BEIJING GAS BLUE SKY HOLDINGS LIMITED
北 京 燃 氣 藍 天 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 6828)

FURTHER ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement dated 27 March 2020 (the "**Unaudited Results Announcement**") made by Beijing Gas Blue Sky Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") in relation to, among others, the unaudited annual results of the Group for the year ended 31 December 2019. Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the Unaudited Results Announcement.

ANNUAL RESULTS

The Board hereby announces that the Company's auditor, Mazars CPA Limited, has completed the audit process on the Group's consolidated financial statements for the year ended 31 December 2019. The following set forth the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of financial position of the Group as at 31 December 2019 together with comparative figures for the year ended 31 December 2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
Revenue	5	**2,676,129**	2,148,480
Cost of sales		**(2,451,619)**	(1,950,108)
Gross profit		**224,510**	198,372
Other gains and losses	7	**119,508**	64,125
Other income	8	**46,126**	36,258
Administrative expenses		**(339,250)**	(284,814)
Other expenses		**(22,730)**	(10,713)
Reversal of/(Provision for) impairment losses on trade and other receivables, net	10	**5,749**	(21,325)
Finance costs	9	**(244,162)**	(241,764)
Share of profit of associates		**305,712**	251,485
Share of profit/(loss) of joint ventures		**1,575**	(923)
Gain on deemed partial disposal of an associate		**–**	1,588
Gain on partial disposal of joint ventures		**–**	2,625
Gain on disposal of subsidiaries		**–**	66,323
Gain arising from acquisition of an associate		**–**	197,951
Profit before taxation	10	**97,038**	259,188
Income tax (expense)/credit	11	**(23,168)**	2,328
Profit for the year		**73,870**	261,516
Other comprehensive (loss)/income:			
Item that is reclassified or may be reclassified subsequently to profit or loss			
Exchange difference arising on consolidation		**(370,700)**	(237,168)
Share of other comprehensive loss of associates and joint ventures		**(140,038)**	–
Items that will not be reclassified to profit or loss			
Fair value changes in financial assets at FVTOCI		**(116,442)**	48,746
Total other comprehensive loss for the year		**(627,180)**	(188,422)
Total comprehensive (loss)/income for the year		**(553,310)**	73,094

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
For the year ended 31 December 2019

	Note	**2019** **HK$'000**	2018 HK$'000
(Loss)/Profit for the year attributable to:			
Owners of the Company		**(10,871)**	260,657
Non-controlling interests		**84,741**	859
		73,870	261,516
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(602,453)**	75,120
Non-controlling interests		**49,143**	(2,026)
		(553,310)	73,094
		HK cents	*HK cents*
(Loss)/Earnings per share	*13*		
Basic		**(0.08)**	2.27
Diluted		**(0.08)**	2.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Prepaid lease payments		**–**	41,579
Property, plant and equipment		**481,055**	620,667
Right-of-use assets		**222,832**	–
Intangible assets		**1,162,748**	1,234,621
Goodwill	*14*	**1,475,408**	1,139,731
Interests in associates		**1,771,318**	1,821,615
Interests in joint ventures		**360,346**	355,445
Deposits for acquisition of subsidiaries		**772,178**	803,080
Deposits for acquisition of property, plant and equipment		**77,151**	82,369
Prepayments and other receivables	*15*	**45,800**	15,115
Financial assets at FVTOCI		**119,662**	224,366
Other non-current assets		**300**	300
		6,488,798	6,338,888
Current assets			
Prepaid lease payments		**–**	5,408
Inventories		**54,356**	56,982
Contract assets		**46,606**	93,038
Trade and other receivables	*15*	**1,235,678**	1,154,856
Amounts due from associates		**31,344**	30,736
Amounts due from joint ventures		**38,022**	37,589
Promissory note receivable		**–**	8,311
Financial assets at FVTPL		**220,234**	220,918
Cash and bank balances		**542,298**	281,604
		2,168,538	1,889,442

