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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

HIGHLIGHTS

- The Group reported revenue of HK\$919.3 million for HY2022 (HY2021: HK\$1,205.3 million), representing a decrease of 23.7% as compared to the corresponding period of last year. The Group’s total gross profit was HK\$40.6 million for HY2022 (HY2021: HK\$47.1 million), representing a decrease of 13.8% as compared to the corresponding period of last year. The Group’s gross profit margin increased from 3.9% for HY2021 to 4.4% for HY2022.
- Profit for HY2022 of the Group was HK\$18.3 million (HY2021: HK\$39.1 million), representing a decrease of 53.1% as compared to the corresponding period of last year. Profit attributable to the equity holders of the Company was HK\$20.0 million (HY2021: HK\$40.1 million), representing a decrease of 50.2% as compared to the corresponding period of last year. The above decreases were primarily due to the increase in legal and professional expenses arising from the professional services for the resumption of trading in the Shares during HY2022. Such expenses incurred in HY2022 are non-recurring items.
- EBITDA amounted to HK\$123.4 million in HY2022 (HY2021: HK\$144.4 million), representing a decrease of 14.6% as compared to the corresponding period of last year.
- Basic and diluted earnings per Share for HY2022 were HK0.15 cents (HY2021: HK0.31 cents) and HK0.15 cents (HY2021: HK0.31 cents) respectively.
- The Board did not declare an interim dividend for HY2022 (HY2021: Nil).

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Gas Blue Sky Holdings Limited (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022 (“**HY2022**”) together with the comparative figures for the same period in 2021 (“**HY2021**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		Six months ended 30 June	
	Notes	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
REVENUE	5	919,261	1,205,336
Cost of sales		(878,622)	(1,158,211)
Gross profit		40,639	47,125
Other income and gains, net	7	17,623	11,305
Reversal of impairment on financial assets		14,768	34,346
Administrative expenses		(96,128)	(118,705)
Other expenses		(41,067)	(12,625)
Finance costs	8	(52,772)	(64,862)
Share of profits and losses of:			
Associates		137,114	146,621
Joint ventures		(600)	(878)
PROFIT BEFORE TAX	9	19,577	42,327
Income tax expenses	10	(1,269)	(3,271)
PROFIT FOR THE PERIOD		18,308	39,056
OTHER COMPREHENSIVE INCOME/(LOSS)			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of foreign operations		(10,094)	(114,199)
Share of other comprehensive income/(loss) of associates and joint ventures		(81,050)	23,569
		(91,144)	(90,630)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the six months ended 30 June 2022

		Six months ended 30 June	
	<i>Notes</i>	2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Item that will not be reclassified to profit or loss in subsequent periods:			
Equity investments at fair value through other comprehensive income:			
Changes in fair value		—	24
		<u>—</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX		(91,144)	(90,606)
		<u>(91,144)</u>	<u>(90,606)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(72,836)	(51,550)
		<u>(72,836)</u>	<u>(51,550)</u>
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		19,968	40,076
Non-controlling interests		(1,660)	(1,020)
		<u>19,968</u>	<u>40,076</u>
		<u>(1,660)</u>	<u>(1,020)</u>
		18,308	39,056
		<u>18,308</u>	<u>39,056</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(69,694)	(49,977)
Non-controlling interests		(3,142)	(1,573)
		<u>(69,694)</u>	<u>(49,977)</u>
		<u>(3,142)</u>	<u>(1,573)</u>
		(72,836)	(51,550)
		<u>(72,836)</u>	<u>(51,550)</u>
EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY			
Basic and diluted	12	HK0.15 cents	HK0.31 cents
		<u>HK0.15 cents</u>	<u>HK0.31 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>Notes</i>	30 June 2022	31 December 2021
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		478,976	506,779
Investment properties		53,323	44,757
Right-of-use assets		43,810	52,934
Intangible assets		69,844	70,705
Goodwill		623,200	597,983
Interests in associates		1,855,606	2,080,006
Interests in joint ventures		33,138	19,522
Deposits for acquisition of subsidiaries		56,442	283,464
Deposits for acquisition of property, plant and equipment		24,453	25,633
Prepayments, deposits and other receivables		8,506	5,114
Equity investments at fair value through other comprehensive income (“FVTOCI”)		690	707
Other non-current assets		1,257	614
Deferred tax assets		6,771	–
		3,256,016	3,688,218
Total non-current assets		3,256,016	3,688,218
CURRENT ASSETS			
Inventories		23,035	15,263
Trade receivables	13	168,912	160,722
Contract assets		16,366	25,965
Prepayments, deposits and other receivables		519,890	506,221
Amounts due from associates		2,123	1,985
Amounts due from joint ventures		65,895	69,989
Financial assets at fair value through profit and loss (“FVTPL”)		16,985	17,721
Restricted cash and pledged deposits		171,189	519,108
Cash and bank balances		332,475	230,945
		1,316,870	1,547,919
Total current assets		1,316,870	1,547,919

