

## BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED

### 北控城市資源集團有限公司

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

*(Stock code: 3718)*

## BEURG Delivers Solid Results in First Half of 2021

- *Strong performance from both environment hygiene services and hazardous waste treatment business*
- *Comprehensive focus on enhanced customer-oriented approach in first half of 2021*
- *Creating a powerful brand identity*

(August 27, 2021 – Hong Kong) Beijing Enterprises Urban Resources Group Limited (hereinafter referred to as the "Company" or "Group"; stock code: 03718.HK) is pleased to announce the unaudited interim condensed consolidated results for the six months ended 30 June 2021 of the Group. The followings are the highlights of 2021 interim results announcement:

- The Group recorded a revenue of HK\$2,110.9 million, representing an increase of 36.5% as compared with that of HK\$1,546.0 million in last period.
- Profit for the period attributable to shareholders of the Company increased by approximately 14.1% to HK\$248.5 million for the six months ended 30 June 2021 as compared to HK\$217.8 million for last period.
- Profit for the period attributable to shareholders of the Company, excluding VAT Relief and Other Relief, increased by approximately 43.3% to HK\$223.4 million for the six months ended 30 June 2021 as compared to HK\$155.9 million for last period..
- The Group's revenue from environmental hygiene services increased by approximately 29.3% to HK\$1,636.6 million for the six months ended 30 June 2021 as compared with that of HK\$1,266.1 million in last period.
- The Group's revenue from hazardous waste treatment services increased by approximately 76.3% to HK\$341.0 million for the six months ended 30 June 2021 as compared with that of HK\$193.4 million in last period.

- Net cash flows from operating activities for the six months ended 30 June 2021 was approximately HK\$357.4 million (six months ended 30 June 2020: HK\$378.7 million).
- Cash and cash equivalents of the Group amounted to approximately HK\$1,895.7 million as at 30 June 2021.

## ***BUSINESS REVIEW***

As at 30 June 2021, the Group had 113 environmental hygiene services projects with a total contracted area of approximately 194.1 million sq.m. (31 December 2020: 194.4 million sq.m.) with its environmental hygiene service projects, which created a total revenue of HK\$1,636.6 million for the six months ended 30 June 2021 (six months ended 30 June 2020: HK\$1,266.1 million).

As at 30 June 2021, the Group had 8 hazardous waste treatment projects in operation. As of 30 June 2021, treatment facilities of our projects that engaged in hazard-free waste disposal had a total designed treatment capacity of 351,016 tons per annum (31 December 2020: 338,718 tons). Treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 250,000 tons per annum (31 December 2020: 250,000 tons), as of the same date. As of 30 June 2021, the Group also had 3 projects under construction and 3 projects planned for future construction.

## ***FUTURE OUTLOOK***

The ongoing recovery in China and the implementations of COVID-19 vaccination and other precautionary measures taken in the PRC could allow the Group to continue to perform well and enhance the Group's core businesses.

### **Driving Forces of Sustained Growth**

As a result of urbanization, growing population and economic development, the area of road and domestic waste production has been growing constantly and we expect the uptrend to continue, which would in turn drive up the demand for environmental hygiene services in coming years. Moreover, the PRC government issued the "Notice on further improving urban environmental sanitation" (《关于进一步做好城市环境卫生工作的通知》) after the COVID-19 outbreak period, which re-emphasized on enhancing the effectiveness and efficiency of environmental sanitation work, including comprehensive road cleaning, garbage sorting, collection and transportation and public toilet management. Riding on the strong performance of the Group's environmental hygiene services in the first half of 2021, we expect there would be a stable revenue stream from its environmental hygiene projects in the coming years.

In addition, the State Council issued the “Opinions on comprehensively strengthening the safe production of hazardous chemicals” (《关于全面加强危险化学品安全生产工作的意见》) and passed the revised version of the “Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution” (《中华人民共和国危险化学品安全生产法》), which emphasizes on the set-up of monitoring system and revised penalty system as well as the detailed plan of facilities construction. Together with the implementations of COVID-19 measures by the PRC central government which allowed the factories in China to resume normal business activities, the Group’s revenue from its hazardous waste treatment business increased by 76% for the six months ended 30 June 2021 and is expected to remain stable and strong in the second half of 2021.

**Reference:**

Interim Results Announcement for the six months ended 30 June 2021

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0827/2021082700502.pdf>

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

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