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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)

VOLUNTARY ANNOUNCEMENT PLACING OF EXISTING SHARES BY SHANGHAI ZIYUE

This announcement is made by Beijing Enterprises Urban Resources Group Limited (the “**Company**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) has been informed by Shanghai Ziyue Enterprises Management Partnership (Limited Partnership) (上海自閱企業管理合夥企業(有限合夥)) (“**Shanghai Ziyue**”), being a shareholder of the Company, that it as vendor had on 31 August 2020 entered into a share placement agreement (the “**Placing Agreement**”) with CCB International Capital Limited as the placing agent (the “**Placing Agent**”). Pursuant to the Placing Agreement, Shanghai Ziyue agreed to sell, and the Placing Agent agreed to procure, on a best effort basis, buyers (being institutional investors) to acquire up to 75,000,000 ordinary shares (the “**Placing Shares**”) of HK\$0.1 each in the existing share capital of the Company at the placing price of HK\$1.53 per Placing Share (the “**Placing**”). The Placing Shares represent up to approximately 2.08% of the total number of ordinary shares of the Company in issue as at the date of this announcement. Completion of the Placing is currently expected to take place on 3 September 2020.

As at the date of this announcement, the total number of ordinary shares of the Company in issue is 3,600,000,000 shares and Shanghai Ziyue is interested in a total of 192,200,000 shares, representing approximately 5.34% of the total number of ordinary shares of the Company in issue. Upon completion of the Placing and assuming all the Placing Shares are being placed out by the Placing Agent and that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Placing, the number of shares of the Company owned by Shanghai Ziyue will decrease to 117,200,000

ordinary shares of the Company (the “**Remaining Shares**”), representing approximately 3.26% of the total number of shares of the Company in issue as at the date of this announcement, and Shanghai Ziyue will cease to be a substantial shareholder as defined under Section 287(3) of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong.

Pursuant to the Placing Agreement, Shanghai Ziyue undertakes to the Placing Agent that it and its ultimate beneficiary owners, will not, without the prior written consent of the Placing Agent, at any time after the date of the Placing Agreement up to and including the date falling on the earlier of (i) the 60th calendar day from the signing of the Placing Agreement; or (ii) the termination of the Placing Agreement (the “**Lock-up Period**”):

- (a) sell, accept subscription for, offer to sell, contract or agree to sell, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of, or agree to transfer or dispose of, either directly or indirectly, conditionally or unconditionally, the Remaining Shares, or deposit any of the Remaining Shares with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any of the Remaining Shares; or
- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above.

The Board does not expect the Placing to have any negative impact on the business or operations of the Company and its subsidiaries.

By Order of the Board
Beijing Enterprises Urban Resources Group Limited
Zhao Kexi
Executive Director and Chief Executive Officer

Hong Kong, 31 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. Zhao Kexi (Chief Executive Officer), Mr. Zhang Hailin and Mr. Huang Zhiwan; the non-executive directors of the Company are Mr. Zhou Min (Chairman), Mr. Li Haifeng and Mr. Li Li and the independent non-executive directors of the Company are Mr. Orr Ka Yeung, Kevin, Mr. Wu Tak Kong and Dr. Du Huanzheng.