

**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)*

(August 27, 2020 - Hong Kong) Beijing Enterprises Urban Resources Group Limited (hereinafter referred to as the "Company" or "Group"; stock code: 3718) is pleased to announce the unaudited interim consolidated results as at 30 June 2020 of the Group. The followings are the highlights of 2020 Interim results announcement.

- ◆ The Group recorded a revenue of HK\$1,546.0 million, representing an increase of 20.1% as compared with that of HK\$1,287.1 million in last period.
- ◆ Profit for the period from continuing operations attributable to shareholders of the Company increased by approximately 71.6% to HK\$217.8 million for the six months ended 30 June 2020 as compared to HK\$126.9 million for last period.
- ◆ Basic and diluted earnings per share for profit from continuing operations for the six months ended 30 June 2020 were HK6.17 cents (six months ended 30 June 2019: HK4.70 cents).
- ◆ The Group's revenue from environmental hygiene services increased by approximately 39.6% to HK\$1,266.1 million for the six months ended 30 June 2020 as compared with that of HK\$906.6 million in last period.
- ◆ The gross profit margin of the Group's environmental hygiene services projects, excluding the VAT Relief and the Other Relief, increased to 26.3% for the six months period ended 30 June 2020 as compared to 24.1% for last period.
- ◆ Net cash flows from operating activities for the six months ended 30 June 2020 was approximately HK\$378.7 million (six months ended 30 June 2019: HK\$201.3 million).
- ◆ Cash and cash equivalents of the Group amounted to approximately HK\$1,387.3 million as at 30 June 2020.

## **Operation Summary**

During the six months ended 30 June 2020, the Group successfully won a total of 13 environmental hygiene service projects through public tenders with total contract value and estimated annual revenue amounting to approximately RMB8.0 billion and RMB724.2 million, respectively (equivalent to approximately HK\$8.9 billion and HK\$804.7 million, respectively). During the six months ended 30 June 2020, the Group had recorded a total amount of approximately HK\$151.8 million as revenue in respect of these 13 projects.

As at 30 June 2020, the Group had a total contracted area of approximately 177.5 million sq.m. (31 December 2019: 150.3 million sq.m.) with its environmental hygiene service projects, which created an average revenue of approximately HK\$6.2 per sq.m. (six months ended 30 June 2019: HK\$5.5 per sq.m.).

As at 30 June 2020, the Group had 7 hazardous waste treatment projects in operation and 1 hazardous waste treatment project in trial operation. As of 30 June 2020, treatment facilities of our projects that engaged in hazard-free waste disposal had a total designed treatment capacity of 247,342 tons per annum (31 December 2019: 370,396 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 2019: 250,000 tons). As of 30 June 2020, the Group also had 4 projects under construction and 3 projects planned for future construction.

## **FUTURE OUTLOOK**

Looking forward, the ongoing COVID-19 pandemic brings uncertainties to the PRC economic environment. Nevertheless, due to rapid implementations of contingency measures to control the spread of COVID-19 in the PRC, the operating environment is expected to improve considerably in the second half of 2020.

In respect of the Group's environmental hygiene services business, 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, greenway maintenance and reuse of municipal waste as a result of increasing urbanization in China and privatization of environmental hygiene service. In addition, the Group will strategically look for projects located in areas where the Group has established similar projects or in adjacent areas so that the Group can make good

use of its knowledge of the local areas and business advantages.

Although the Group's hazardous waste treatment services business was adversely affected in the first few months of 2020 due to the outbreak of the COVID-19 pandemic, a trend of improving business was noted in the second and third quarter of 2020. The effective control measures taken by the PRC government have lead to the recovery of the economy and it is expected that the recovery trend will continue in the second half of 2020.

**Reference:**

Interim Results Announcement For The Six Months Ended 30 June 2020

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0827/2020082700334.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.

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

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