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*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 371)**



**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)**

## **JOINT ANNOUNCEMENT**

### **ENTERING INTO OF ACTING IN CONCERT AGREEMENT**

On 10 May 2022, the Offeror entered into the AIC Agreement with the AIC Parties. Pursuant to the AIC Agreement, each of the AIC Parties irrevocably and unconditionally undertook to the Offeror that it would act in concert with the Offeror with respect to BEURG whereby each of the AIC Parties would vote in the same manner as the Offeror in meetings of shareholders of BEURG.

As at the date of this joint announcement, the AIC Parties were interested in an aggregate of 465,572,000 BEURG Shares, representing approximately 12.93% of the issued share capital of BEURG, and the Offeror, together with the AIC Parties, held 1,589,856,000 BEURG Shares, representing approximately 44.16% of the issued share capital of BEURG.

Reference is made to the joint announcement dated 28 April 2022 (the “**Joint Announcement**”) jointly made by Beijing Enterprises Urban Resources Group Limited (“**BEURG**”), as the offeree company, and Beijing Enterprises Water Group Limited (the “**Offeror**”), as the offeror, in relation to the mandatory conditional cash offer to be made by DBS Asia Capital Limited and China Tonghai Capital Limited, on behalf of the Offeror, to acquire all the issued shares of BEURG (other than those already owned or agreed to be acquired by the Offeror). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings ascribed to them in the Joint Announcement.

## **ACTING IN CONCERT AGREEMENT**

On 10 May 2022, the Offeror entered into an acting in concert agreement (the “**AIC Agreement**”) with Star Colour Investments Limited, Zihua Investments Limited, Mr. Zhou Chen, ZGC International Holding Limited, Maolin Investments Limited, Beijing Holdings Limited, Long March Holdings Limited and Mr. Li Haifeng (collectively, the “**AIC Parties**”). Pursuant to the AIC Agreement, each of the AIC Parties irrevocably and unconditionally undertook to the Offeror that it would act in concert with the Offeror with respect to BEURG whereby each of the AIC Parties would vote in the same manner as the Offeror in meetings of shareholders of BEURG.

As at the date of this joint announcement, the AIC Parties were interested in an aggregate of 465,572,000 BEURG Shares, representing approximately 12.93% of the issued share capital of BEURG, and the Offeror, together with the AIC Parties, held 1,589,856,000 BEURG Shares, representing approximately 44.16% of the issued share capital of BEURG.

## SHAREHOLDING STRUCTURE OF BEURG

The shareholding structure of BEURG as at the date of this joint announcement is set out below:

	<b>As at the date of this joint announcement</b>	
	<i>Number of BEURG Shares</i>	<i>%</i>
<b>Offeror and parties acting in concert with it</b>		
Offeror	1,124,284,000	31.23
AIC Parties		
Star Colour Investments Limited <i>Note 1</i>	104,820,000	2.91
Zhihua Investments Limited	97,920,000	2.72
Zhou Chen	71,140,000	1.98
ZGC International Holding Limited	60,972,000	1.69
Maolin Investments Limited and Li Haifeng <i>Note 2</i>	50,800,000	1.41
Beijing Holdings Limited	40,000,000	1.11
Long March Holdings Limited <i>Note 3</i>	39,920,000	1.11
<b>Sub-total of AIC Parties</b>	465,572,000	12.93
<b>Sub-total of Offeror and parties acting in concert with it</b>	1,589,856,000	44.16
Public BEURG Shareholders	2,010,144,000	55.84
	<b>3,600,000,000</b>	<b>100.00</b>

*Notes:*

- Star Colour Investments Limited is a company incorporated in the BVI and wholly-owned by Mr. Zhou Min, a non-executive director and the chairman of BEURG and an executive director and the chief executive officer of BEWG.
- Maolin Investments Limited is a company incorporated in the BVI and wholly-owned by Mr. Li Haifeng, a non-executive director of BEURG and an executive director of BEWG. As at the date of this joint announcement, Mr. Li Haifeng directly held 1,840,000 BEURG Shares and via Maolin Investments Limited held 48,960,000 BEURG Shares.
- Long March Holdings Limited is a company incorporated in the BVI and wholly-owned by Mr. Zhao Kexi, an executive director and the chief executive officer of BEURG.
- Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AIC AGREEMENT**

As stated in the Joint Announcement, during the period from 30 March 2022 to 25 April 2022, the Offeror acquired a total of 114,684,000 BEURG Shares and on 28 April 2022, the Offeror announced that DBSAC and China Tonghai would make the Offer for and on behalf of the Offeror.