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 30 June 2022*

		30 June 2022	31 December 2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and bill payables	14	162,664	294,374
Other payables and accruals		497,356	471,987
Bank and other borrowings		3,058,366	3,486,413
Amount due to associates		–	1,481
Amount due to joint ventures		64,647	70,152
Lease liabilities		7,888	9,324
Provision for liability		76,006	79,673
		<hr/>	<hr/>
Total current liabilities		3,866,927	4,413,404
		<hr/> <hr/>	<hr/> <hr/>
NET CURRENT LIABILITIES		(2,550,057)	(2,865,485)
		<hr/> <hr/>	<hr/> <hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		705,959	822,733
		<hr/> <hr/>	<hr/> <hr/>
NON-CURRENT LIABILITIES			
Bank and other borrowings		53,762	93,324
Lease liabilities		7,345	10,924
Deferred tax liabilities		16,401	17,502
		<hr/>	<hr/>
Total non-current liabilities		77,508	121,750
		<hr/>	<hr/>
NET ASSETS		628,451	700,983
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital		714,236	714,236
Reserves		(179,086)	(109,392)
		<hr/>	<hr/>
		535,150	604,844
Non-controlling interests		93,301	96,139
		<hr/>	<hr/>
TOTAL EQUITY		628,451	700,983
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. 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 3402-4, 34/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, respectively.

During the period, the Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in:

- development and operation of city gas projects, including sales of natural gas to residential, industrial and commercial users through pipelines, provision of value-added services, such as repair and maintenance services and pipeline construction services;
- direct liquefied natural gas (“**LNG**”) supply to industrial end users;
- trading and distribution of compressed natural gas (“**CNG**”) and LNG, including distribution and trading of CNG, LNG, fuel oil and other related oil by-products as a wholesaler to industrial and commercial users; and
- operation of CNG and LNG refueling stations for vehicles.

2. BASIS OF PRESENTATION AND PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 – Interim Financial Reporting issued by the International Accounting Standard Board (“**IASB**”) and the applicable disclosures requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The interim financial information does not include all the information and disclosures in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2021. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and the functional currency of the Company is Renminbi (“**RMB**”). All values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

Going concern

As at 30 June 2022, the current liabilities of the Group exceeded its current assets by HK\$2,550.1 million. The Group’s total bank and other borrowings as at 30 June 2022 amounted to HK\$3,112.1 million, including HK\$2,078.4 million due for repayment before 30 June 2023 according to the repayment schedule of the respective loan agreements. In addition, according to the financial information of the Group for the six months ended 30 June 2022, HK\$980.0 million of bank and other borrowings due after 30 June 2023 were classified as current liabilities as at 30 June 2022 as certain debt covenants were breached.

The Board has given careful consideration to the future liquidity and performance of the Group and its available sources of finance to continue as a going concern. The Board has taken different measures to mitigate the liquidity pressure and to improve the financial position of the Group, including but not limited to the following:

- (i) As all the Resumption Guidance requested by the Stock Exchange have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 25 July 2022. Further details are set out in the Company’s announcement dated 22 July 2022;

2. BASIS OF PRESENTATION AND PREPARATION (Continued)

- (ii) In January 2022, a mandate letter was entered into between the Group and a bank (the “**Facility Agent**”) pursuant to which the Facility Agent was appointed by the Group to arrange for a refinancing plan with the potential lenders. According to the latest negotiation with the potential lenders, the conditions precedent to the availability of the refinancing plan included, among others, the successful asset injections from the major shareholder, the advance of a loan from the major shareholder and the resumption of trading of the Company’s shares; The aforesaid plan is now in negotiation continuously; and
- (iii) The Board is currently in discussion with the major shareholder for the aforesaid asset injections and advance of a loan.

The Board is of the opinion that, taking into account the resumption of trading of the Company’s shares, refinancing arrangement, potential asset injections and advance of a loan from the major shareholder, the Group’s existing internal financial resources and future cash flows to be generated from the Group’s operations, the Group will have 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, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2022 are consistent with the accounting policies and basis of preparation adopted in the Group’s audited consolidated financial statements for the year ended 31 December 2021.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period’s financial information.

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRSs 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) Annual Improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:
- IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
 - IFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

4. SEASONALITY OF OPERATIONS

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

The interim results for the first half of the year may not serve as an indication of the results of operations for the entire financial year.

