



**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)**

27 May 2022

*To the Independent Shareholders:*

Dear Sir/Madam,

**MANDATORY CONDITIONAL CASH OFFER BY  
DBS ASIA CAPITAL LIMITED AND CHINA TONGHAI CAPITAL LIMITED  
FOR AND ON BEHALF OF  
BEIJING ENTERPRISES WATER GROUP LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED  
BY BEIJING ENTERPRISES WATER GROUP LIMITED)**

We refer to this Composite Document dated 27 May 2022 jointly issued by BEURG and the Offeror, of which this letter forms part. Unless the context otherwise requires, terms used in this letter have the same meanings as defined in this Composite Document.

We have been appointed by the board of BEURG to constitute the Independent Board Committee to consider the terms of the Offer and to advise you (i.e. the Independent Shareholders) as to whether or not, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer.

Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to make recommendation to us in respect of the Offer and, in particular, whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” on pages 33 to 55 of this Composite Document.

We further draw your attention to the “Letter from DBSAC and China Tonghai” set out on pages 7 to 23 of this Composite Document which contains, among other things, information about the Offer. We also draw your attention to the “Letter from the board of BEURG” set out on pages 24 to 30 of this Composite Document and the additional information set out in this Composite Document, including the Appendices to this Composite Document and the accompanying Form of Acceptance and Transfer in respect of the terms of the Offer and acceptance and settlement procedures for the Offer Shares.

## **RECOMMENDATION**

Taking into account the terms of the Offer and the Independent Financial Adviser’s advice and recommendations, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer. Independent Shareholders are recommended to read the full text of the “Letter from the Independent Financial Adviser” set out in this Composite Document.

However, for those Independent Shareholders who are considering to realise all or part of their holdings in the BEURG Shares, they should closely monitor the market price and liquidity of the BEURG Shares during the period of the Offer. Should the market price of the BEURG Shares exceed the Offer Price during the period of the Offer, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, the Independent Shareholders may wish to consider selling their BEURG Shares in the market instead of accepting the Offer.

In any case, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in this Composite Document and the accompanying Form of Acceptance and Transfer.

Yours faithfully,  
For and on behalf of  
**the Independent Board Committee of**  
**Beijing Enterprises Urban Resources Group Limited**



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**Mr. Orr Ka Yeung, Kevin**  
*Independent Non-executive*  
*Director*

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**Mr. Wu Tak Kong**  
*Independent Non-executive*  
*Director*

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**Dr. Du Huanzheng**  
*Independent Non-executive*  
*Director*

Yours faithfully,  
For and on behalf of  
**the Independent Board Committee of**  
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*Independent Non-executive*  
*Director*

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*Independent Non-executive*  
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*Independent Non-executive*  
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For and on behalf of  
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*Director*

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*Independent Non-executive*  
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*Independent Non-executive*  
*Director*