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
Current liabilities			
Trade and other payables	16	**466,495**	254,044
Contract liabilities		**173,720**	269,733
Bank and other borrowings	17	**2,167,410**	925,182
Lease liabilities		**35,587**	–
Obligations under finance leases		**–**	2,568
Convertible bonds		**373,412**	331,916
Embedded derivatives at FVTPL		**–**	6,003
		3,216,624	1,789,446
Net current (liabilities)/assets		**(1,048,086)**	99,996
Total assets less current liabilities		**5,440,712**	6,438,884
Capital and reserves			
Share capital	18	**714,236**	714,236
Reserves		**3,712,581**	4,314,506
Equity attributable to owners of the Company		**4,426,817**	5,028,742
Non-controlling interests		**144,260**	84,654
Total equity		**4,571,077**	5,113,396
Non-current liabilities			
Amounts due to joint ventures		**135,148**	72,145
Bank and other borrowings	17	**318,511**	555,578
Lease liabilities		**126,164**	–
Obligations under finance leases		**–**	63,659
Convertible bonds		**–**	326,325
Deferred tax liabilities		**289,812**	307,781
		869,635	1,325,488
		5,440,712	6,438,884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office and the principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 1411, 14/F., New World Tower I, 16-18 Queen's Road Central, Hong Kong respectively.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in natural gas related business.

The consolidated financial statements are presented in Hong Kong dollars ("HK$") and the functional currency of the Company is Renminbi ("RMB"). As the Company is a listed entity in Hong Kong, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK$. All amounts have been rounded to the nearest thousands, unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Going concern

At 31 December 2019, the current liabilities of the Group exceeded its current assets by approximately HK$1,048,086,000 (31 December 2018: net current assets HK$99,996,000).

At 31 December 2019, the Group had unutilised banking facilities in aggregate of approximately HK$100,977,000. Subsequent to 31 December 2019, the Group is granted with additional bank facilities in aggregate of approximately HK$1,087,500,000 and issued corporate bonds amounting at principal amount of approximately HK$438,300,000 of which approximately HK$198,550,000 will be due more than one year. In addition, the management of the Group has prepared the Group's cash flow projections covering a period of not less than twelve months from 31 December 2019. Based on the cash flow projections, the management of the Group will have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2019. The management has made key assumptions on the projections with regard to the anticipated cash flows from the Group's operations, capital expenditures and the continuous availability of bank facilities.

The management of the Company is of the opinion that, taking into account the confirmed credit commitments from financial institutions, existing internal financial resources and the cash flow projections of the Group, the Group has sufficient working capital for its present requirements. Hence, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 consolidated financial statements except for the adoption of the following new/revised IFRSs and effective from the current year.

3. ADOPTION OF NEW/REVISED IFRSs

The Group has applied, for the first time, the following new/revised IFRSs:

Annual Improvements to IFRSs	2015–2017 Cycle
IFRIC-Int 23	Uncertainty over Income Tax Treatments
Amendments to IAS 19	Employee Benefits
Amendments to IAS 28	Investments in Associates and Joint Ventures
Amendments to IFRS 9	Prepayment Features with Negative Compensation
IFRS 16	Leases

Annual Improvements Project – 2015-2017 Cycle

IFRS 3: Previously held interest in a joint operation

The amendments clarify that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages, including remeasuring its entire previously held interest in the joint operation.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

IFRS 11: Previously held interest in a joint operation

The amendments clarify that when an entity that participated in a joint operation which is a business obtains joint control of the joint operation, its previously held interest in the joint operation is not remeasured.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

IAS 12: Income tax consequences of payments on financial instruments classified as equity

The amendments clarify that (a) the income tax consequences of dividends are recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated the distributable profits were originally recognised and (b) these requirements apply to all income tax consequences of dividends as defined in IFRS 9.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

IAS 23: Borrowing costs eligible for capitalisation

The amendments clarify that (a) if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of the funds an entity borrows generally and (b) funds borrowed specifically to obtain an asset other than a qualifying asset are included as part of general borrowings.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

IFRIC-Int 23: Uncertainty over Income Tax Treatments

The IFRIC-Int 23 supports the requirements in IAS 12 Income Taxes by specifying how to reflect the effects of uncertainty in accounting for income taxes.

The adoption of the IFRIC-Int 23 does not have any significant impact on the consolidated financial statements.