5. REVENUE

An analysis of the Group's revenue for the periods:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
City gas, pipeline construction, value-added service and others	347,292	313,158
Direct supply to industrial users	17,972	268,986
Trading and distribution of natural gas	549,329	594,616
Natural gas refueling station	4,668	28,576
	<u>919,261</u>	<u>1,205,336</u>

6. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Particulars of the Group's reportable operating segments are summarised as follows:

1. City gas, pipeline construction, 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 services 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;
2. Direct supply to industrial users – direct LNG supply to industrial users through direct supply facilities;
3. Trading and distribution of natural gas – trading and distributing of CNG, LNG fuel oil and other related oil by-product as a wholesaler to industrial users; and
4. Natural gas refueling station – operation of CNG and LNG refueling stations for vehicles.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit for the period attributable to shareholders of the Company. The profit for the period attributable to shareholders of the Company is measured consistently with the Group's profit attributable to shareholders of the Company except that interest income on loans to joint ventures, interest income from joint venture partners, gain or loss on disposal of joint ventures, finance costs, share of profits/(loss) of certain joint ventures and associates, as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude corporate and head office assets as these assets are managed on a group basis.

6. OPERATING SEGMENT INFORMATION (Continued)

Segment revenue and results

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

For the six months ended 30 June 2022

	City gas, pipeline construction, value-added service and others <i>HK\$'000</i> (Unaudited)	Direct supply to industrial users <i>HK\$'000</i> (Unaudited)	Trading and distribution of natural gas <i>HK\$'000</i> (Unaudited)	Natural gas refueling station <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
External segment revenue	<u>347,292</u>	<u>17,972</u>	<u>549,329</u>	<u>4,668</u>	<u>919,261</u>
Segment profit/(loss)	<u>114,187</u>	<u>(1,372)</u>	<u>(11,496)</u>	<u>(1,785)</u>	<u>99,534</u>
Unallocated other income and gains, net					17,623
Unallocated central corporate expenses					(59,576)
Finance costs					(52,772)
Reversal of unallocated impairment on financial assets					<u>14,768</u>
Profit before tax					<u>19,577</u>

For the six months ended 30 June 2021

	City gas, pipeline construction, value-added service and others <i>HK\$'000</i> (Unaudited)	Direct supply to industrial users <i>HK\$'000</i> (Unaudited)	Trading and distribution of natural gas <i>HK\$'000</i> (Unaudited)	Natural gas refueling station <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
External segment revenue	<u>313,158</u>	<u>268,986</u>	<u>594,616</u>	<u>28,576</u>	<u>1,205,336</u>
Segment profit/(loss)	<u>127,232</u>	<u>31,972</u>	<u>5,480</u>	<u>(746)</u>	<u>163,938</u>
Unallocated other income and gains, net					11,305
Unallocated central corporate expenses					(69,615)
Finance costs					(64,862)
Reversal of unallocated impairment on financial assets					<u>1,561</u>
Profit before tax					<u>42,327</u>

6. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Mainland China.

No geographical information is presented as more than 90% of the revenue during each of the periods ended 30 June 2022 and 2021 were derived from Mainland China.

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

Information about major customers

None of the customers individually contributed 10% or more of the Group's revenue during the periods ended 30 June 2022 and 2021.

7. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Other income		
Interest income	1,281	4,062
Rental income	716	209
Gas appliances income	685	1,189
Government subsidies and grants	1,782	2,415
Gain on disposal of a joint venture	5,961	–
Sundry income	7,911	4,219
	<u>18,336</u>	<u>12,094</u>
Gains, net		
Changes in fair value of financial assets at fair value through profit or loss	679	(466)
Foreign exchange difference, net	(1,392)	(323)
	<u>(713)</u>	<u>(789)</u>
	<u><u>17,623</u></u>	<u><u>11,305</u></u>

8. FINANCE COSTS

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interests on bank borrowings	34,425	43,416
Interests on other borrowings	17,870	21,446
Interests on lease liabilities	477	–
	<u>52,772</u>	<u>64,862</u>

9. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Cost of inventories sold	851,977	1,094,094
Depreciation of property, plant and equipment	38,401	11,989
Depreciation of investment properties	1,102	–
Depreciation of right-of-use assets	7,512	5,183
Amortisation of intangible assets*	4,020	20,068
Lease payments not included in the measurement of lease liabilities	632	625
Employee benefit expenses (including directors' emoluments):		
– Salaries, bonuses and other benefits	42,257	47,574
– Contribution to defined contribution plans	8,895	9,011
	<u>51,152</u>	<u>56,585</u>
Reversal of impairment of deposits paid for acquisition of subsidiaries#	–	(484)
Reversal of impairment of trade and other receivables#	(14,768)	(33,862)
	<u>(14,768)</u>	<u>(34,346)</u>

* The amortisation of intangible assets for the period is included in “Cost of sales” in profit or loss.

