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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)

EXEMPTED CONNECTED TRANSACTION
LEASE AGREEMENT

On 30 October 2026, BEWG (China) Investment (as the lessor) and BE Environmental (an indirect wholly-owned subsidiary of the Company) (as the lessee) entered into the Lease Agreement, pursuant to which BEWG (China) Investment agreed to lease the Property to BE Environmental for a term of 5 years commencing from 1 November 2026 to 31 October 2031 (both days inclusive).

LISTING RULES IMPLICATIONS

As at the date of this announcement, BEWG is interested in 1,478,312,777 Shares, representing approximately 41.56% of the total issued share capital of the Company. Accordingly, BEWG is a controlling shareholder of the Company and hence is a connected person of the Company under the Listing Rules. As at the date of this announcement, BEWG (China) Investment is a wholly-owned subsidiary of BEWG and therefore BEWG (China) Investment is an associate of BEWG, and thus a connected person of the Company under the Listing Rules.

Pursuant to the requirement of HKFRS 16, the lease of the Property under the Lease Agreement will be recognised as a right-of-use asset of the Group for an amount of approximately RMB11,316,000. Accordingly, the transactions contemplated under the Lease Agreement constitute a connected transaction of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Lease Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Lease Agreement are subject to the reporting, annual review and announcement requirements but are exempted from circular and the independent Shareholders' approval requirements under the Listing Rules.

As the management fee payable under the Lease Agreement will not be recognised as part of the right-of-use asset of the Group, such payment constitutes a continuing connected transaction under Chapter 14A of the Listing Rules. As the highest percentage ratio in respect of the annual caps of the management fee payable under the Lease Agreement on an annual aggregated basis is less than 0.1%, the management fee payment under the Lease Agreement constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LEASE AGREEMENT

The principal terms of the Lease Agreement are set out below:

Date : 30 October 2026

Parties : (i) BEWG (China) Investment (as the lessor); and

(ii) BE Environmental (as the lessee)

Property : Room 501, 5th Floor, Tower T3, Poly International Plaza, Building 18, Zone 7, Wangjing Dongyuan, Chaoyang District

The Property has a gross floor area of 2,149.48 square metres.

Term : 5 years commencing from 1 November 2026 to 31 October 2031 (both days inclusive)

Usage : The Property shall be used solely as office premises.

Rental and aggregate value of consideration payable : The rent payable (inclusive of property management fees and costs associated with the provision of official invoices) by BE Environmental for the following period under the Lease Agreement is as follows:

(i) Commencing from 1 November 2026 to 31 October 2028: RMB2,745,960.70 per annum *(Note)*

(ii) Commencing from 1 November 2028 to 31 October 2030: RMB2,800,879.91 per annum

(iii) Commencing from 1 November 2030 to 31 October 2031: RMB2,856,897.51 per annum

Note: The period from 1 November 2026 to 31 January 2027 represents the rent-free period. BE Environmental is required to pay property management fees in the sum of RMB187,649.60.

In accordance with the requirement of HKFRS 16, the lease of the Property under the Lease Agreement will be recognised as a right-of-use asset of the Group for an amount of approximately RMB11,316,000.

Payments to be made pursuant to the Lease Agreement are expected to be satisfied by internal resources of the Group. The consideration paid by BE Environmental under the Lease Agreement is determined after arm's length negotiations between parties after taking into consideration the prevailing market rental for comparable premises in the vicinity of the Property.

Payment arrangement : BE Environmental shall within five business days of the execution of the lease agreement pay to BEWG (China) Investment (i) two months' rent in the sum of RMB457,660.12, and (ii) the property management fee for the three-month rent-free period in the sum of RMB187,649.60.

Thereafter, BE Environmental shall pay the rent payable to BEWG (China) Investment quarterly. BE Environmental shall pay the rent for each instalment in full to BEWG (China) Investment at least 10 days prior to the commencement of each quarter, in accordance with the rental amount and payment due date as stipulated in the Lease Agreement.

VALUE OF THE RIGHT-OF-USE ASSET

In accordance with the requirement of HKFRS 16, the total value of the right-of-use asset to be recognised by the Group in respect of the lease of the Property under the Lease Agreement is approximately RMB11,316,000.

Shareholders should note that the aforesaid figure is unaudited and may be subject to adjustment in the future. The right-of-use assets represent the right to use the underlying leased assets over the lease term and the lease liability represents the lessees' obligation to make lease payments (i.e. the rent). The assets and the liability arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the Lease Agreements, using the lessees' weighted average incremental borrowing rate as the discount rate. Under HKFRS 16 and in the consolidated statement of comprehensive income of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use assets, and (ii) interest expenses amortised from the lease liability over the lease term.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Group will use the Property as its principal place of business in Mainland China.