Amendments to IAS 19: Employee Benefits

The amendments require the use of updated assumptions to determine current service cost and net interest for the remainder of the reporting period after a change is made to a plan.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 28 Investments in Associates and Joint Ventures

The amendments clarify that long-term interests in an associate or joint venture, to which the equity method is not applied, are accounted for using IFRS 9.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income instead of at fair value through profit or loss ("FVTPL") if specified conditions are met.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

IFRS 16: Leases

IFRS 16 replaces IAS 17 and related Interpretations for annual periods beginning on or after 1 January 2019. It significantly changes, among others, the lessee accounting by replacing the dual-model under IAS 17 with a single model which requires a lessee to recognise right-of-use assets and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

The Group has applied IFRS 16 for the first time at 1 January 2019 (i.e. the date of initial application, the "DIA") using the cumulative effect approach and recognised the right-of-use asset at the amount equal to the lease liability, adjusted by the amount of any prepayments or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. The comparative information has not been restated and continues to be reported under IAS 17 and related interpretations as allowed by the transition provision in IFRS 16.

The Group also elected to use the transition practical expedient not to reassess whether a contract was, or contained, a lease at the DIA and the Group applied IFRS 16 only to contracts that were previously identified as leases applying IAS 17 and to contracts entered into or changed on or after the DIA that are identified as leases applying IFRS 16.

As lessee

Before the adoption of IFRS 16, lease contracts were classified as operating or finance lease in accordance with the Group's accounting policies applicable prior to the DIA.

Upon adoption of IFRS 16, the Group accounted for the leases in accordance with the transition provisions of IFRS 16 and the Group's accounting policies applicable from the DIA.

As lessee – leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for leases previously classified as operating leases at the DIA, except for leases for which the underlying asset is of low value, and the Group applied the following practical expedients on a lease-by-lease basis:

(a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) adjusted the right-of-use assets at the DIA by the provision for onerous leases recognised immediately before the DIA by applying IAS 37, as an alternative to performing an impairment review at the DIA;

(c) did not recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the DIA;

(d) excluded initial direct costs from the measurement of the right-of-use assets at the DIA; and

(e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

As lessee – leases previously classified as finance leases

The Group measures the carrying amount of the right-of-use assets and lease liabilities at the DIA at the carrying amount of the lease assets and lease liabilities immediately before that date measured applying IAS 17. The Group accounts for those leases applying IFRS 16 from the DIA.

At the DIA, except for those that were previously or will be accounted for as investment property using the fair value model, right-of-use assets were, on a lease-by-lease basis, measured at either,

(a) their carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the DIA; or

(b) an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised immediately before the DIA.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the DIA. The weighted average incremental borrowing rate applied to the lease liabilities at the DIA is 5.26%.

Reconciliation of operating lease commitments disclosed applying IAS 17 at 31 December 2018 and lease liabilities recognised at the DIA is as follows.

	HK$'000
Operating lease commitments at 31 December 2018	22,811
Lease liabilities discounted at relevant incremental borrowing rates	18,518
Less: recognition exemption on short-term/low value leases	(180)
Add: Impact of the early termination option	4,244
Add: Obligation under finance leases recognised at 31 December 2018	66,227
Lease liabilities at 1 January 2019	88,809

At the DIA, except for those that meet the definition of investment properties (if any), all other right-of-use assets were presented within the line item "right-of-use assets" on the consolidated statement of financial position. Besides, lease liabilities were shown separately on the consolidated statement of financial position.

As a result, adjustments were made at the DIA to reflect the changes in accounting policies:

	Carrying amounts on 31 December 2018 under IAS 17	**Adjustments – (Decrease)/ Increase**	**Carrying amounts on 1 January 2019 under IFRS 16**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Prepaid lease payments	41,579	(41,579)	–
Property, plant and equipment	620,677	(98,349)	522,328
Right-of-use assets	–	167,918	167,918
Current asset			
Prepaid lease payments	5,408	(5,408)	–
Current liabilities			
Obligation under finance leases	2,568	(2,568)	–
Lease liabilities	–	11,211	11,211
Non-current liabilities			
Obligation under finance leases	63,659	(63,659)	–
Lease liabilities	–	77,598	77,598

4. SEASONALITY OF OPERATIONS

Seasonal fluctuation exists in our natural gas business. The demand is generally higher in the second half of the year due to the winter heating consumption.