Reversal of impairment of financial assets for the period is included in “Reversal of impairment on financial assets” in profit or loss.

10. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided for the six months ended 30 June 2022 as the Group did not derive any assessable profits in Hong Kong for that period.

The income tax provisions in respect of operations in Mainland China and other countries are calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
PRC corporate income tax	1,827	8,288
Deferred tax	(558)	(5,017)
Total income tax expenses	<u>1,269</u>	<u>3,271</u>

11. DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2022 (HY2021: Nil).

12. EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the period attributable to shareholders of the Company of HK\$19,968,000 (HY2021: HK\$40,076,000), and the weighted average number of ordinary shares of 12,986,114,715 (HY2021: 12,986,114,715) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for each of the periods ended 30 June 2022 and 2021 for a dilution as the impact of the share options had an anti-dilutive effect on the basic earnings per share amounts presented.

13. TRADE RECEIVABLES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade receivables	382,496	382,264
Impairment	(213,584)	(221,542)
	<u>168,912</u>	<u>160,722</u>

Notes:

- (a) An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Unbilled portion and billed within 3 months	93,791	100,912
Billed:		
4 to 6 months	13,087	23,378
7 to 12 months	43,606	17,115
Over 1 year	18,428	19,317
	<u>168,912</u>	<u>160,722</u>

- (b) The movements in the Group's the loss allowance for impairment of trade receivables during the period are as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
At 1 January	221,542	191,080
Impairment losses, net	–	26,009
Exchange realignment	(7,958)	4,453
At 30 June/31 December	<u>213,584</u>	<u>221,542</u>

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Billed:		
Within 3 months	20,074	136,226
4 to 6 months	29,872	8,780
7 to 12 months	13,092	29,477
Over 1 year	71,020	96,743
	<hr/>	<hr/>
	134,058	271,226
Unbilled	28,606	23,148
	<hr/>	<hr/>
	162,664	294,374
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For HY2022, as the omicron variants raged, lockdowns were imposed in various regions in China intermittently in the first half of the year, making the recovery of the economy even more challenging. In addition, under the influence of supply and demand problems and rising costs caused by the Russian-Ukrainian war, China's natural gas market, as well as the global natural gas market has shown a variety degree of uncertainty. During HY2022, the apparent consumption of natural gas was 181.7 billion cubic meters, representing a year-on-year decrease of 0.5%; and the production volume of natural gas was 109.6 billion cubic meters, representing a year-on-year increase of 4.9%; and the imported volume of natural gas was 53.57 million tons, representing a year-on-year decrease of 10.0%. During HY2022, the Group's gas sales volume was 179.3 million cubic meters (HY2021: 352.3 million cubic meters), representing a decrease of 49.1% as compared to the corresponding period of last year, which was primarily due to (i) the year-on-year increase in cost of natural gas during HY2022, dually affected by the Russian-Ukrainian war and the pandemic, which had a significant impact on sales volume; (ii) the short-term impact on gas sales volume during the deployment process as the Group deployed resources to higher-quality projects in order to further enhance the efficiency of resource allocation; and (iii) decrease in gas refueling station business under further advancing of electrification policies, affecting the gas sales volume of this business.

During HY2022, the revenue of the Group was HK\$919.3 million (HY2021: HK\$1,205.3 million), representing a decrease of 23.7% as compared to the corresponding period of last year, which was primarily due to the decreases in revenue from the natural gas trading and distribution business and the revenue from the direct supply to industrial customers business. The total gross profit of the Group was HK\$40.6 million for HY2022 (HY2021: HK\$47.1 million), representing a decrease of 13.8% as compared to the corresponding period of last year. The gross profit margin was 4.4% (HY2021: 3.9%), representing an increase of 12.8% as compared to the corresponding period of last year, which was primarily due to the Group continued to improve operational efficiency and reallocate the business resources. As such, the Group's operating business activities continued to develop steadily in HY2022. Profit for HY2022 of the Group was HK\$18.3 million (HY2021: HK\$39.1 million), representing a decrease of 53.1% as compared to the corresponding period of last year. Profit attributable to the equity holders of the Company was HK\$20.0 million (HY2021: HK\$40.1 million), representing a decrease of 50.2% as compared to the corresponding period of last year. The above decreases were primarily due to the increase in legal and professional expenses arising from the professional services for the resumption of trading in the shares of the Company (the "Shares") during HY2022. Such expenses incurred in HY2022 are non-recurring items.

