Group had transactions with the Other SOEs including, but not limited to, bank deposits and borrowings and utilities consumptions. The directors consider that the transactions with the Other SOEs are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the Other SOEs are ultimately controlled or owned by the PRC government. Having due regard to the substance of the relationships, the directors are of the opinion that none of these transactions is material related party transaction that would require separate disclosure.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2026

## 18. RELATED PARTY TRANSACTIONS (CONTINUED)

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

|                              | Six months ended 30 June       |                                |
|------------------------------|--------------------------------|--------------------------------|
|                              | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Short term employee benefits | 2,394                          | 5,212                          |
| Post-employment benefits     | 78                             | 110                            |
|                              | <b>2,472</b>                   | <b>5,322</b>                   |

Save as disclosed above, as at 30 June 2026, the Group had no other material transactions and outstanding balances with related parties.

## 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the carrying amounts of current financial assets and liabilities which are due to be received or settled within one year are reasonable approximation of their respective fair values largely due to the short term maturities of these instruments, and accordingly, no disclosure of the fair values of these financial instruments is made.

For non-current financial assets and liabilities, in the opinion of the directors of the Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values of these financial instruments is made.

## 20. PERFORMANCE GUARANTEES

As at 30 June 2026, performance guarantees of RMB233,183,000 (31 December 2025: RMB103,963,000) were given by banks 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.

## 21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information were approved and authorised for issue by the Board on 25 August 2026.

## DISCLOSEABLE INFORMATION

## DISCLOSURE OF INTERESTS

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES (THE "SHARES"), UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules, were as follows:

**LONG POSITIONS IN THE SHARES AND/OR UNDERLYING SHARES OF THE COMPANY**

| Name of Director | Personal interests | Family interests | Corporate interests     | Other interests | Interests pursuant to the AIC Agreement as under section 317 of the SFO<br>(Note 5) | Total         | Approximate percentage of the Company's Issued Share Capital<br>(Note 1) |
|------------------|--------------------|------------------|-------------------------|-----------------|-------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------|
| Mr. Zhou Min     | –                  | –                | 490,476,000<br>(Note 2) | –               | 1,949,504,777                                                                       | 2,439,980,777 | 68.60%                                                                   |
| Mr. Zhao Kexi    | –                  | –                | 39,920,000<br>(Note 3)  | –               | 2,400,060,777                                                                       | 2,439,980,777 | 68.60%                                                                   |
| Mr. Li Haifeng   | 50,800,000         | –                | –                       | –               | 2,389,180,777                                                                       | 2,439,980,777 | 68.60%                                                                   |
| Mr. Yu Ligu      | 3,560,000          | –                | –                       | –               | –                                                                                   | 3,560,000     | 0.1%                                                                     |
| Mr. Zhou Chen    | 71,140,000         | –                | 110,440,000<br>(Note 4) | –               | 2,258,400,777                                                                       | 2,439,980,777 | 68.60%                                                                   |

*Notes:*

1. The approximate percentage was calculated on the basis of 3,556,664,000 Shares in issue as at the date of this report.
2. 490,476,000 Shares were held by Star Colour Investments Limited ("Star Colour"), a company wholly-owned by Mr. Zhou Min. Accordingly, Mr. Zhou Min is deemed to be interested in the Shares of the Company held and deemed to be held by Star Colour under the SFO.
3. 39,920,000 Shares were held by Long March Holdings Limited ("Long March"), a company wholly-owned by Mr. Zhao Kexi. Accordingly, Mr. Zhao Kexi is deemed to be interested in the Shares of the Company held and deemed to be held by Long March under the SFO.

