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**北京控股環境集團有限公司**  
**BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 154)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**HIGHLIGHTS**

- The Group's revenue for the year amounted to HK\$2.56 billion, increased by 6% as compared with HK\$2.42 billion for the last year.
- EBITDA for the year amounted to HK\$811 million, increased by 52% as compared with HK\$535 million for the last year.
- Profit for the year attributable to shareholders of the Company amounted to HK\$353 million, increased by 34% as compared with HK\$264 million for the last year.
- Basic earnings per share for the year amounted to HK23.5 cents (2021: HK17.6 cents).
- Net assets per share attributable to shareholders of the Company as at 31 December 2022 amounted to HK\$2.5 (31 December 2021: HK\$2.39).
- The Board does not recommend the payment of any dividend for the year (2021: Nil).

The board (the “Board”) of directors (the “Directors”) of Beijing Enterprises Environment Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022, together with comparative figures for the last year, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
REVENUE	5	2,564,367	2,418,819
Cost of sales		<u>(1,778,390)</u>	<u>(1,819,647)</u>
Gross profit		785,977	599,172
Other income and gains, net	6	102,069	75,213
Selling expenses		–	(2,951)
Administrative expenses		(208,108)	(190,330)
Other operating expenses, net		<u>(108,726)</u>	<u>(142,015)</u>
PROFIT FROM OPERATING ACTIVITIES	7	571,212	339,089
Finance costs	8	<u>(164,306)</u>	<u>(70,513)</u>
PROFIT BEFORE TAX		406,906	268,576
Income tax	9	<u>(79,510)</u>	<u>(22,959)</u>
PROFIT FOR THE YEAR		<u><u>327,396</u></u>	<u><u>245,617</u></u>
ATTRIBUTABLE TO:			
Shareholders of the Company		353,203	264,051
Non-controlling interests		<u>(25,807)</u>	<u>(18,434)</u>
		<u><u>327,396</u></u>	<u><u>245,617</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	10		
– Basic (HK cents)		<u><u>23.54</u></u>	<u><u>17.60</u></u>
– Diluted (HK cents)		<u><u>23.54</u></u>	<u><u>9.26</u></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
PROFIT FOR THE YEAR	<u>327,396</u>	<u>245,617</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(212,879)</u>	<u>117,989</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>114,517</u></u>	<u><u>363,606</u></u>
ATTRIBUTABLE TO:		
Shareholders of the Company	<u>168,379</u>	372,227
Non-controlling interests	<u>(53,862)</u>	<u>(8,621)</u>
	<u><u>114,517</u></u>	<u><u>363,606</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment		1,002,311	1,098,565
Right-of-use assets		73,872	47,093
Goodwill		1,122,551	1,122,551
Operating concessions		3,126,853	2,998,908
Other intangible assets		42,616	47,805
Investment in a joint venture		6,652	6,652
Receivables under service concession arrangements	<i>11</i>	2,620,114	2,539,266
Prepayments, deposits and other receivables		441	25,018
Deferred tax assets		57,631	62,038
		<u>8,053,041</u>	<u>7,947,896</u>
Total non-current assets			
Current assets:			
Contract assets		310,616	327,499
Inventories		47,824	47,089
Receivables under service concession arrangements	<i>11</i>	89,122	71,357
Trade and bills receivables	<i>12</i>	660,683	680,647
Prepayments, deposits and other receivables		308,057	261,720
Pledged deposits		548	5,588
Cash and cash equivalents		2,697,335	1,578,738
		<u>4,114,185</u>	<u>2,972,638</u>
Total current assets			
		<u>12,167,226</u>	<u>10,920,534</u>
<b>TOTAL ASSETS</b>			

	<i>Note</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to shareholders of the Company			
Share capital		<b>2,227,564</b>	2,227,564
Reserves		<b>1,521,356</b>	1,352,977
		<b>3,748,920</b>	3,580,541
Non-controlling interests		<b>360,876</b>	414,738
<b>TOTAL EQUITY</b>		<b><u>4,109,796</u></b>	<b><u>3,995,279</u></b>
Non-current liabilities:			
Bank and other borrowings		<b>6,081,504</b>	1,454,950
Provision for major overhauls		<b>12,211</b>	11,234
Other payables		<b>28,349</b>	7,964
Deferred income		<b>174,432</b>	148,206
Deferred tax liabilities		<b>232,462</b>	234,978
Total non-current liabilities		<b><u>6,528,958</u></b>	<u>1,857,332</u>
Current liabilities:			
Trade payables	<i>13</i>	<b>739,337</b>	737,054
Other payables and accruals		<b>414,839</b>	4,033,254
Bank and other borrowings		<b>281,245</b>	217,914
Income tax payables		<b>93,051</b>	79,701
Total current liabilities		<b><u>1,528,472</u></b>	<u>5,067,923</u>
<b>TOTAL LIABILITIES</b>		<b><u>8,057,430</u></b>	<b><u>6,925,255</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>12,167,226</u></b>	<b><u>10,920,534</u></b>