Financial highlights:

	For the six months ended 30 June		Change %
	2022 (unaudited) <i>HK\$'000</i>	2021 (unaudited) <i>HK\$'000</i>	
Revenue	919,261	1,205,336	(23.7)
Gross profit	40,639	47,125	(13.8)
Gross profit ratio (in percentage)	4.4%	3.9%	12.8
Profit for the period	18,308	39,056	(53.1)
Profit attributable to the equity holders of the Company	19,968	40,076	(50.2)
Basic EPS (<i>in HK cents</i>)	0.15	0.31	(51.6)
EBITDA	123,384	144,429	(14.6)
	30 June 2022 (unaudited) <i>HK\$'000</i>	31 December 2021 (audited) <i>HK\$'000</i>	Change %
Total assets	4,572,886	5,236,137	(12.7)
Total equity	628,451	700,983	(10.3)
Cash and bank balances	332,475	230,945	44.0

During HY2022, the Group's natural gas projects covered a total of 17 provinces, municipalities and autonomous regions in the PRC, namely Liaoning, Jilin, Hebei, Beijing, Shandong, Shanxi, Shannxi, Ningxia Autonomous Region, Shanghai, Jiangsu, Anhui, Zhejiang, Guizhou, Hubei, Guangdong, Guangxi Autonomous Region and Hainan.

Development and Operation of City Gas Business

During HY2022, the Group owned 8 city gas projects. During HY2022, the Group has completed gas pipelines connections for 15,945 new users, of which 15,890 were new residential users and the cumulative number of residential users has reached 437,173. The natural gas sold to residential users amounted to 40.5 million cubic meters (HY2021: 38.8 million cubic meters). The Group has secured 55 new industrial and commercial users and the cumulative number of industrial and commercial users reached 2,955 with natural gas sold to industrial and commercial users reaching 30.9 million cubic meters (HY2021: 33.0 million cubic meters). The gas sales volume of city gas business of the Group was 71.4 million cubic meters (HY2021: 71.8 million cubic meters) during HY2022, representing a decrease of 0.6% as compared to the corresponding period of last year. The Group recorded a sales revenue of HK\$347.3 million (HY2021: HK\$313.2 million), representing an increase of 10.9% as compared to the corresponding period of last year. During HY2022, non-residential gas consumption was slightly lower than the same period in the first quarter of 2022 due to the impact of the pandemic, but overall residential and non-residential gas consumption was comparable to the corresponding period of last year.

Direct Supply to Industrial Users Business

During HY2022, gas sales volume of direct supply to industrial users business decreased by 87.4% as compared to the corresponding period of last year to 9.4 million cubic meters (HY2021: 74.9 million cubic meters), and sales revenue decreased by 93.3% as compared to the corresponding period of last year to HK\$18.0 million (HY2021: HK\$269.0 million). This was mainly due to the impact of the outbreak of the pandemic in the first quarter of 2022 and the Group adjusted the operation of the business and its business model.

Trading and Distribution of LNG and CNG Business

During HY2022, gas sales volume of trading and distribution of natural gas business amounted to 94.6 million cubic meters (HY2021: 196.4 million cubic meters); sales revenue reached HK\$549.3 million (HY2021: HK\$594.6 million), representing a decline of 7.6% as compared to the corresponding period of last year. The decline was primarily due to the dual impact of the pandemic and rising costs in HY2022, which caused a decline in business volume.

LNG and CNG Refueling Station Business

The Group sells natural gas to LNG vehicles (heavy trucks and buses) and CNG vehicles (taxis, buses and private vehicles). During HY2022, the gas sales volume of the refueling station was 3.9 million cubic meters (HY2021: 9.2 million cubic meters), and the Group recorded a sales revenue of HK\$4.7 million (HY2021: HK\$28.6 million), representing a decrease of 83.6% as compared to the corresponding period of last year. The drop of gas refueling station business was mainly because (i) gas refueling station business decreased under further advancing of electrification policies; and (ii) a demand in transportation industry weakened due to the impact of the pandemic. In the future, the Group will develop regional LNG refueling stations based on its layout of the whole LNG industrial chain.

LNG Receiving Terminal Projects

During HY2022, the total throughput volume of LNG of PetroChina Jingtang (Caofeidian Jingtang LNG Receiving Terminal) Projects amounted to 2,992.1 million cubic meters (HY2021: 2,934.3 million cubic meters), of which the gas volume transported to pipelines through gasification was 2,822.3 million cubic meters (HY2021: 2,270.8 million cubic meters), while the gas transportation volume of tank trucks was 169.8 million cubic meters (HY2021: 525.2 million cubic meters). The throughput volume of Jingtang Receiving Terminal Projects increased due to the cold weather in the early of 2022 and the longer heating period as compared to the corresponding period of last year, resulting in a corresponding increase in the outward transmission volume.