The Directors consider that leasing the Property will provide the Group with stable and suitably located business and office premises to support its daily operations and business development. The Property is located in an established business district with comprehensive ancillary facilities, which will help enhance the Group's overall corporate image and meet the needs of the Company in respect of compliance management and business development.

The lease was entered into through an open listing process conducted via China Beijing Equity Exchange. In assessing the fairness of the rental price, the Group has made enquiries through public channels regarding the prevailing market rental rates for comparable office premises in the vicinity of the Property. The rent payable by BE Environmental does not exceed the prevailing fair market rental price. Therefore, the Directors consider that the consideration paid by BE Environmental under the Lease Agreement is fair and reasonable.

Having considered the above, the Directors (including the independent non-executive Directors but excluding Mr. Zhou Min, Mr. Li Haifeng and Mr. Yu Liguo who abstained from voting on the relevant resolutions approving the Lease Agreement) are of the view that the transactions under the Lease Agreement are entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the terms of the Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BOARD APPROVAL

Mr. Zhou Min and Mr. Li Haifeng, each an executive Director of the Company, are also executive directors of BEWG. Therefore, they are deemed to have interests in the Lease Agreement. Mr. Yu Liguo, being a senior management of BEWG, has influence over the decision-making process in relation to the entering into the Lease Agreement. Therefore, the aforementioned Directors abstained from voting on the Board resolutions for approving the Lease Agreement and the transactions contemplated thereunder.

INFORMATION OF THE PARTIES

The Group

The Company is a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 3718). The principal activity of the Company is investment holding. The Group is principally engaged in urban services, hazardous waste treatment business and waste electrical and electronic equipment treatment business in the PRC.

BE Environmental

BE Environmental is company established in the PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding and the provision of business management services in the PRC.

BEWG

BEWG is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 371) and the immediate holding company of the Company. BEWG is an investment company and the holding company. BEWG and its subsidiaries are principally engaged in construction of sewage and reclaimed water treatment plants and seawater desalination plants, and provision of construction services for comprehensive renovation projects in the PRC, Malaysia, Australia and the Republic of Botswana; provision of sewage and reclaimed water treatment services in the PRC, the Republic of Singapore, the Portuguese Republic, Australia and New Zealand; distribution and sale of piped water in the PRC, the Portuguese Republic and Australia; provision of technical and consultancy services and sale of machineries related to sewage treatment and construction services for comprehensive renovation projects in the PRC and Australia; licensing of technical know-how related to sewage treatment in the PRC; and provision of urban services and hazardous waste treatment services in the PRC.

BEWG (China) Investment

BEWG (China) Investment is a company established in the PRC with limited liability. It is a wholly-owned subsidiary of BEWG and is principally engaged in investment holding and consultancy services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BEWG is interested in 1,478,312,777 Shares, representing approximately 41.56% of the total issued share capital of the Company. Accordingly, BEWG is a controlling shareholder of the Company and hence is a connected person of the Company under the Listing Rules. As at the date of this announcement, BEWG (China) Investment is a wholly-owned subsidiary of BEWG and therefore BEWG (China) Investment is an associate of BEWG, and thus a connected person of the Company under the Listing Rules.

Pursuant to the requirement of HKFRS 16, the lease of the Property under the Lease Agreement will be recognised as a right-of-use asset of the Group for an amount of approximately RMB11,316,000. Accordingly, the transactions contemplated under the Lease Agreement constitute a connected transaction of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Lease Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Lease Agreement are subject to the reporting, annual review and announcement requirements but are exempted from circular and the independent Shareholders' approval requirements under the Listing Rules.

As the management fee payable under the Lease Agreement will not be recognised as part of the right-of-use asset of the Group, such payment constitutes a continuing connected transaction under Chapter 14A of the Listing Rules. As the highest percentage ratio in respect of the annual caps of the management fee payable under the Lease Agreement on an annual aggregated basis is less than 0.1%, the management fee payment under the Lease Agreement constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"associate(s)"	has the meaning as ascribed to it under the Listing Rules
"BE Environmental"	Beijing Enterprises Urban Environmental Services Group Limited (北控城市環境服務集團有限公司), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
"BEWG"	Beijing Enterprises Water Group Limited (北控水務集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 371) and the immediate holding company of the Company
"BEWG (China) Investment"	Beijing Enterprises Water Group (China) Investment Limited (北控水務(中國)投資有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of BEWG
"Board"	the board of Directors
"Company"	Beijing Enterprises Urban Resources Group Limited (北控城市資源集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 3718)
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning as ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Lease Agreement"	the lease agreement dated 30 October 2026 entered into between BEWG (China) Investment (as lessor) and BE Environmental (as lessee) for the lease of the Property

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Property"	Room 501, 5th Floor, Tower T3, Poly International Plaza, Building 18, Zone 7, Wangjing Dongyuan, Chaoyang District
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

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

Hong Kong, 30 October 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.