*Notes:*

## **1. CORPORATE INFORMATION**

Beijing Enterprises Environment Group Limited (the “Company”) is a limited liability company incorporated in Hong Kong and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally involved in (i) the solid waste treatment business which comprises the provision of waste incineration plant construction and waste treatment services, and the sale of electricity and steam generated from waste incineration; and (ii) ecological construction service business.

At 31 December 2022, the immediate holding company of the Company is Idata Finance Trading Limited (“Idata”), which is a limited liability company incorporated in the British Virgin Islands. Idata is a wholly-owned subsidiary of Beijing Enterprises Holdings Limited (“BEHL”) whose shares are listed on the Main Board of the Stock Exchange. In the opinion of the directors of the Company, the ultimate holding company of the Company is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “PRC”) and wholly owned by The State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

## **2. BASIS OF PREPARATION**

This announcement has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. The financial statements are presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 December 2022 and 2021 included in this preliminary announcement of annual results for the year ended 31 December 2022 does not constitute the Company’s statutory annual consolidated financial statements for those years but in respect to the year ended 31 December 2021, is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The consolidated financial statements for the year ended 31 December 2022 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the consolidated financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the consolidated financial statements of the Group for the year ended 31 December 2021. The auditor's report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i>

The adoption of the above revised HKFRSs did not have any significant impact on these financial statements.

### 4. 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:

- (a) the solid waste treatment segment engages in the provision of waste incineration plant construction and waste treatment services, and the sale of electricity and steam generated from waste incineration;
- (b) the ecological construction services segment engages in the provision of ecological construction, design, project survey and design, and construction project management services; and



- (c) the corporate and others segment comprises property investment business and corporate income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is measured consistently with the Group's profit for the year.

Segment assets and liabilities of each of the reportable operating segments are separately managed by each of the individual operating segments.

The following table presents the revenue and profit/(loss) information for the years ended 31 December 2022 and 2021 and the total assets and total liabilities information as at 31 December 2022 and 2021 regarding the Group's operating segments:

**Year ended 31 December 2022/as at 31 December 2022**

	<b>Solid waste treatment HK\$'000</b>	<b>Ecological construction services HK\$'000</b>	<b>Corporate and others HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue ( <i>note 5</i> )	2,339,521	224,846	–	2,564,367
Cost of sales	<u>(1,533,082)</u>	<u>(245,308)</u>	<u>–</u>	<u>(1,778,390)</u>
Gross profit/(loss)	<u>806,439</u>	<u>(20,462)</u>	<u>–</u>	<u>785,977</u>
Profit/(loss) from operating activities	663,063	(47,135)	(44,716)	571,212
Finance costs	<u>(115,439)</u>	<u>(3,081)</u>	<u>(45,786)</u>	<u>(164,306)</u>
Profit/(loss) before tax	547,624	(50,216)	(90,502)	406,906
Income tax	<u>(79,183)</u>	<u>(314)</u>	<u>(13)</u>	<u>(79,510)</u>
Profit/(loss) for the year	<u>468,441</u>	<u>(50,530)</u>	<u>(90,515)</u>	<u>327,396</u>
Segment profit/(loss) attributable to shareholders of the Company	<u>469,421</u>	<u>(25,483)</u>	<u>(90,735)</u>	<u>353,203</u>
Segment assets	<u>11,368,394</u>	<u>521,185</u>	<u>277,647</u>	<u>12,167,226</u>
Segment liabilities	<u>4,814,000</u>	<u>475,047</u>	<u>2,768,383</u>	<u>8,057,430</u>