FUTURE PROSPECTS

Although the pandemic has eased in various regions of China and the economy has gradually recovered, according to statistics, after the end of the heating season this year, the demand for city gas has weakened, coupled with the impact of the domestic pandemic and high gas prices, and the fact that downstream users have a lower operating rate, and the demand for gas refueling stations and industry has not recovered, all of which lead to a decline in the apparent consumption of domestic gas. Faced with the impact of various economic factors, the Group's operations will be more challenging in this year.

The Group will continue to combine the business advantages of its major shareholder, Beijing Gas Group Co., Ltd. ("**Beijing Gas Group**"), to further improve in terms of strategic synergy, talent acquisition and management enhancement, so as to help the Group reaching a new level of development and reward its major shareholders and investors with better performance. PetroChina Jingtang LNG Co., Ltd., in which the Group holds 29% equity interest, is the LNG receiving terminal with the largest LNG storage capacity and the strongest peak regulation capacity in China. As a clean and environmentally friendly energy infrastructure, PetroChina Jingtang LNG Co., Ltd. provides a guarantee for the continuous optimization of the energy structure of the Beijing-Tianjin-Hebei region and the achievement of the goal of carbon peaking and carbon neutrality, and continues to provide the Group with certain stable income and cash flow. With the commencement of production of the Tianjin Nangang LNG emergency reserve project of the major shareholder Beijing Gas Group, the Group will have more opportunities to cooperate with Beijing Gas Group in LNG trading and distribution in the future.

In June 2022, the Ministry of Ecology and Environment and seven other departments jointly issued the "Implementation Plan for Synergistic Effectiveness in Reducing Pollution and Reducing Carbon", which makes systematic arrangements for promoting synergistic effectiveness in reducing pollution and reducing carbon. The program puts forward work targets including the basic formation of the work pattern of carbon reduction synergy by 2025, and significantly enhancing carbon reduction synergy by 2030, etc..

The Group will continue to participate in the development of the entire natural gas industry chain, enhance the value of premium city gas business, and move towards to become a new type of gas enterprise. In terms of the whole LNG industry chain business, the Group will accelerate the expansion of its business operations nationwide, so as to build up its advantage in the development of the whole industry chain of LNG business. In the future, the Group plans to integrate the entire LNG industry chain, and will also consider the sustainable development of oil and gas trading to enhance the diversity and competitiveness of the Group's gas source structure, so as to develop the Group into an influential natural gas trading enterprise in China.

The Group will comply with the general direction of national development and contribute to the Group's comprehensive competitiveness in the natural gas market through the deployment of the entire LNG industry chain. In addition, the resumption of trading of the Shares in July 2022 facilitates the Group's efforts in the capital market and builds up strength for the Group's sustainable development. As the overseas listed investment and financing platform of Beijing Gas Group, the Group will actively seize the market opportunities under the dual carbon target to accelerate the development of renewable energy and clean energy. In the future, with the support of controlling shareholder, the Group will consider developing an integrated distributed energy business in the future, with a view to developing the Group into a future-oriented integrated clean energy operator with a focus on quality city gas projects and LNG industry chain, and creating greater returns for the shareholders.

FINANCIAL REVIEW

Revenue

Revenue decreased by 23.7% from HK\$1,205.3 million for HY2021 to HK\$919.3 million for HY2022, mainly due to the decreases in revenue from (i) the trading and distribution of natural gas business; and (ii) the direct supply to industrial users business.

Gross Profit, Gross Profit Margin and Segment Profit

The Group recorded gross profit of HK\$40.6 million for HY2022 (HY2021: HK\$47.1 million), representing a decrease of 13.8% as compared to the corresponding period of last year. The Group's gross profit margin increased from 3.9% for HY2021 to 4.4% for HY2022. The increase in gross profit margin was mainly due to the Group adjusted the operation of the business and its business model during HY2022.

Segment profit decreased by 39.3% from HK\$163.9 million for HY2021 to HK\$99.5 million for HY2022, which was mainly due to the decrease in segment profits of direct supply to industrial users business and trading and distribution of natural gas business.

Earnings before Interests, Tax, Depreciation and Amortisation

Earnings before interests, tax, depreciation and amortisation decreased by 14.6% from HK\$144.4 million for HY2021 to HK\$123.4 million for HY2022. It was resulted from the consequence of global COVID-19 pandemic which negatively affected revenue of the Group and the increase in legal and professional expenses arising from the professional services for the resumption of trading in the Shares for HY2022.

