

Beijing Enterprises Urban Resources Group Limited

北控城市资源集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03718.HK)

(March 27, 2020—Hong Kong) Beijing Enterprises Urban Resources Group Limited (hereinafter referred to as the "Company" or the "Group"; stock code: 03718.HK) is pleased to announce the first announcement of final results after listing. The followings are the highlights of 2019 results announcement:

- ◆ The Group recorded a revenue of HK\$2,711.2 million, representing an increase of 45.6% as compared with that of HK\$1,862.6 million in last year, which primarily reflecting revenue increased from the Group's environmental hygiene services and hazardous waste treatment business.
- ◆ Profit for the year from continuing operations attributable to shareholders of the Company increased by 75.8% to HK\$269.6 million for the year ended 31 December 2019 as compared to HK\$153.4 million for last year.
- ◆ Basic and diluted earnings per share for profit from continuing operations for the year ended 31 December 2019 were HK9.99 cents.
- ◆ Net cash flows from operating activities for the year ended 31 December 2019 was HK\$635.5 million.
- ◆ The Group's environmental hygiene services projects had a total contracted area of approximately 150.3 million sq.m. as at 31 December 2019 (31 December 2018: 142.8 million sq.m.).
- ◆ The Group's hazardous waste treatment projects had a total actual treatment of 162,339 tons for the year ended 31 December 2019 (2018: 128,034 tons).

As at 31 December 2019, the Group had a total of 97 environmental hygiene services projects. The average revenue from environmental hygiene services increased moderately to HK\$10.7 per sq.m. for the year ended 31 December 2019 (2018: HK\$9.2 per sq.m.).

As at 31 December 2019, the Group had six hazardous waste treatment projects in operation and two hazardous waste treatment projects in trial operation. As of 31 December 2019, treatment facilities of our waste disposal projects had a total designed treatment capacity of 370,396 tons per annum (2018: 252,050 tons). Treatment facilities of our recycling and reuse projects had a total designed treatment capacity of 250,000 tons per annum (2018: 140,000 tons), as of the same date. As of 31 December 2019, we also had five projects under construction and four projects planned for future construction. During the year ended 31 December 2019, the Group had an actual total treatment volume of 162,339 tons as compared to 128,034 tons in 2018. The main reason for the increase was due to the increase in treatment volume of Ningxia Ruiyuan Waste Methanol and Mixed Alcohol Recycling and Reuse Project (“Ningxia Project”) (寧夏睿源廢舊甲醇及混醇回收循環利用項目) to 85,994 tons for the year ended 31 December 2019 (2018: 47,548 tons).

The Group intends to participate in more tendering process for new projects, expand into new markets and seek the opportunities to expand the services to certain related business areas, such as recycling, sorting and reuse of municipal waste as a result of increasing urbanization in China and privatization of environmental hygiene service.

In addition, the Group will continue to invest in and expand hazardous waste treatment business through ramping up capacity and volume in current projects, in particular Shouguang Industrial Solid Waste Disposal Center Project (壽光市工業固體廢物處置中心項目) and Ningxia Project. In the meantime, the Group will seek to identify and evaluate potential acquisition targets, particularly focusing on targets that can benefit from the Group’s management capabilities, reputation, experience and financial resources to improve their operating results.

In late 2019 and early 2020, there was an outbreak of an infectious respiratory disease named “COVID-19”, which is caused by a novel coronavirus. The PRC government has implemented various contingency measures and actions to prevent the spread of COVID-19 such as an extension of the Chinese New Year holiday, as well as travel and work restrictions in certain provinces and municipalities in China. The COVID-19 outbreak is expected to cause a great impact to the economic and business environment in the PRC. However, the Group’s operations and financial performance were not significantly adversely affected during the year ended 31 December 2019 and up to the date of this press release. The Group’s hazardous waste treatment factories have resumed operations gradually from February and March 2020 onwards, whereas the Group’s environmental hygiene services projects continued its operations during the above-mentioned period. In addition, from 1 January 2020 to the date of this press release, the Group has won a total of 5 tenders in respect of its environmental hygiene services projects, the estimated annual revenue is HK\$666.0 million.

Finally, Mr. Zhao Kexi, Executive Director and Chief Executive Officer of our Company, concluded: 2020 is the first year of the Group's listing. Facing the challenge from the global economy, we successfully connected with the capital market. At the same time, the Group handed in our first brilliant results after listing and fulfilled its commitment to the supports of our shareholders. We will accelerate the strategy formation process of our environmental hygiene service business and promote the expansion of high-quality projects. As for the hazardous waste treatment business, we will treasure the blue ocean period of the market and maintain the market development steadily. Facing the challenges and opportunities of the novel coronavirus, as a professional and socially responsible Chinese integrated waste management solution provider, the Group will uphold the three core values of Beijing Enterprises Water Group: responsibilities, values, and sharing, and do our best to assist the government and ensure the citizens are satisfied. We will strengthen our medical waste treatment, protect the health of our employees, communicate closely with local governments, and provide assistance when needed. We will implement the national and local epidemic prevention and control policies, and actively contribute to our country's efforts to overcome the epidemic situation. At the same time, we will create a higher value for our shareholders, provide customers with more satisfactory products and services, and create more ideal jobs opportunities to our employees.

Reference:

Announcement of Final Results For The Year Ended 31 December 2019

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0327/2020032700484.pdf>

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About BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED

We are an integrated waste management solution provider in China, currently focusing on providing environmental hygiene services and hazardous waste treatment services. According to the report by Frost & Sullivan, we are the fourth largest provider in the enterprise sector of the environmental hygiene services market in China in terms of 2019 revenue. In the hazardous waste treatment services market, in terms of total designed treatment capacity for waste disposal of projects in operation (including projects in trial operation), we ranked fourth in China at the end of 2019 with a market share of 0.9%.

This press release is issued by **BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED**

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