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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 AND BUSINESS UPDATE IN RELATION TO PROVISION FOR IMPAIRMENT OF ASSETS

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### PROFIT WARNING

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 (“**6M2025**”) and the information currently available to the management of the Group, it is expected that the profit attributable to Shareholders for 6M2025 will decrease by approximately 70% to 75% as compared to the corresponding period in 2024, primarily due to the provision for the impairment loss on assets of approximately RMB161,537,000 which will be recognised for 6M2025 (the “**Impairment of Assets**”). The provision for the Impairment of Assets will be further discussed in the section headed “PROVISION FOR IMPAIRMENT OF ASSETS” below.

As at the date of this announcement, the Company is still in the process of finalizing the interim results for 6M2025. 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 6M2025 and is not based on any figures or information confirmed, audited or reviewed by the Company’s auditors and/or the audit committee of the Company (the “**Audit Committee**”), and is subject to finalization and necessary adjustments. The interim results announcement of the Company for 6M2025 will be published by the end of August 2025 in accordance with the requirements of the Listing Rules.

## PROVISION FOR IMPAIRMENT OF ASSETS

### Background and Reasons

Xianju Pingfu Environmental Technology Limited\* (仙居平福環境科技有限公司) (“**Xianju Project**”) is an indirect wholly-owned subsidiary of the Company established in 2018 and principally engaged in hazardous waste treatment services. Xianju Project, which specialized in the incineration treatment of solid hazardous waste, completed the construction of its plant facility and equipment in 2022 and commenced trial operation in the last quarter of 2022. However, in early 2024, unexpected leakage incidents were detected in the surrounding environment of the plant facility, leading to an immediate suspension of operations. Production has been suspended to date.

Currently, temporary emergency measures have been implemented to prevent further leakage. Based on an environmental assessment conducted by third-party experts, a rectification and improvement plan has also been put in place. However, it is expected that additional costs and time will be needed to resume the production of Xianju Project. Considering the current condition of Xianju project, and because of the impact of competitive pressure from other market participants leading to an oversupply of local processing capacity, the sales price has decreased significantly since Xianju Project’s commencement of production and is expected to be unlikely to rebound, the Company has strategically decided to cease the operations of Xianju Project to focus on other sustainable growth opportunities and believes a provision of impairment is needed in respect of the assets of Xianju Project. Therefore, a provision has been made for Impairment of Assets for 6M2025.

### Particulars of the Provision for the Impairment of Assets

Xianju Project’s non-current assets mainly include property, plant and equipment, right-of-use assets (leasehold land) and other intangible assets in an aggregate amount of approximately RMB201,313,000.

The Group has appointed Valtech Valuation Advisory Limited, a professional valuation firm accredited with ISO-9001 in valuation advisory services, as an independent valuer, to assess the recoverable amount of Xianju Project’s non-current assets based on the higher of their value in use and fair value less costs of disposal. Discounted cashflow method and summation method were adopted to determine the value in use and fair value less costs of disposal of Xianju Project respectively. After taking into account factors such as the current situation of the industry, projected cashflow, discount rate, and comparable replacement costs and market prices, the recoverable amount of assets for Xianju Project (being fair value less costs of disposal) is approximately RMB39,776,000.

The provision for the Impairment of Assets for 6M2025 of approximately RMB161,537,000 includes, among others, (i) the provision for the impairment loss on property and plant of approximately RMB95,449,000; (ii) the provision for the impairment loss on equipment of approximately RMB65,794,000; and (iii) the provision for the impairment loss on other intangible assets of approximately RMB294,000.

## **Impact of the Provision for the Impairment of Assets on the Company's Financial Position**

The provision for the Impairment of Assets is expected to reduce the Company's profit attributable to Shareholders for 6M2025 by approximately RMB161,537,000. However, the Impairment of Assets would be a one-off non-cash expenditure and is expected to have no impact on the Group's cash flow.

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

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

Hong Kong, 15 August 2025

*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. Wu Tak Kong, Dr. Du Huanzheng and Ms. Judith Yu.*