Other Income and Gains, net

Other income and gains amounted to HK\$17.6 million (HY2021: HK\$11.3 million) for HY2022, which was mainly due to gain on disposal of a joint venture of HK\$6.0 million.

Administrative expenses

Administrative expenses decreased by 19.0% from HK\$118.7 million for HY2021 to HK\$96.1 million for HY2022. It was mainly due to the decrease in daily operational cost (i.e. staff costs) as a result of the implementation of cost reduction and efficiency enhancement and further improvement of the Group's operational efficiency.

Other expenses

Other expenses increased from HK\$12.6 million for HY2021 to HK\$41.1 million for HY2022, which was mainly due to the increase in legal and professional expenses arising from the professional services for the resumption of trading in the Shares for HY2022. Such expenses incurred in HY2022 are non-recurring items.

Finance costs

Finance costs decreased by 18.6% from HK\$64.9 million for HY2021 to HK\$52.8 million for HY2022, which was mainly attributable to the decrease in the average balances of bank and other borrowings of the Group as compared to the corresponding period of last year.

Income tax expenses

Income tax expenses was calculated at the applicable tax rates on the estimated assessable profits of the Group's PRC subsidiaries and Hong Kong subsidiaries for the period ended 30 June 2022 and 2021 respectively. Income tax expenses of HK\$1.3 million (HY2021: HK\$3.3 million) for HY2022 mainly represented the current taxation arising from its PRC subsidiaries of HK\$1.8 million.

Profit attributable to the owners of the Company

The Group's profit for the period attributable to the owners of the Company was HK\$20.0 million for HY2022, representing a decrease by HK\$20.1 million from HK\$40.1 million for HY2021.

Reversal of impairment of financial assets

The reversal of impairment of the Group's financial assets for HY2022 was HK\$14.8 million, representing a decrease of HK\$19.5 million as compared to the reversal of HK\$34.3 million for HY2021.

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group financed its operations with shareholders' equity, bank and other borrowings and lease liabilities.

The Group maintained cash and cash equivalent amounting to HK\$332.5 million as at 30 June 2022 (31 December 2021: HK\$230.9 million), representing an increase by 44.0% from 31 December 2021, which include HK\$171.2 million of restricted cash and pledged deposits (31 December 2021: HK\$519.1 million).

The Group had total bank and other borrowings of HK\$3,112.1 million as at 30 June 2022 (31 December 2021: HK\$3,579.7 million). The Group's leverage ratio, which is total bank and other borrowings divided by the total assets was 68.1% (31 December 2021: 68.4%).

The Group's non-current assets decreased to HK\$3,256.0 million (31 December 2021: HK\$3,688.2 million), primarily due to (i) the decrease in interests in associates by HK\$224.4 million; and (ii) the decrease in deposits for acquisition of subsidiaries by HK\$227.0 million.

As at 30 June 2022, the Group's current assets amounted to HK\$1,316.9 million (31 December 2021: HK\$1,547.9 million), which mainly comprised trade receivables of HK\$168.9 million (31 December 2021: HK\$160.7 million), cash and cash equivalent of HK\$332.5 million (31 December 2021: HK\$230.9 million), restricted cash and pledged deposits of HK\$171.2 million (31 December 2021: HK\$519.1 million), amounts due from associates of HK\$2.1 million (31 December 2021: HK\$2.0 million), amounts due from joint ventures of HK\$65.9 million (31 December 2021: HK\$70.0 million), inventories of HK\$23.0 million (31 December 2021: HK\$15.3 million), contract assets of HK\$16.4 million (31 December 2021: HK\$26.0 million), financial assets at FVTPL of HK\$17.0 million (31 December 2021: HK\$17.7 million) and prepayments, deposits and other receivables of HK\$519.9 million (31 December 2021: HK\$506.2 million).

As at 30 June 2022, the Group's current liabilities amounted to HK\$3,866.9 million (31 December 2021: HK\$4,413.4 million), which mainly comprised bank and other borrowings of HK\$3,058.4 million (31 December 2021: HK\$3,486.4 million), other payables and accrued charges of HK\$497.3 million (31 December 2021: HK\$472.0 million), trade payables and bills payables of HK\$162.7 million (31 December 2021: HK\$294.4 million), provision for liability of HK\$76.0 million (31 December 2021: HK\$79.7 million), lease liabilities of HK\$7.9 million (31 December 2021: HK\$9.3 million), amount due to joint ventures of HK\$64.6 million (31 December 2021: HK\$70.2 million) and amount due to associates of Nil (31 December 2021: HK\$1.5 million).

As at 30 June 2022, the net current liabilities of the Group amounted to HK\$2,550.1 million (31 December 2021: HK\$2,865.5 million). The Group's current ratio (calculated on the basis of the Group's current assets over current liabilities) was 0.34 as at 30 June 2022 (31 December 2021: 0.35).

