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)

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).

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 2026 (the "**Relevant Period**") and the information currently available to the management of the Group, the Group expects that it will recognise a provision for the impairment loss in the amount of approximately RMB127.0 million on the hazardous waste related assets (the "**Impairment of Assets**"). Notwithstanding the aforesaid provision, it is expected that the profit attributable to shareholders of the Company for the Relevant Period will remain stable, with an expected increase of not more than 10% as compared to that for the six months ended 30 June 2025.

As the Company is still finalizing the interim results for the Relevant Period, the figures above are based on preliminary assessment and have not been audited or reviewed by the Company's auditors or the audit committee, and may be subject to adjustments. The interim results announcement of the Company for the Relevant Period is expected to be published by the end of August 2026.

The Impairment of Assets was mainly due to the treatment prices have continued to stay at low levels and decreased demand under the Group's hazardous waste treatment business attributable to keen competition in the industry resulting in losses in the Xuzhou Project as more detailed below.

Xuzhou Pingfu Environmental Resources Development Co., Ltd.* (徐州平福環保資源開發有限公司) (the "**Xuzhou Project**"), an 80% indirect subsidiary of the Company, is principally engaged in hazardous waste treatment services. The Xuzhou Project completed the construction of the plant and equipment and commenced operations in the last quarter of 2023. As of 30 June 2026, the Xuzhou Project's non-current assets mainly include property, plant and equipment, and right-of-use assets (leasehold land) in an aggregate amount of approximately RMB173.2 million. Driven by intensified competition in the industry, hazardous waste disposal treatment prices have continued to stay at low levels. Combined with the lower utilization of hazardous waste disposal capacity, this has rendered absorption of fixed costs more difficult. As a result, the Xuzhou Project has incurred losses and experienced insufficient cash flow. Based on the valuation results, the Group expects to recognise a provision for the Impairment of Assets of approximately RMB127.0 million for the Relevant Period. The Impairment of Assets would be a one-off non-cash item and is expected to have no impact on the Group's cash flow.

Shareholders and potential investors of the Company are advised to 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, 14 August 2026

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. Yu Liguo 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.