The management of the Offeror believes that if BEURG becomes a subsidiary of BEWG, there would be a synergy effect which could in turn help the overall image and business of BEURG and BEWG. BEWG will also be able to better utilize BEURG as one of its platforms in the overall strategic development of the businesses of BEWG in the environmental protection industry, specialising in the treatment of household and industrial waste, thereby reinforcing BEWG's market leading position in the industry. In addition, the financial position of BEWG will be enhanced if the financial results of BEURG can be consolidated into the consolidated financial statements of BEWG. As such, subsequent to the Joint Announcement, the Offeror entered into the AIC Agreement with the AIC Parties to facilitate the Offeror to seek to consolidate its control over BEURG.

## **INFORMATION ON THE AIC PARTIES**

### **Star Colour Investments Limited**

Star Colour Investments Limited is a company incorporated in the BVI with limited liability, holding 104,820,000 BEURG Shares, representing approximately 2.91% of the issued shares of BEURG as at the date of this joint announcement. Star Colour Investments Limited is principally engaged in investment holding. Star Colour Investments Limited is wholly-owned by Mr. Zhou Min, a non-executive director and the chairman of BEURG and an executive director and the chief executive officer of BEWG.

### **Zhijia Investments Limited**

Zhijia Investments Limited is a company incorporated in the BVI with limited liability, holding 97,920,000 BEURG Shares, representing approximately 2.72% of the issued shares of BEURG as at the date of this joint announcement. Zhijia Investments Limited is principally engaged in investment holding. Zhijia Investments Limited is wholly-owned by Mr. Hu Xiaoyong.

### **Mr. Zhou Chen**

Mr. Zhou Chen, an executive director of BEURG and a son of Mr. Zhou Min, holds 71,140,000 BEURG Shares, representing approximately 1.98% of the issued shares of BEURG as at the date of this joint announcement.

### **ZGC International Holding Limited**

ZGC International Holding Limited is a company incorporated in Hong Kong with limited liability, holding 60,972,000 BEURG Shares, representing approximately 1.69% of the issued shares of BEURG as at the date of this joint announcement. ZGC International Holding Limited is principally engaged in investment and asset management, provision of technology intermediary services and financial services. The ultimate beneficial owner of ZGC International Holding Limited is the People's Government of Beijing Municipality.

### **Maolin Investments Limited and Mr. Li Haifeng**

Maolin Investments Limited is a company incorporated in the BVI with limited liability, holding 48,960,000 BEURG Shares, representing approximately 1.36% of the issued shares of BEURG as at the date of this joint announcement. Maolin Investments Limited is principally engaged in investment holding. Maolin Investments Limited is wholly-owned by Mr. Li Haifeng, a non-executive director of BEURG and an executive director of BEWG. Mr. Li Haifeng directly held 1,840,000 BEURG Shares, representing approximately 0.05% of the issued shares of BEURG as at the date of this joint announcement.

### **Beijing Holdings Limited**

Beijing Holdings Limited is a company incorporated in Hong Kong with limited liability, holding 40,000,000 BEURG Shares, representing approximately 1.11% of the issued shares of BEURG as at the date of this joint announcement. Beijing Holdings Limited is principally engaged in investment holding. The ultimate beneficial owner of Beijing Holdings Limited is the People's Government of Beijing Municipality.

