

**IPO FACT SHEET**
**Beijing Enterprises Urban Resources Group Limited (3718)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$621.0m – HK\$720.0m
<b>Placement Tranche:</b>	900.0m
<b>Price:</b>	HK\$0.69 – HK\$0.80
<b>Board lot:</b>	4,000
<b>Entry fee:</b>	HK\$3,232.25
<b>Historical PE</b>	5.3x – 6.1x
<b>Net tangible assets per share:</b>	HK\$0.52 – HK\$0.54
<b>Market Cap (post-IPO):</b>	HK\$2,484.0m – HK\$2,880.0m
<b>Open:</b>	30 Dec 2019
<b>Close:</b>	12.00 noon on 08 Jan 2020
<b>Trading:</b>	15 Jan 2020
<b>Sponsor:</b>	Haitong International Capital Limited and DBS Asia Capital Limited

<b>Year ended 31 Dec</b>	<b>(HKD'000)</b>	<b>yoy % chg</b>
<b>Revenue from continuing operations</b>		
2017	912,380	3602.8%
2018	2,211,832	142.4%
<b>Profit/(loss) for the year/period</b>		
2017	-48,250	N.A.
2018	471,941	N.A.

**BACKGROUND**

- The Group is an integrated waste management solution provider in China, currently focusing on providing environmental hygiene services (72.9% of 2018 revenue) and hazardous waste treatment services (19.1% of 2018 revenue).
- According to the F&S Report, the Group is the fourth largest provider in the enterprise sector of the environmental hygiene services market in China in terms of 2018 revenue, with a market share of 1.6% of the enterprise sector and 0.6% overall. In the hazardous waste treatment services market, in terms of total designed treatment capacity for waste disposal of projects in operation (including projects in trial operation), it ranked sixth in China at the end of 2018 with a market share of 0.7%.
- Its environmental hygiene services have been expanding rapidly. For the years ended December 31, 2016, 2017 and 2018 and the six months ended June 30, 2019, it had one, 71, 106 and 112 revenue-generating environmental hygiene service projects, respectively.
- The Group has been growing its business via the combination of organic growth and acquisitions. During 2016 and 2017, it acquired (i) BE Urban Services PRC and its then subsidiaries, which provide environmental hygiene services; (ii) Chongqing Binnan and its then subsidiaries, which provide environmental hygiene services; (iii) Shandong Pingfu, which engages in the hazardous waste treatment business; (iv) Jiangxi Mineral, which engages in other business; and (v) Shaanxi BE Recycling, which engages in other business. In 2018, the Group acquired Ningxia Ruiyuan, which engages in hazardous waste treatment business.

**BUSINESS STRATEGIES**

- Strengthen leading market position in environmental hygiene services.
- Continue to invest in and expand hazardous waste treatment business.
- Complement its growth through acquisitions.

**COMPETITIVE STRENGTHS**

- An uniquely-positioned waste management solution provider with complementary and synergistic businesses.
- Its leadership in the fast-growing environmental hygiene services.
- Its in-depth experience and capabilities in hazardous waste treatment business well-positioned to benefit from favorable industry trends.
- Shareholder support from industry pioneers and leaders with nationwide reputation.

- Its experienced and professional management team.

#### KEY RISKS

- The Group's historical results of operations may not be indicative of its future performance due to its rapid growth.
- The Group may not be able to identify and secure new projects on commercially acceptable terms, or at all.
- The Group's business growth will be affected by its ability to integrate acquired businesses into its existing operations.
- The Group's managerial, operational and financial resources may be strained due to its rapid growth.
- The development of the sectors it operates in is highly dependent on the PRC government's environmental protection policies, which may change from time to time.
- The Group may not be able to implement its acquisition strategy successfully, and it may need to impair the goodwill in connection with its acquired business.

#### DIVIDEND POLICY

- No fixed dividend policy.

#### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
For development of its certain hazardous waste treatment projects.	305.7	51.6%
For purchasing motor vehicles, such as garbage trucks and other sanitation vehicles, for the environmental hygiene projects that the Group expects to obtain in 2020 and 2021.	97.9	16.5%
For repayment of an existing bank borrowing.	150.0	25.3%
For working capital and general corporate purposes.	39.2	6.6%
<b>Total:</b>	<b>592.8</b>	<b>100.0%</b>

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