5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2019	2018
	HK$'000	*HK$'000*
Natural gas refuelling station	**153,871**	173,005
Trading and distribution of natural gas	**1,527,105**	917,130
City Gas, value-added service and others	**926,870**	848,487
Pipeline construction fee	**68,283**	209,858
	2,676,129	2,148,480

6. SEGMENT INFORMATION

Information reported to the chief operating decision makers ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on sale channel and nature of the goods being sold or services rendered. These revenue streams and the basis of the internal reports about components of the Group are regularly reviewed by the CODM in order to allocate resources to segments and to assess their performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's operating and reportable segments under IFRS 8 are as follows:

1. Natural gas refuelling station – operation of compressed natural gas ("CNG") and liquefied natural gas ("LNG") refuelling stations for vehicles

2. Trading and distribution of natural gas – distributing and trading CNG, LNG, fuel oil and other related oil by-products as a wholesaler to industrial and commercial users

3. City Gas, pipeline construction fee, value-added service and others – sales of natural gas to residential, industrial and commercial users through pipelines, other income from value-added service, such as repair and maintenance service, pipeline construction fee and others, such as transportation income. Share of result of an associate, which is engaged in provision of port facilities for vessels and re-gasification of LNG, was also included in this segment

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 31 December 2019

	Natural gas refuelling station *HK$'000*	Trading and distribution of natural gas *HK$'000*	City Gas, pipeline construction fee, value-added service and others *HK$'000*	Consolidation *HK$'000*
External segment revenue	153,871	1,527,105	995,153	2,676,129
Inter-segment sales	–	356,801	57,227	414,028
	153,871	1,883,906	1,052,380	3,090,157
Segment profit	7,013	17,873	467,914	492,800
Unallocated other income and other gains and losses				65,407
Central corporate expenses				(217,007)
Finance costs				(244,162)
Profit before taxation				97,038

Inter-segment sales are charged at prevailing market rates.

For the year ended 31 December 2018

	Natural gas refuelling station *HK$'000*	Trading and distribution of natural gas *HK$'000*	City Gas, pipeline construction fee, value-added service and others *HK$'000*	Consolidation *HK$'000*
External segment revenue	173,005	917,130	1,058,345	2,148,480
Inter-segment sales	–	211,624	72,423	284,047
	173,005	1,128,754	1,130,768	2,432,527
Segment profit	9,065	50,736	503,809	563,610
Unallocated other income and other gains and losses				100,383
Central corporate expenses				(163,041)
Finance costs				(241,764)
Profit before taxation				259,188

Inter-segment sales are charged at prevailing market rates.

Segment profit for the year ended 31 December 2018 consists of gain arising from acquisition of an associate of approximately HK$197,951,000, gain on disposal of subsidiaries of approximately HK$66,323,000, gain on deemed partial disposal of an associate of approximately HK$1,588,000 and gain on partial disposal of joint ventures of approximately HK$2,625,000. Details in respect of gain on disposal of subsidiaries are as follows:

(i) Disposal of 60% equity interests in Focus On Group Limited and a wholly owned subsidiary of the Company, Shandong Power Energy Company Limited, at a cash consideration of HK$55,000,000 (the "Shandong Disposal") to an independent third party. The Shandong Disposal results in a gain on disposal of a subsidiary of approximately HK$8,948,000.

(ii) Disposal of 100% equity interests in Faster Success Global Limited at a cash consideration of HK$50,000,000 (the "Chiping Disposal") to an independent third party. The Chiping Disposal results in a gain on disposal of a subsidiary of approximately HK$36,040,000.

(iii) Disposal of 60% equity interests in Waypost Limited, a partially owned subsidiary, at a cash consideration of HK$22,000,000 (the "Waypost Disposal") to an independent third party. The Waypost Disposal results in a gain on disposal of a subsidiary of approximately HK$21,335,000.

Segment profit represents the profit before taxation earned by each segment without allocation of unallocated other income and other gains and losses, central corporate expenses (including but not limited to directors' emoluments), finance costs, and income tax expense/credit.

