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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)

**COMPLETION OF ACQUISITION AND
EXERCISE OF EXCHANGEABLE BOND
AND SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the announcement of Beijing Enterprises Urban Resources Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 24 June 2024 (the “**Announcement**”) regarding the Acquisition. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF ACQUISITION AND EXERCISE OF EXCHANGEABLE BOND

The Board is pleased to announce that, as all of the conditions precedent under the Sale and Purchase Agreement has been fully satisfied, the Completion has taken place on 25 June 2024 in accordance with the terms of the Sale and Purchase Agreement. Upon Completion, the Purchaser became the holder of the Exchangeable Bond. As at the date of this announcement, the Purchaser has exercised the Exchange Right to exchange all the outstanding principal amount of the Exchangeable Bond for the entire issued share capital of the Target Company and the price paid by the Purchaser to the Bond Issuer for the exercise of the Exchange Right was HK\$14,671,000, which was determined based on the difference between the net asset value of the Target Company of approximately HK\$36,671,000 as at the preceding calendar month end date (i.e. 31 May 2024) at the time the Purchaser as the Bondholder elects to exercise the Exchange Right, and 110% of the outstanding principal amount of the Exchangeable Bond of HK\$22,000,000. Accordingly, the Target Company has become an indirect non-wholly owned subsidiary of the Company, and the financial results of which will be consolidated into the financial statements of the Group.

Information on the Bond Issuer and Sharp Idea

As at the date of this announcement, the Bond Issuer, Lapco Holdings Limited, is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8472). Sharp Idea is a company incorporated in British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Bond Issuer.

The principal activities of the Bond Issuer and its subsidiaries are provision of environmental hygiene services in Hong Kong.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Bond Issuer and its ultimate beneficial owners are an Independent Third Parties.

Listing Rule Implications

For the purpose of Rule 14.75(2) of the Listing Rules, the highest applicable percentage ratio in respect of the exercise of the Exchange Right exceeds 5% but is less than 25%, the exercise of the Exchange Right constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

SUPPLEMENTAL INFORMATION

The Company would also like to supplement the information contained in the Announcement as follows:

The option to acquire the entire issued share capital of the Target Company

As the Exchange Right entitles the Bondholder to, subject to the Bond Issuer not exercising the Redemption Right, exchange all the outstanding principal amount of the Exchangeable Bond into the entire issued share capital of the Target Company, at any time during the Exchange Period, it shall be regarded as an option under Rule 14.72(1) of the Listing Rules when seeing through such arrangement under the Exchangeable Bond. The Company has the absolute discretion to decide whether or not to exercise the Exchange Right.

The premium payable by the Company for the Exchange Right is the Consideration (i.e. HK\$29,500,000). In the event that the net asset value of the Target Company as at the preceding calendar month end date at the time the Bondholder elects to exercise the Exchange Right is higher than 110% of the outstanding principal amount of the Exchangeable Bond, the Bondholder shall pay the difference between such net asset value and 110% of the outstanding principal amount of the Exchangeable Bond as the exercise price.

Listing Rules Implications

Pursuant to Rule 14.75 (1) of the Listing Rules, only the premium will be taken into consideration for the purpose of classification of notifiable transactions on the grant of the Exchange Right.

As the highest applicable percentage ratio in respect of the grant of the Exchange Right exceeds 5% but is less than 25%, the grant of the Exchange Right constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

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

Hong Kong, 27 June 2024

As at the date of this announcement, the executive Directors 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 are Mr. Wu Tak Kong, Dr. Du Huanzheng and Ms. Judith Yu.