

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 2024 Interim Results

Acquisition of Shiny Glory in Hong Kong, market scale expanded rapidly

- *Main business revenue increased by approximately 20.2%*
- *Acquisition of 85% equity of Hong Kong, poised for regional markets expansion*
- *Continuously advancing the two major strategic engines of “regional exploration” and “coordinated development”*

(August 27, 2024 — Hong Kong) Beijing Enterprises Urban Resources Group Limited (hereinafter referred to as the "Company" or the "Group"; stock code: 03718.HK) announces the consolidated interim results for the six months ended 30 June 2024. The followings are the highlights of the announcement:

- The Group recorded a revenue of approximately RMB2,687.8 million for the six months ended 30 June 2024, representing an increase of approximately 20.2% as compared with that of approximately RMB2,236.2 million for the six months ended 30 June 2023.
- Profit for the year attributable to shareholders of the Company decreased by approximately 24.5% to approximately RMB128.5 million for the six months ended 30 June 2024 as compared to approximately RMB170.2 million for the six months ended 30 June 2023.
- Basic and diluted earnings per share for the six months ended 30 June 2024 were approximately RMB3.61 cents (six months ended 30 June 2023: RMB4.73 cents).
- During the six months ended 30 June 2024, the Group acquired 85% equity interest in Shiny Glory. As at 30 June 2024, Shiny Glory had a total of 38 urban service projects with total contract value and estimated annual revenue amounting to approximately RMB2.0 billion and RMB752.0 million, respectively.
- Interim dividend of HK1.2 cents per share is declared for the six months ended 30 June 2024 (six months ended 30 June 2023: HK1.2 cents). Interim dividend payout ratio is approximately 30.2%.

BUSINESS REVIEW

As at 30 June 2024, the Group had 224 urban service projects, with a total contracted area of approximately 452.2 million sq.m. (31 December 2023: 339.0 million sq.m.), which created a total revenue of RMB2,402.2 million for the six months ended 30 June 2024 (30 June 2023: RMB1,906.8 million).

As at 30 June 2024, the Group had 11 hazardous waste treatment projects in operation (31 December 2023: 11 projects). As of 30 June 2024, the total design treatment capacity of treatment facilities that engaged in hazard-free disposal is 423,366 tons per annum (31 December 2023: 423,366 tons) and total design treatment capacity of treatment facilities that engaged in recycling and reuse is 270,000 tons per annum (31 December 2023: 270,000 tons).

Acquired 85% equity interest in Shiny Glory

On 25 June 2024, the Group completed the acquisition of Shiny Glory Services Limited (“Shiny Glory”) at a total consideration of HK\$44,171,000. Shiny Glory became a subsidiary of the Company and the financial results of which shall be consolidated into financial statements of the Group since then. Shiny Glory is a well-established service provider for urban services, including (a) cleaning services; (b) pest management services; (c) waste management and recycling services in Hong Kong. As at 30 June 2024, Shiny Glory had a total of 38 urban service projects with total contract value and estimated annual revenue amounting to approximately RMB2.0 billion and RMB752.0 million, respectively. The Directors consider that the acquisition of Shiny Glory will enable the Group to achieve rapid growth of environmental sanitation services in the Hong Kong market and accelerate our accumulation of service operation experience in similar projects overseas, thus being an important initiative for the Group to achieve leapfrog development.

Sustained Growth Divers in the future

In the second half of 2024, the Group will further deepen two core strategies of “regional exploration” and “coordinated development”, adhere to the development direction of ‘digital intelligence’, and continue to strengthen our regional capacity and marketing capacity building.

For urban service business. Based on traditional environmental hygiene Services, the Group has expanded its business boundary horizontally to strengthen its urban service capabilities on all fronts. Through the integration of its industrial chain, the Group has effectively integrated government services such as full regional sweeping and cleaning, garbage sorting, resource utilization, municipal maintenance, greening management and maintenance, garbage sorting and transportation, cityscape management and control, and digital urban management, thereby building a new urban management mode of “management + service + operation”. The Group has developed an independent smart urban management platform to create the smart urban butler integrated service. As of 30 June 2024, the Group had a total of 8 urban butler projects in operation, with an annual service fee amounting to approximately RMB1.2 billion and a total contract value exceeding RMB8 billion, which demonstrated the Group’s “leading position” as an urban butler in the industry. In the future, the Group will continue to focus on urban butler projects and expand the depth and breadth of such business.

For hazardous waste treatment business. By recycling waste methanol and mixed alcohol acquired by the Group, through its advanced recycling and reuse technology, the Group is able to produce related products such as methanol, ethanol, propanol and butanol and generates revenue from sales of these products. In addition, the reutilization technology also covers the storage, transportation, treatment, dehydration and product separation systems of silicon copper slag and etching solution wastewater, deodorization facilities and related auxiliary facilities. The wet disposal process is used to separate and recycle silicon copper slag, which becomes a useful supplement to the hazard-free business.

Along with the rising specifications and requirements for urban governance on the policy side in China, improving the operational efficiency of urban management, enhancing the efficiency of the use of financial funds and reducing the cost of public services have become the core demands of the government authorities. In the future, the Group will proactively lay out the core strategies for the second half of the two businesses, always placing top priority on operation quality management, customer management, payback management, open source and cost reduction, and continuously exploring new ideas and initiatives for operations.

Reference:

Interim Results Announcement for the six months ended 30 June 2024

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0827/2024082700297.pdf>

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

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