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets and liabilities

Segment assets

	2019	2018
	HK$'000	*HK$'000*
Natural gas refuelling station	**905,339**	914,113
Trading and distribution of natural gas	**139,198**	174,324
City Gas, pipeline construction fee, value-added service and others	**6,292,457**	6,031,138
Total segment assets	**7,336,994**	7,119,575
Property, plant and equipment for corporate use	**4,572**	4,018
Right-of-use assets for corporate use	**11,436**	–
Prepayments	**6,722**	15,115
Financial assets at FVTOCI	**119,662**	224,366
Promissory note receivable	**–**	8,311
Financial assets at FVTPL	**220,234**	220,918
Cash and bank balances	**542,298**	281,604
Other unallocated assets	**415,418**	354,423
Consolidated assets	**8,657,336**	8,228,330

Segment liabilities

	2019	2018
	HK$'000	*HK$'000*
Natural gas refuelling station	**50,688**	46,003
Trading and distribution of natural gas	**15,606**	32,131
City Gas, pipeline construction fee, value-added service and others	**1,135,896**	869,504
Total segment liabilities	**1,202,190**	947,638
Bank and other borrowings	**2,485,921**	1,480,760
Unallocated lease liabilities	**11,753**	–
Unallocated obligation under finance leases	**–**	386
Convertible bonds	**373,412**	658,241
Embedded derivatives at FVTPL	**–**	6,003
Other unallocated liabilities	**12,983**	21,906
Consolidated liabilities	**4,086,259**	3,114,934

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating and reportable segments (other than property, plant and equipment for corporate use, right-of-use assets for corporate use, prepayments, financial assets at FVTOCI, promissory note receivable, financial assets at FVTPL, cash and bank balances, and other assets not attributable to segment); and

- all liabilities are allocated to operating and reportable segments (other than bank and other borrowings, unallocated lease liabilities, unallocated obligation under finance leases, convertible bonds, embedded derivatives at FVTPL and other unallocated liabilities not attributable to segment).

The Group has allocated goodwill to the relevant segments as segment assets.

Geographical information

The Group's operations are located in the PRC.

Information about the Group's revenue from external customers is presented based on customers' location of the operations.

	Revenue from external customers	
	2019	2018
	HK$'000	*HK$'000*
The PRC	**2,676,129**	2,148,480

The Group's non-current assets (excluding financial instruments) are mainly located in the PRC.

Information about major customers

None of the customer individually contributed 10% or more of the Group during the years ended 31 December 2019 and 2018.

7. OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Government grants	**18,175**	12,678
Government subsidies	**82,052**	–
Net exchange gain	**11,409**	54,895
Changes in fair value of embedded derivatives at FVTPL	**6,003**	53,438
Changes in fair value of financial assets mandatorily measured at FVTPL		
– Held for trading	**(3,260)**	(11,275)
– Others	**5,129**	(45,611)
	119,508	64,125

8. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Interest income	**33,226**	28,494
Rental income	**406**	205
Gas appliances income	**8,197**	6,701
Sundry income	**4,297**	858
	46,126	36,258

9. FINANCE COSTS

	2019 *HK$'000*	2018 *HK$'000*
Finance charges on lease liabilities	**13,454**	–
Finance charges on obligations under finance leases	**–**	7,301
Interest on bank borrowings	**19,433**	6,458
Interest on other borrowings	**64,206**	52,565
Interest on convertible bonds	**147,069**	175,440
	244,162	241,764

10. PROFIT BEFORE TAXATION

This is stated after charging/(crediting):

	2019 *HK$'000*	2018 *HK$'000*
Employee benefit expenses (including directors' emoluments)		
Salaries, bonuses and other benefits	**99,794**	96,656
Contribution to defined contribution plans	**17,278**	18,541
Share-based payment (included in "Administrative expenses")	**528**	1,555
	117,600	116,752
Other items		
Auditor's remuneration	**2,400**	3,000
Amortisation of intangible assets (included in "Cost of Sales")	**71,873**	71,873
Amortisation of prepaid lease payments	**–**	5,674
Cost of inventories recognised as expense	**2,310,587**	1,715,137
Depreciation of property, plant and equipment	**48,360**	64,084
Depreciation of right-of-use assets	**19,059**	–
Legal and professional fees (included in "Other expenses")	**11,345**	9,547
Other rental and related expenses	**1,458**	10,805
(Reversal of)/provision for impairment losses on:		
Trade receivables	**(22,256)**	21,325
Other receivables	**16,507**	–
	(5,749)	21,325