Year ended 31 December 2021/as at 31 December 2021

	Solid waste treatment <i>HK\$'000</i>	Ecological construction services <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue ( <i>note 5</i> )	2,225,117	193,702	–	2,418,819
Cost of sales	<u>(1,607,704)</u>	<u>(211,943)</u>	<u>–</u>	<u>(1,819,647)</u>
Gross profit/(loss)	<u>617,413</u>	<u>(18,241)</u>	<u>–</u>	<u>599,172</u>
Profit/(loss) from operating activities	432,521	(62,833)	(30,599)	339,089
Finance costs	<u>(42,864)</u>	<u>(2,396)</u>	<u>(25,253)</u>	<u>(70,513)</u>
Profit/(loss) before tax	389,657	(65,229)	(55,852)	268,576
Income tax	<u>(32,885)</u>	<u>10,084</u>	<u>(158)</u>	<u>(22,959)</u>
Profit/(loss) for the year	<u>356,772</u>	<u>(55,145)</u>	<u>(56,010)</u>	<u>245,617</u>
Segment profit/(loss) attributable to shareholders of the Company	<u>348,287</u>	<u>(28,173)</u>	<u>(56,063)</u>	<u>264,051</u>
Segment assets	<u>10,031,971</u>	<u>543,132</u>	<u>345,431</u>	<u>10,920,534</u>
Segment liabilities	<u>4,060,617</u>	<u>398,296</u>	<u>2,466,342</u>	<u>6,925,255</u>

### Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the non-current assets (other than financial assets) of the Group are located in Mainland China. Accordingly, in the opinion of the directors of the Company, the presentation of geographical information would provide no additional useful information to the users of the financial statements.

### Information about a major customer

During the year, the revenue generated from sales to an external customer of the solid waste treatment segment, which accounted for 10% or more of the Group's total revenue, amounted to HK\$338,085,000 (2021: HK\$249,525,000).

## 5. REVENUE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Household waste treatment service income*	323,085	282,752
Hazardous and medical waste treatment service income	31,432	52,032
Food waste, leachate, sludge and other treatments service income	102,316	135,621
Sales of electricity	808,775	653,993
Sales of steam	19,515	15,297
Waste incineration plant construction and related service income*	861,566	1,085,422
Sale of equipment	192,832	–
Ecological construction and related service income	224,846	193,702
	<u>2,564,367</u>	<u>2,418,819</u>

\* *Imputed interest income under service concession arrangements during the year amounting to HK\$119,316,000 (2021: HK\$106,773,000) was included in the revenue derived from household waste treatment services and waste incineration plant construction and related services.*

## 6. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Value added tax refund	59,128	40,281
Interest income	15,875	10,719
Government grants*	14,252	10,362
Carbon emissions trading income	6,516	–
Rental income	–	2,066
Gain on lease modifications	–	172
Foreign exchange differences, net	–	7,160
Others	6,298	4,453
	<u>102,069</u>	<u>75,213</u>

\* *The government grants recognised by the Group during the year represented subsidies received from certain government authorities as incentives to promote energy saving technologies in the local provinces.*

## 7. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Cost of raw materials consumed	75,118	85,159
Cost of waste treatment services rendered*	383,598	453,858
Cost of waste incineration plant construction services	705,256	906,606
Cost of ecological construction and related services	245,308	211,943
Cost of goods sold	150,920	–
Depreciation of property, plant and equipment <sup>Ω</sup>	66,885	74,126
Depreciation of right-of-use assets <sup>@</sup>	15,804	14,924
Lease payments not included in the measurement of lease liabilities	5,612	6,099
Amortisation of operating concessions <sup>^</sup>	154,585	103,869
Amortisation of other intangible assets <sup>^</sup>	2,632	3,045
Provision for major overhauls <sup>^</sup>	1,147	1,144
Impairment of operating concessions <sup>#</sup>	85,389	115,585
Impairment of other intangible assets <sup>#</sup>	–	6,289
Impairment of trade and bills receivables, net <sup>#</sup>	11,167	5,501
Loss on disposal of items of property, plant and equipment, net <sup>#</sup>	289	19
Loss on disposal of an investment property <sup>#</sup>	–	10,602
Foreign exchange differences, net	<u>8,557<sup>#</sup></u>	<u>(7,160)</u>

\* *The cost of waste treatment services rendered does not include the recognition of government subsidies of HK\$5,620,000 (2021: HK\$7,832,000) on the straight-line basis over the expected useful lives of the relevant asset, which is included in “Cost of sales” in the consolidated statement of profit or loss.*

Ω *Depreciation of property, plant and equipment in a total amount of HK\$65,077,000 (2021: HK\$61,326,000) is included in “Cost of sales” in the consolidated statement of profit or loss.*

@ *Depreciation of right-of-use assets in a total amount of HK\$868,000 (2021: HK\$899,000) is included in “Cost of sales” in the consolidated statement of profit or loss.*

^ *The amortisation of operating concessions and other intangible assets (excluding computer software amounting to HK\$499,000 (2021: HK\$370,000) which is included in “Administrative expenses”), and the provision for major overhauls are included in “Cost of sales” in the consolidated statement of profit or loss.*