## DISCLOSEABLE INFORMATION

4. 110,440,000 Shares were held by Faith Access Holdings Limited ("Faith Access"), a company wholly-owned by Mr. Zhou Chen. Accordingly, Mr. Zhou Chen is deemed to be interested in the Shares of the Company held and deemed to be held by Faith Access under the SFO.
5. On 10 May 2022, BEWG, Beijing Holdings Limited ("BHL"), Star Colour, Long March, Zhihua Investments Limited ("Zhihua"), MIL, Mr. Li Haifeng, Mr. Zhou Chen and ZGC International Holding Limited ("ZGC International") (together referred to as the "Concert Parties") entered into an acting in concert agreement (the "AIC Agreement"). Pursuant to the AIC Agreement, the Concert Parties are acting in concert in respect of their interests in the Company and therefore each of the Concert Parties is deemed to be interested in all the Shares held by them in aggregate under the SFO. As at 30 June 2026, the Concert Parties were interested in an aggregate of 2,439,980,777 Shares of the Company, representing approximately 68.60% of the issued Share capital of the Company. Details of the AIC Agreement are set out in the announcement of the Company dated 10 May 2022.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2026 were rights to acquire benefits by means of the acquisition of Shares or Shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 18 to the condensed consolidated financial information, no Directors nor a connected entity of a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 June 2026.

## DISCLOSEABLE INFORMATION

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as was known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company as disclosed above) had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

## LONG POSITION IN THE SHARES AND/OR UNDERLYING SHARES OF THE COMPANY

| Name of shareholder                                                                     | Capacity in which Shares are held       | Number of Shares held | Approximate percentage of the Company's issued Share capital<br>(Note 1) |
|-----------------------------------------------------------------------------------------|-----------------------------------------|-----------------------|--------------------------------------------------------------------------|
| BEWG                                                                                    | Beneficial owner                        | 1,478,312,777         | 41.56%                                                                   |
|                                                                                         | Interests pursuant to the AIC Agreement | 961,668,000           | 27.04%                                                                   |
|                                                                                         | Total                                   | 2,439,980,777         | 68.60%                                                                   |
| Beijing Enterprises Environmental Construction Limited<br>("BE Environmental") (Note 2) | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |
| Beijing Enterprises Holdings Limited ("BEHL")<br>(Note 3)                               | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |
| Modern Orient Limited<br>("MOL") (Note 4)                                               | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |
| Beijing Enterprises Investments Limited ("BEIL") (Note 4)                               | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |
| Beijing Enterprises Group (BVI) Company Limited<br>("BE Group (BVI)") (Note 5)          | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |
| BHL (Note 6)                                                                            | Beneficial owner                        | 40,000,000            | 1.12%                                                                    |
|                                                                                         | Interests pursuant to the AIC Agreement | 2,399,980,777         | 67.48%                                                                   |
|                                                                                         | Total                                   | 2,439,980,777         | 68.60%                                                                   |

## DISCLOSEABLE INFORMATION

| Name of shareholder                                          | Capacity in which Shares are held       | Number of Shares held | Approximate percentage of the Company's issued Share capital<br>(Note 1) |
|--------------------------------------------------------------|-----------------------------------------|-----------------------|--------------------------------------------------------------------------|
| Beijing Enterprises Group Company Limited ("BEGCL") (Note 7) | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |
| Star Colour (Note 8)                                         | Beneficial owner                        | 490,476,000           | 13.79%                                                                   |
|                                                              | Interests pursuant to the AIC Agreement | 1,949,504,777         | 54.81%                                                                   |
|                                                              | Total                                   | 2,439,980,777         | 68.60%                                                                   |
| Long March (Note 9)                                          | Beneficial owner                        | 39,920,000            | 1.12%                                                                    |
|                                                              | Interests pursuant to the AIC Agreement | 2,400,060,777         | 67.48%                                                                   |
|                                                              | Total                                   | 2,439,980,777         | 68.60%                                                                   |
| Zhihua (Note 10)                                             | Beneficial owner                        | 97,920,000            | 2.75%                                                                    |
|                                                              | Interests pursuant to the AIC Agreement | 2,342,060,777         | 65.85%                                                                   |
|                                                              | Total                                   | 2,439,980,777         | 68.60%                                                                   |
| Hu Xiaoyong (Note 10)                                        | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |
| ZGC International (Note 11)                                  | Beneficial owner                        | 60,972,000            | 1.71%                                                                    |
|                                                              | Interests pursuant to the AIC Agreement | 2,379,008,777         | 66.89%                                                                   |
|                                                              | Total                                   | 2,439,980,777         | 68.60%                                                                   |
| Zhongguancun Development Group Co., Ltd. ("ZGCDG") (Note 11) | Interest of controlled corporation      | 2,439,980,777         | 68.60%                                                                   |

