

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)

BEURG Delivers Solid 2023 Annual Results

**The business scale is steadily growing,
and the GP margin of Urban Services remains stable.**

- *Successfully won 52 new urban services projects with estimated annual revenue amounting to approximately RMB1.0 billion.*
- *Give priority to advancing two engines, namely “regional exploration” and “coordinated development”.*

(March 25, 2024—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 consolidated annual results for the year ended 31 December 2023. The followings are the highlights of the announcement:

- The Group recorded a revenue of approximately RMB5,057.6 million for the year ended 31 December 2023, representing an increase of approximately 18.9% as compared with that of approximately RMB4,253.4 million for the year ended 31 December 2022.
- Profit for the year attributable to shareholders of the Company increased by approximately 19.3% to approximately RMB284.7 million for the year ended 31 December 2023 as compared to approximately RMB238.6 million for the year ended 31 December 2022.
- Basic and diluted earnings per share for the year ended 31 December 2023 were approximately RMB7.91 cents (31 December 2022: RMB6.63 cents).
- During the year ended 31 December 2023, the Group successfully won 52 new urban services projects (2022: 35 projects) through public tenders with total contract value and estimated annual revenue amounting to approximately RMB5.4 billion and RMB1.0 billion, respectively.
- A final dividend of HK1.5 cents per share is proposed for the year ended 31 December 2023. Full-year dividend is HK2.7 cents, the dividend payout ratio is approximately 30.7%.

BUSINESS REVIEW

As at 31 December 2023, the Group had 186 urban services projects, with a total contracted area of approximately 339.0 million sq.m. (31 December 2022: 241.8 million sq.m.), which created a total revenue of RMB4,343.6 million for the year ended 31 December 2023 (31 December 2022: RMB3,460.9 million).

As at 31 December 2023, the Group had 11 hazardous waste treatment projects (2022: 9 projects) in operation. As of 31 December 2023, treatment facilities of our projects that engaged in hazard-free waste disposal had a total designed treatment capacity of 423,366 tons per annum (2022: 351,016 tons) and treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 270,000 tons per annum (2022: 270,000 tons).

Urban services gross profit margin maintain steady

Excluding the impact of lower gross profit margin from construction services of urban services, as at 31 December 2023, urban environmental governance services gross profit margin were approximately 22.0% (31 December 2022: 21.8%). In addition, the Group has a large number of new urban services projects in the second half of 2023, and such projects are still in the preparatory stage in 2023, with high cleaning vehicles and equipment acquisition costs and low income in the early stage, which is expected to have a positive promoting effect on the Group's future profits from 2024.

In addition, the Group won a number of urban services project tenders in South China region. The Group strategically allocated cleaning vehicles, labour and other resources to each project and executed centralised management in South China region to improve operational efficiencies.

Driving Forces of Sustained Growth in 2024

In 2024, the Group will focus on the strategic goal of “becoming an industry leader in high-quality and sustainable development”, give priority to advancing two engines, namely “regional exploration” and “coordinated development”, and further deepen the implementation of the two strategies.

Currently, the Group has and manages over 100 urban service projects across the country, which provides foundations for our continuous horizontal expansion (business coverage) and

longitudinal expansion (urban and rural connection) and offers strong support for exchange of resources and joint breakthroughs with potential partners in the regions.

With the gradual implementation and deepening of the aforementioned strategies, the Group successfully won bids for 52 new urban services projects in 2023, with a total annual service fee exceeding one billion RMB. Up to February 2024, the amount of newly added projects in 2024 has reached RMB 628 million. This demonstrates that we have explored a development path suitable for our group and achieved steady growth in our business scale.

The market for the hazard-free and comprehensive disposal of hazardous waste has generally remained stable in the last two years. The industry is gradually returning to rational development and the future of the industry will be driven by operational excellence and innovation for sustainable development. The competition among hazardous waste operating entities will transform from the scale-based competition through exogenous expansion into the quality-based competition through endogenous upgrading. Our Group will gain competitive advantages through the application of more advanced process and technology, lower treatment costs, more progressive management and lower safety risks. Currently, the hazard-free waste disposal business backlog in the hazardous waste segment of the Group has reached a generally stable level. Meanwhile, the resources business continues to improve efficiency and seek new opportunities.

In 2024, there will be both opportunities and challenges. Managing existing operations requires not only cost reduction through internal exploration but also proactive planning and seizing opportunities to achieve breakthroughs in overall business performance. With full confidence and determination, the group is poised for a significant performance leap in 2024, aiming to lead the industry in development and outperform its peers.

Reference:

Final Results Announcement for the year ended 31 December 2023

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0325/2024032500353.pdf>

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

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