11. INCOME TAX (EXPENSE)/CREDIT

	2019	2018
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax – current year	**41,137**	15,640
Deferred tax		
Origination and reversal of temporary differences	**(17,969)**	(17,968)
Income tax expense/(credit) for the year	**23,168**	(2,328)

Hong Kong Profits Tax has not been provided as the Group had no assessable profit arising from Hong Kong for the years ended 31 December 2019 and 2018.

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25% for the years ended 31 December 2019 and 2018.

12. DIVIDENDS

The Board did not recommend payment of dividend for the years ended 31 December 2019 and 2018.

13. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	2019	2018
	HK$'000	*HK$'000*
(Loss)/Earnings		
(Loss)/Profit attributable to the owners of the Company for the purpose of basic (loss)/earnings per share	**(10,871)**	260,657
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	**–**	16,994
Change in fair value of embedded derivatives at fair value through profit or loss	**–**	(34,465)
(Loss)/Profit for the purpose of diluted (loss)/earnings per share	**(10,871)**	243,186

	2019	2018
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**12,986,114,715**	11,465,470,587
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**–**	26,967,116
Convertible bonds issued by the Company	**–**	163,518,385
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**12,986,114,715**	11,655,956,088

The computation of diluted loss per share does not assume the conversion of all outstanding convertible bonds issued by the Company and exercise of the Company's share options since their assumed exercise would result in decrease in loss per share for the year ended 31 December 2019.

The computation of diluted earnings per share does not assume the conversion of certain outstanding convertible bonds issued by the Company since their assumed exercise would result in increase in earnings per share for the year ended 31 December 2018.

14. GOODWILL

	HK$'000
COST	
At 1 January 2018	1,212,765
Disposal of subsidiaries	(73,034)
At 31 December 2018 and 1 January 2019	1,139,731
Acquisition of subsidiaries	335,677
At 31 December 2019	1,475,408
CARRYING VALUES	
At 31 December 2019	1,475,408
At 31 December 2018	1,139,731

The Group tests for impairment of goodwill annually and in the financial year in which the acquisition takes place, or more frequently if there are indications that goodwill might be impaired.

15. TRADE AND OTHER RECEIVABLES

	Notes	**2019** ***HK$'000***	2018 *HK$'000*
Trade receivables		**408,592**	208,003
Less: allowance of credit losses		**(47,690)**	(69,514)
Trade receivables, net	*(a)*	**360,902**	138,489
Prepayments	*(b)*	**307,148**	261,902
Consideration receivables		**–**	145,797
Loan and bond receivables	*(c)*	**406,186**	530,187
Other receivables	*(d)*	**207,242**	93,596
		1,281,478	1,169,971
Analysed for reporting purpose as:			
Non-current portion		**45,800**	15,115
Current portion		**1,235,678**	1,154,856
		1,281,478	1,169,971

Prepayments and loan receivables amounting approximately HK$6,722,000 (2018: HK$15,115,000) and HK$39,078,000 (2018: Nil) respectively are expected to be recovered after more than 12 months.

Notes:

(a) As at 31 December 2019 and 2018, trade receivables from contracts with customers amounted to approximately HK$360,902,000 and HK$138,489,000, respectively.

The followings is an aged analysis of trade receivables (net of allowance of credit losses) presented based on invoice dates, which approximate the respective revenue recognitions dates for sales of gas and the billing dates for work performed for construction contracts. The Group generally allows average credit period of 30 to 90 days to its customers.

	2019	2018
	HK$'000	*HK$'000*
0 – 90 days	**333,868**	99,596
91 – 120 days	**5,310**	14,984
121 – 180 days	**1,648**	20,995
181 – 365 days	**20,076**	2,914
	360,902	138,489

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$27,034,000 (2018: HK$61,486,000) which are past due as at 31 December 2019. Out of the past due balances, approximately HK$20,076,000 (2018: HK$25,754,000) has been past due 90 days or more and is not considered as in default. The Group does not hold any collateral over these balances.