## Notes:

1. The approximate percentage was calculated on the basis of 3,556,664,000 Shares in issue as at the date of this report. Certain percentage figures included in this table have been subject to rounding adjustments.
2. The interest disclosed comprises the Shares of the Company held or deemed to be held by BEWG. BEWG is directly held as to approximately 41.03% by BE Environmental. Accordingly, BE Environmental is deemed to be interested in the Shares of the Company held or deemed to be held by BEWG under the SFO.
3. The interest disclosed comprises the Shares of the Company held or deemed to be held by BEWG and such Shares are deemed to be interested by BE Environmental as detailed in Note 2 above. BE Environmental is a wholly-owned subsidiary of BEHL. Accordingly, BEHL is deemed to be interested in the Shares of the Company held or deemed to be held by BEWG (through BE Environmental) under the SFO.

## DISCLOSEABLE INFORMATION

4. The interest disclosed comprises the Shares of the Company held or deemed to be held by BEWG and such Shares are deemed to be interested by BEHL as detailed in Note 3 above. MOL, a wholly-owned subsidiary of BEIL, and BEIL are the immediate shareholders of BEHL and collectively hold approximately 20.97% of the issued share capital of BEHL. Each of MOL and BEIL is deemed to be interested in the Shares of the Company held or deemed to be held by BEWG (through BEHL) under the SFO.
5. The interest disclosed comprises the Shares of the Company held or deemed to be held by BEWG and such Shares are deemed to be interested by BEHL, BEIL and MOL as detailed in Notes 3 and 4 above. BEHL is held directly as to approximately 41.19% by BE Group (BVI). MOL is a wholly-owned subsidiary of BEIL, which is in turn directly held as to approximately 72.72% by BE Group (BVI). Accordingly, BE Group (BVI) is deemed to be interested in the Shares of the Company held or deemed to be held by BEWG (through BEIL, MOL and BEHL) under the SFO.
6. 40,000,000 Shares were held by BHL. Pursuant to the AIC Agreement, BHL, together with the Concert Parties, were interested in an aggregate of 2,439,980,777 Shares of the Company. BHL is wholly-owned by BEGCL.
7. The interest disclosed comprises the Shares of the Company held or deemed to be held by BEWG and such Shares are deemed to be interested by BE Group (BVI) and BHL as detailed in Notes 5 and 6 above. Both BE Group (BVI) and BHL are wholly-owned subsidiaries of BEGCL. Accordingly, BEGCL is deemed to be interested in the Shares of the Company held or deemed to be held by BEWG (through BE Group (BVI) and BHL) under the SFO.
8. 490,476,000 Shares were held by Star Colour. Pursuant to the AIC Agreement, Star Colour, together with the Concert Parties, were interested in an aggregate of 2,439,980,777 Shares of the Company. Star Colour is wholly-owned by Mr. Zhou Min, an executive Director of the Company. Accordingly, Mr. Zhou Min is deemed to be interested in the Shares of the Company held or deemed to be held by Star Colour under the SFO.
9. 39,920,000 Shares were held by Long March. Pursuant to the AIC Agreement, Long March, together with the Concert Parties, were interested in an aggregate of 2,439,980,777 Shares of the Company. Long March is wholly-owned by Mr. Zhao Kexi, an executive Director of the Company. Accordingly, Mr. Zhao Kexi is deemed to be interested in the Shares of the Company held or deemed to be held by Long March under the SFO.
10. 97,920,000 Shares were held by Zhihua. Pursuant to the AIC Agreement, Zhihua, together with the Concert Parties, were interested in an aggregate of 2,439,980,777 Shares of the Company. Zhihua is wholly-owned by Mr. Hu Xiaoyong. Accordingly, Mr. Hu Xiaoyong is deemed to be interested in the Shares of Company held or deemed to be held by Zhihua under the SFO.
11. 60,972,000 Shares were held by ZGC International. Pursuant to the AIC Agreement, ZGC International, together with the Concert Parties, were interested in an aggregate of 2,439,980,777 Shares of the Company. ZGC International is a wholly-owned subsidiary of ZGCDG. Accordingly, ZGCDG is deemed to be interested in the Shares of the Company held or deemed to be held by ZGC International under the SFO.