### **Long March Holdings Limited**

Long March Holdings Limited is a company incorporated in the BVI with limited liability, holding 39,920,000 BEURG Shares, representing approximately 1.11% of the issued shares of BEURG as at the date of this joint announcement. Long March Holdings Limited is principally engaged in investment holding. Long March Holdings Limited is wholly owned by Mr. Zhao Kexi, an executive director and the chief executive officer of BEURG.

## **INTERESTS IN SECURITIES OF BEURG AND OTHER ARRANGEMENTS**

The Offeror confirms that as at the date of this joint announcement:

- (a) the Offeror and its concert parties (including the AIC Parties) are interested in 1,589,856,000 BEURG Shares, representing approximately 44.16% of the issued share capital of BEURG as at the date of this joint announcement, and save as aforesaid, none of the Offeror nor any person acting in concert with it owns or has control or direction over any voting rights or rights over the BEURG Shares or convertible securities, warrants, options of BEURG;
- (b) save for the 114,684,000 BEURG Shares acquired by the Offeror during the period from 30 March 2022 to 25 April 2022 under the Acquisitions, none of the Offeror nor any person acting in concert with it (including the AIC Parties) had dealt for value in any BEURG Shares, convertible securities, warrants or options of BEURG or any derivatives in respect of such securities in the 6 months prior to 28 April 2022, being the date of the Joint Announcement and the commencement date of the offer period under the Takeovers Code and up to the date of this joint announcement;
- (c) none of the Offeror nor any person acting in concert with it (including the AIC Parties) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in BEURG;
- (d) none of the Offeror nor any person acting in concert with it (including the AIC Parties) has received any irrevocable commitment to accept or not to accept the Offer;
- (e) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in BEURG which has been entered into by the Offeror, nor any person acting in concert with it (including the AIC Parties);
- (f) apart from the consideration for the Acquisition Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it (including the AIC Parties) to the vendors of the Acquisition Shares or any party acting in concert with such vendors in connection with the sale and purchase of the Acquisition Shares;

- (g) there is no understanding, arrangement, agreement or special deal between the Offeror or any parties acting in concert with it (including the AIC Parties) on the one hand, and the vendors of the Acquisition Shares and any party acting in concert with such vendors on the other hand;
- (h) there is no understanding, arrangement or agreement or special deal between (1) any BEURG Shareholder (other than the Offeror and any parties acting in concert with it (including the AIC Parties)) and (2)(a) the Offeror and any parties acting in concert with it (including the AIC Parties), or (b) BEURG, its subsidiaries or associated companies (within the meaning of the Takeovers Code); and
- (i) no consideration, compensation or benefit in whatever form has been paid or will be paid by the Offeror to any of the AIC Parties under, or in relation to, the AIC Agreement.

By order of the board of directors of  
**Beijing Enterprises Water  
Group Limited**  
**Li Yongcheng**  
*Chairman*

By order of the board of directors of  
**Beijing Enterprises Urban Resources  
Group Limited**  
**Zhao Kexi**  
*Executive Director and  
Chief Executive Officer*

Hong Kong, 10 May 2022

*As at the date of this joint announcement, the executive directors of BEWG are Mr. Li Yongcheng (chairman), Mr. Jiang Xinhao, Mr. Zhou Min (chief executive officer), Mr. Li Haifeng, Mr. Ke Jian, Ms. Sha Ning, Mr. Tung Woon Cheung Eric and Mr. Li Li; the non-executive director of BEWG is Mr. Wang Dianchang, and the independent non-executive directors of BEWG are Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Mr. Wang Kaijun and Mr. Chau On Ta Yuen.*

*The directors of BEWG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the BEURG Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of BEURG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the executive directors of BEURG are Mr. Zhao Kexi (chief executive officer) and Mr. Zhou Chen; the non-executive directors of BEURG are Mr. Zhou Min (chairman), Mr. Li Haifeng and Mr. Li Li; and the independent non-executive directors of BEURG are Mr. Orr Ka Yeung, Kevin, Mr. Wu Tak Kong and Dr. Du Huanzheng.*

*The directors of BEURG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the BEURG Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the directors of BEURG have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*