(b) Prepayments mainly included prepayment for purchase of natural gas, construction and related products of approximately HK$300,920,000 (2018: HK$196,319,000).

(c) Loan and bond receivables, net of impairment loss of HK$1,593,000 (2018: Nil) at 31 December 2019 included:

(i) ten (2018: four) loan receivables of approximately HK$278,184,000 (2018: HK$457,170,000) in total. These loan receivables are short term loan advances to independent third parties, which are unsecured, interest bearing at 4% to 12% and repayable within one year; and

(ii) four (2018: three) bond receivables of approximately HK$128,002,000 (2018: HK$73,017,000) in total. These bond receivables are redeemable within one year from independent third parties, which are unsecured and interest bearing at 10% to 18%.

(d) Other receivables at 31 December 2019 mainly included government subsidies receivable of approximately HK$82,052,000 (2018: Nil) expected to settle within 3 years and a security deposits paid to government with net carrying amount of approximately HK$29,827,000 (2018: HK$45,540,000).

16. TRADE AND OTHER PAYABLES

		2019	2018
	Notes	***HK$'000***	*HK$'000*
Trade payables	*a*	**354,788**	192,096
Other payables			
Accrued charges and other creditors	b	**89,578**	36,911
Other payable in relation to issue of convertible bonds		**–**	7,892
Construction cost payables	c	**22,129**	17,145
		466,495	254,044

Notes:

(a) The Group was granted by its suppliers credit periods ranging from 30 to 90 days. The ageing analysis of trade payables, at the end of the reporting period based on the invoice date, is as follows:

	2019	2018
	HK$'000	*HK$'000*
0 – 90 days	**320,055**	161,734
91 – 180 days	**7,850**	13,625
181 – 365 days	**11,481**	11,467
Over 365 days	**15,402**	5,270
	354,788	192,096

(b) Accrued charges and other creditors included income tax payable of approximately HK$42,060,000 (2018: HK$11,895,000).

(c) The construction cost are normally due within one year from the date of recognition as set out in the agreements.

17. BANK AND OTHER BORROWINGS

		2019	2018
	Notes	***HK$'000***	*HK$'000*
Bank borrowings	*a*	**1,229,389**	229,760
Corporate bonds	*b*	**1,248,532**	1,210,000
Other borrowing	*c*	**8,000**	41,000
		2,485,921	1,480,760
Carrying amount repayable:			
Within one year*		**2,167,410**	925,182
More than one year, but not exceeding two years		**173,223**	355,578
More than two years, but not exceeding five years		**145,288**	195,000
More than five years		**–**	5,000
		2,485,921	1,480,760
Less: Amounts due within one year or contain a repayment on demand clause shown under current liabilities		**(2,167,410)**	(925,182)
Amounts shown under non-current liabilities		**318,511**	555,578

* The amounts also contain a repayable on demand clause.

As at 31 December 2019, HK$1,173,464,000 (2018: HK$170,000,000) out of the total bank borrowing balances of approximately HK$1,229,389,000 (2018: HK$229,760,000) are denominated in HK$.

Notes:

(a) As at 31 December 2019, the bank borrowings of approximately HK$39,148,000 (2018: HK$5,112,000) were secured by certain right-of-use assets and property, plant and equipment of the Group with a total carrying amounts of approximately HK$9,548,000 (2018: HK$3,288,000), shares charged over 100% of a subsidiary of the Company and guarantee from the substantial shareholder of the Company. The remaining bank borrowings of approximately HK$1,190,241,000 (2018: HK$224,648,000) were unsecured.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	2019	2018
	%	%
Effective interest rate:		
Fixed-rate bank borrowings	**6.96**	6.33
Variable-rate bank borrowings	**2.76 – 4.87**	2.39 – 4.29

(b) The unsecured corporate bonds issued by the Company during the year 2019 amounted to HK$683,031,000 (2018: HK$895,000,000). The unsecured bonds have maturity of one to eight years (2018: one to eight years) until 2024 (2018: 2024) and carry interest at 0.8% to 8% (2018: 2% to 8%) per annum. Transaction costs of approximately HK$59,077,000 (2018: HK$45,825,000) have been incurred and the corporate bonds carry effective interest at 4.49% (2018: 5.70%) per annum.