Save as disclosed above, as at 30 June 2026, the Company had not been notified by any persons (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

## DISCLOSEABLE INFORMATION

**BOARD CHANGES AND CHANGES IN INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF THE LISTING RULES**

During the period under review and up to the date of this report, there has been no change in the board of directors, and there has been no change in directors' information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

**DIRECTORS' LEGAL ADVICE AND CONFIRMATION UNDER RULE 3.09D OF THE LISTING RULES**

Mr. Yu Liguu, an executive Director, obtained the legal advice referred to in Rule 3.09D of the Listing Rules from Raymond Siu & Lawyers on 15 December 2025, prior to the effectiveness of his appointment as an executive Director. Mr. Yu has also confirmed in writing that he understands his obligations as a director of a listed issuer, in compliance with Note 2 to Rule 3.09D of the Listing Rules.

**SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER**

As at the date of this report, details of the facility agreements (the "Facility Agreement(s)") with covenants relating to specific performance of the controlling shareholder which constituted disclosure obligations pursuant to Rules 13.18 and 13.21 of the Listing Rules are as follows:

| Date of the Facility Agreement(s) | Nature of the Facility Agreement(s) | Aggregate amount<br>(RMB' million) | Final Maturity   | Specific Performance Obligations |
|-----------------------------------|-------------------------------------|------------------------------------|------------------|----------------------------------|
| 29 April 2024                     | Term loan facility with a bank      | 450                                | 27 April 2027    | (i), (ii), (iii), (iv)           |
| 25 November 2024                  | Term loan facility with a bank      | 370                                | 24 November 2027 | (i), (ii), (iii), (iv)           |

According to the respective terms and conditions of the Facility Agreement(s), breach of one of the following specific performance obligations will constitute an event of default:

- (i) BEGCL is effectively wholly-owned, supervised and/or controlled by The People's Government of Beijing Municipality\* (北京市人民政府);
- (ii) BEGCL (and/or as may be through its subsidiary or subsidiaries) collectively is BEHL's indirect single largest shareholder with at least 40% effective interest in BEHL's issued ordinary share capital;
- (iii) BEHL (and/or as may be through its subsidiary or subsidiaries) collectively is BEWG's indirect single largest shareholder with at least 35% effective interest in BEWG's issued ordinary share capital; and
- (iv) BEWG (and/or as may be through its subsidiary or subsidiaries) collectively is the Company's indirect single largest shareholder with at least 30% effective interest in the Company's issued ordinary share capital.

If any of the above events of default occur, the bank(s) may, by notice to the Company, cancel the Facility Agreement(s), and/or declare all outstanding amounts together with interest and all others amounts accrued to be immediately due and payable and/or payable on demand.

\* For identification purposes only

## DISCLOSEABLE INFORMATION

### INTERIM DIVIDEND

The Board declared an interim dividend of HK1.8 cents per ordinary share for the six months ended 30 June 2026, payable to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 10 September 2026.

### CLOSURES OF REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 8 September 2026 to Thursday, 10 September 2026 (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, 7 September 2026.

The interim dividend is expected to be paid on or around Thursday, 8 October 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 during the period.

# CORPORATE GOVERNANCE

## 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 2025 annual report.

During the six months ended 30 June 2026, 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 2026.

## 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 2026 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.