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**Beijing Enterprises Urban Resources Group Limited**  
**北控城市資源集團有限公司**

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

**(Stock Code: 3718)**

**PROFIT WARNING**

This announcement is made by Beijing Enterprises Urban Resources Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Relevant Period**”) and currently available information, it is expected that the profit attributable to shareholders of the Company for the Relevant Period will record a decrease of more than approximately 35% as compared with the same period over last year. The decrease was primarily due to the following factors:

- (i) For the six months ended 30 June 2021, there was a relief related to value-added-tax (the “**VAT Relief**”) granted by the local government in the People’s Republic of China (the “**PRC**”) due to the COVID-19 pandemic in the amount of approximately HK\$38.9 million (before taking into account the effect of corporate income tax and non-controlling interests of the respective projects). There were no such kind of relief granted by the local government in the PRC during the Relevant Period;

- (ii) Decrease in revenue from the Group's hazardous waste treatment service projects in the amount of approximately HK\$44.2 million during the Relevant Period, representing a decrease of approximately 13.0% as compared with that of the same period over last year due to the drop in the treatment and sales volume of the Group's hazardous waste treatment service projects, as a result of the COVID-19 pandemic in the PRC during the Relevant Period;
- (iii) Decrease in gross profit from the Group's hazardous waste treatment service projects in the amount of approximately HK\$90.8 million, mainly resulting from the increase in the purchase prices of direct materials and consumable costs such as sodium hydroxide, waste methanol and mixed alcohol of the Group's hazardous waste treatment service projects; and
- (iv) Decrease in gross profit margin (excluding the effect of the VAT Relief) from the Group's environmental hygiene service projects from approximately 25.6% for the six months ended 30 June 2021 to approximately 20.8% during the Relevant Period, mainly resulting from the increase in the prices of direct operating costs such as gasoline, diesel fuel and labour costs.

The Company is in the process of finalizing the interim results for the six months ended 30 June 2022. The information contained in this announcement is only based on the preliminary assessment by the management of the Company according to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022, which have not been confirmed, audited nor reviewed by the Company's auditor and/or the audit committee of the Company, and is subject to finalization and necessary adjustments. The interim results announcement of the Company for the six months ended 30 June 2022 is expected to be published by the end of August 2022.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 5 August 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Zhou Min (Chairman), Mr. Zhao Kexi (Chief Executive Officer), Mr. Li Haifeng, Mr. Li Li and Mr. Zhou Chen; and the independent non-executive directors of the Company are Mr. Orr Ka Yeung, Kevin, Mr. Wu Tak Kong and Dr. Du Huanzheng.*