(c) The unsecured other borrowing has maturity of more than one year and carry interest at 8% per annum.

18. SHARE CAPITAL

	Notes	**Number of share**	*HK$'000*
Ordinary shares of HK$0.055 each			
Authorised:			
At 1 January 2018, 31 December 2018 and 2019		91,000,000,000	5,005,000
Issued and fully paid:			
At 1 January 2018		9,842,945,694	541,362
Issue of shares by way of placing	*(a)*	100,000,000	5,500
Issue of shares upon conversion of convertible bonds	*(b)*	598,472,221	32,916
Issue of shares upon exercise of share options	*(c)*	36,988,000	2,034
Issue of shares for acquisition of an associate	*(d)*	2,407,708,800	132,424
At 31 December 2018 and 31 December 2019		**12,986,114,715**	**714,236**

Notes:

(a) On 20 August 2018, the Company issued, by way of placing, 100,000,000 new ordinary shares of HK$0.055 each at the issue price of HK$0.57 and the proceeds from such issues amounted to HK$57,000,000. An amount of HK$51,500,000 in excess of par value was credited to share premium.

(b) During the year ended 31 December 2018, a total of 598,472,221 new ordinary shares of HK$0.055 each were issued upon the conversion of the convertible bonds of the Company.

(c) During the year ended 31 December 2018, a total of 36,988,000 new ordinary shares of HK$0.055 each were issued upon exercises of the share options of the Company.

(d) On 6 June 2018, the Company issued 2,407,708,800 new ordinary shares of HK$0.055 each at the issue price of HK$0.50 per share, as consideration for the acquisition of an associate. The closing market price of the Company's shares as at 6 June 2018 as quoted on the Stock Exchange was HK$0.55. An amount of HK$1,191,816,000 in excess of par value was credited to share premium.

All shares issued rank *pari passu* with the existing shares of the Company in all respects.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since the financial information contained in the Unaudited Results Announcement was neither audited nor agreed with the Company's auditor as at the date of their publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are principal details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules.

Item for the year ended 31 December 2019	*Notes*	Disclosure in this announcement	Disclosure in the Unaudited Results Announcement	Difference
		HK$'000	*HK$'000*	*HK$'000*
		(Audited)	(Unaudited)	
Consolidated Statement of Profit or Loss				
Other gains and losses	*7*	119,508	110,656	8,852
Administrative expenses		(339,250)	(330,398)	(8,852)
Consolidated Statement of Financial Position				
Trade and other receivables	*15*	1,281,478	1,375,752	(94,274)
Trade and other payables	*16*	(466,495)	(560,769)	94,274

The differences are due to the reclassification of some figures in other gains and losses, administrative expenses, trade and other receivables and trade and other payables.

Save as disclosed in this announcement and the corresponding adjustments related to the above differences, there is no material change in other information contained in the Unaudited Results Announcement.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this further announcement have been agreed by the Group's auditor, Mazars CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year as reviewed by the Audit Committee and approved by the Board of Directors both on 15 May 2020. The work performed by Mazars CPA Limited is this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on this further announcement.

PUBLICATION OF ANNUAL REPORT

This further announcement is published on the websites of SEHK (www.hkexnews.hk) and the Company (www.bgbluesky.com) and the 2019 annual report of the Company will be published on the respective websites of SEHK and the Company on or around 15 May 2020.

By order of the Board
Beijing Gas Blue Sky Holdings Limited
Cheng Ming Kit
Co-Chairman

Hong Kong, 15 May 2020

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Ming Kit, Mr. Hung Tao and Mr. Jin Qiang; the non-executive director of the Company is Mr. Zhi Xiaoye; and the independent non-executive directors of the Company are Mr. Lim Siang Kai, Mr. Wee Piew, Mr. Ma Arthur On-hing and Mr. Pang Siu Yin.