The Group's net liability ratio (expressed as net borrowings, including bank and other borrowings less cash and bank balances, divided by total equity), was 442.3% as at 30 June 2022 (31 December 2021: 477.7%).

During HY2022, the Group has not entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks.

EMPLOYEES' INFORMATION

The Group's employees are based in Hong Kong and the PRC. As at 30 June 2022, there were 718 (31 December 2021: 934) employees in the Group. Staff remuneration packages are determined with reference to market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, grants discretionary incentive bonuses and/or share options to eligible staff based on their performance and contributions to the Group.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2022, certain buildings and gas pipelines of the Group with carrying amounts of HK\$95.2 million (31 December 2021: HK\$103.9 million) were pledged as security for the Group's other borrowings amounting to HK\$75.0 million (31 December 2021: HK\$96.8 million). In addition, the Group's secured bank borrowings were secured by the Group's bank balances of HK\$163.0 million (31 December 2021: HK\$497.0 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGES RATES

The Group's major debts and borrowings and the reporting currencies are denominated in HK\$. The Group has limited exposure to foreign exchange gain/loss arising from settlement of debts and borrowings. The Group will consider to utilize more RMB denominated borrowings in the future. The Group's revenue is mainly denominated in RMB. As RMB is not a freely convertible currency and is regulated by the PRC government, future exchange rates can vary significantly from current or historical exchange rates. Meanwhile, the Group will continue to pay close attention to the currency fluctuations of RMB, and will adopt proper measures to reduce the currency risk exposures of the Group based on its operating needs.

CONTINGENT LIABILITIES

As at 30 June 2022, the Group had no material contingent liabilities.

DIVIDEND

The Board did not declare an interim dividend for HY2022.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 25 February 2022, Shenzhen Jinzhifu Energy Co., Ltd. (a wholly-owned subsidiary of the Company) entered into an equity transfer agreement with two vendors for the acquisition of 100% equity interests in Zhejiang Bochen Energy Holding Co., Ltd. The acquisition was completed in February 2022. For details, please refer to the announcement of the Company dated 12 April 2022.

Save as disclosed in this announcement, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

SIGNIFICANT INVESTMENTS AND FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group had no significant investment nor were there any plan for material investments or additions of capital assets authorised by the Board as at the date of this announcement.

CONTINUING CONNECTED TRANSACTIONS

On 25 February 2021, the Company entered into the Master Agreement with Beijing Gas Group, pursuant to which Beijing Gas Group agreed to sell LNG to the Company for a term of a period commencing from 25 February 2021 to 31 December 2023. Beijing Gas Group indirectly owns the entire issued share capital of Beijing Gas Company Limited, the controlling shareholder of the Company holding approximately 41.13% of the issued share capital of the Company.

The entering into of the Master Agreement was approved by the independent shareholders at the special general meeting held on 5 May 2021.

For details, please refer to the Company's announcement dated 25 February 2021, circular dated 14 April 2021 and poll results announcement dated 5 May 2021.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

As disclosed in the Company's announcement dated 22 July 2022, as all the Resumption Guidance have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 25 July 2022 on the Stock Exchange. The Company has resumed trading in its Shares on 25 July 2022 on the Stock Exchange.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") comprises three members, namely Mr. Cui Yulei, Ms. Hsu Wai Man Helen ("**Ms. Hsu**") and Mr. Xu Jianwen, all being independent non-executive Directors. Ms. Hsu is the chairlady of the Audit Committee. The Audit Committee has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the risk management and internal control and reporting matters. The Audit Committee has also reviewed with the management the condensed consolidated financial statements of the Company and its unaudited consolidated interim results for the six months ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During HY2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has adopted the Code Provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. The Company has complied with the code provisions listed in the CG Code during HY2022.

COMPLIANCE WITH THE MODEL CODE

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors. The Board confirms that, having made specific enquiries with all Directors, all Directors have complied with the Model Code throughout the period ended 30 June 2022.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgbluesky.com). The interim report of the Company for HY2022 containing all the information required by the Listing Rules will be despatched to the shareholders and available on the aforesaid websites in due course.

By order of the Board
Beijing Gas Blue Sky Holdings Limited
Zhi Xiaoye
Chairman

Hong Kong, 30 August 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Li Weiqi, Mr. Chen Ning and Mr. Yeung Shek Hin; the non-executive Director of the Company is Mr. Zhi Xiaoye; and the independent non-executive Directors of the Company are Mr. Cui Yulei, Ms. Hsu Wai Man Helen and Mr. Xu Jianwen.