# *These items are included in “Other operating expenses, net” in the consolidated statement of profit or loss.*

## 8 FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank and other borrowings	179,880	59,608
Imputed interest on a convertible bond	–	25,188
Interest on lease liabilities	<u>2,268</u>	<u>1,402</u>
Total interest expenses	182,148	86,198
Less: Interest capitalised	<u>(18,479)</u>	<u>(16,244)</u>
	163,669	69,954
Other finance costs:		
Increase in discounted amounts of provision for major overhauls arising from the passage of time	<u>637</u>	<u>559</u>
	<u><u>164,306</u></u>	<u><u>70,513</u></u>

## 9. INCOME TAX

No provision for Hong Kong profits tax has been made for the years ended 31 December 2022 and 2021 as the Group did not generate any assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

An analysis of the Group's income tax is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	–	–
Overprovision in prior years	–	(10)
Current – Mainland China		
Charge for the year	72,742	68,198
Overprovision in prior years	<u>(9,383)</u>	<u>(14,675)</u>
	63,359	53,513
Deferred	<u>16,151</u>	<u>(30,554)</u>
Total tax charge for the year	<u><u>79,510</u></u>	<u><u>22,959</u></u>

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the year.

In respect of the year ended 31 December 2022, no adjustment has been made to the basic earnings per share amount presented as the Group had no potential ordinary shares in issue during the year.

In respect of the year ended 31 December 2021, the calculation of the diluted earnings per share amount was based on the profit for the year attributable to shareholders of the Company, adjusted to reflect the imputed interest on a convertible bond. The weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation; and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of the dilutive convertible bond into ordinary shares. The share options of the Company outstanding during the year ended 31 December 2021 had no diluting effect on the basic earnings per share amount presented.

The calculations of basic and diluted earnings per share amounts are based on:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to shareholders of the Company, used in the basic earnings per share calculation	353,203	264,051
Imputed interest on a convertible bond ( <i>note 8</i> )	–	25,188
	<u>                    </u>	<u>                    </u>
Profit for the year attributable to shareholders of the Company, used in the diluted earnings per share calculation	<u>353,203</u>	<u>289,239</u>
	<u>                    </u>	<u>                    </u>
	<b>Number of shares</b>	
	2022	2021
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	1,500,360,150	1,500,360,150
Effect of dilution – weighted average number of ordinary shares: Convertible bond	–	1,623,225,118
	<u>                    </u>	<u>                    </u>
Weighted average number of ordinary shares in issue during the year, used in the diluted earnings per share calculation	<u>1,500,360,150</u>	<u>3,123,585,268</u>
	<u>                    </u>	<u>                    </u>

## 11. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

An ageing analysis of the Group's receivables under service concession arrangements as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Receivables under service concession arrangements	2,709,236	2,610,623
Current portion	<u>(89,122)</u>	<u>(71,357)</u>
Non-current portion	<u><u>2,620,114</u></u>	<u><u>2,539,266</u></u>

## 12. TRADE AND BILLS RECEIVABLES

Various companies of the Group have different credit policies, depending on the requirements of their markets in which they operate and the businesses they engage in. The credit period granted to customers is generally one to three months. An ageing analysis of the trade and bills receivables is regularly prepared and closely monitored in order to minimise any related credit risk. Trade and bills receivables are non-interest-bearing and the Group does not hold any collateral or other credit enhancements over its trade receivable balances.

An ageing analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Billed:		
Within 3 months	163,898	218,320
4 to 6 months	50,068	48,707
7 to 12 months	69,989	34,274
1 to 2 years	72,574	12,109
2 to 3 years	3,234	2,017
Over 3 years	<u>5,754</u>	<u>5,945</u>
	365,517	321,372
Unbilled*	<u>295,166</u>	<u>359,275</u>
	<u><u>660,683</u></u>	<u><u>680,647</u></u>

\* *The unbilled balance represents entitlements to renewable energy tariff subsidies from the sale of electricity.*

### 13. TRADE PAYABLES

The trade payables are non-interest-bearing and are normally settled within one to six months.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Billed:		
Less than 3 months	272,260	179,351
4 to 6 months	24,021	77,880
7 to 12 months	80,758	152,721
Over 1 year	<u>97,325</u>	<u>99,520</u>
	474,364	509,472
Unbilled*	<u>264,973</u>	<u>227,582</u>
	<u><u>739,337</u></u>	<u><u>737,054</u></u>

\* *The unbilled balance represented construction payables for solid waste incineration plants and ecological construction services which have not been billed by the suppliers.*

### 14. OTHER FINANCIAL INFORMATION

The net current assets and total assets less current liabilities of the Group as at 31 December 2022 amounted to HK\$2,585,713,000 (2021: net current liabilities of HK\$2,095,285,000) and HK\$10,638,754,000 (2021: HK\$5,852,611,000), respectively.



## DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year (2021: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Solid Waste Treatment Segment

In 2022, the Group operated 10 solid waste treatment projects in China, including 9 household waste incineration power generation projects, and one hazardous and medical waste treatment project. The Changde Project (Phase III) and Yanzhou Project commenced commercial operation during the year, increasing the treatment capacity of household waste incineration to 11,125 tonnes/day.

Project Name	Region	Business Model	Treatment Capacity (tonnes/day)
Household waste incineration power generation projects:			
Haidian Project (北京市海澱區循環經濟產業園 再生能源發電廠項目)	Beijing	BOT	2,100
Gaoantun Project (北京高安屯垃圾焚燒項目)	Beijing	BOT	1,600
Yanzhou Project (濟寧市兗州區生活垃圾焚燒發電項目)	Shandong	BOT	1,500
Ha'erbin Project (哈爾濱雙琦垃圾焚燒發電項目)	Heilongjiang	BOT	1,200
Changde Project (常德市生活垃圾焚燒發電項目)	Hunan	BOT	1,200
Taian Project (泰安生活垃圾焚燒發電項目)	Shandong	BOO	1,200
Shuyang Project (江蘇省沭陽縣垃圾焚燒發電項目)	Jiangsu	BOT	1,200
Zhangjiagang Project (張家港市生活垃圾焚燒發電廠項目)	Jiangsu	BOO	900
Wenchang Project (文昌市生活垃圾焚燒發電廠項目)	Hainan	BOT	225
Hazardous and medical waste treatment project:			
Hengxing Project (湖南省衡陽危險廢物處置中心項目)	Hunan	BOT	

In terms of production and operation, through synergy and innovation, the Company integrated with other project companies to explore its own operation mode. Taking “waste incineration business + organic waste treatment business” as the starting point and sludge dosing as key segments, the Company vigorously facilitated the collaborative disposal of food waste and solid residue as well as the steam supply business, so as to expand business revenue through multiple channels. During the year, the Group completed 3.84 million tonnes of annual household waste intake (average 10,513 tonnes/day, increased by 13.2% year-on-year), 9,316 tonnes of hazardous and medical waste intake, 148,600 tonnes of food waste treatment, 213,300 tonnes of sludge treatment and 148,700 tonnes of leachate treatment. The electricity generating volume was 1,402,806 MWh (increased by 2.6% year-on-year), electricity sales volume was 1,161,216 MWh (increased by 3.4% year-on-year), steam supply volume was 90,000 tonnes. During the year, the production and operation recorded revenue of HK\$1,285 million, increased by 12.7% year-on-year and the gross profit of HK\$608 million, increased by 38.5% year-on-year.

In terms of project construction, the Company vigorously pushed forward the construction of key projects. The Zhangjiagang expansion project (namely 張家港市靜脈科技產業園項目, “Zhangjiagang Jingmai Project”) is in the final stage and the grid connection of two turbine generating units was completed in February 2023. The Company promoted the project settlement of the Changde Project (Phase III) and Yanzhou Project. The Company completed a contract for the supply of equipment for the household waste incineration power generation project of a fellow subsidiary in Beihai City. During the year, the project construction (including sale of equipment) recorded revenue of HK\$1,054 million, decreased by 2.9% year-on-year, and a gross profit of HK\$198 million, increased by 11.2% year-on-year.

### **Ecological Construction Segment**

The overall development layout of the relevant company has been affected by the shrinking demand due to the economic downturn and the difficulty in expanding new businesses. Moreover, its operating costs went up due to price increases in the construction materials market. The ecological construction segment recorded a revenue of HK\$225 million for the year, representing an increase of 16.0% as compared with that of last year, and the loss was HK\$51 million for the year, representing a decrease of 7.3% as compared with that of last year.

## **PROSPECT**

During the year, the Company established a Science and Technology Development Committee to give full play of its role in the scientific and technological leadership and support aspects. In order to expand its technological R&D resources, the Company established exchange and cooperation mechanisms with universities and industry associations. In respect of propelling the dual carbon businesses, the Company has completed the first carbon emission quota transaction on the national carbon emission trading platform during the year and attained substantial progress in “carbon emission reduction”.

In accordance with the objectives of the National 14th Five-Year Plan, the Company has made good use of its resources and enriched its financing channels in accordance with its strategic plan of stable operation, diversification, and sustainable quality development. We have strengthened our digital intelligence and precision management, and with domestic waste incineration power generation as our principal business, the Group also engages in the treatment and disposal of hazardous waste, sludge, and organic waste to continue facilitating the development of our waste resources business to ensure the stable operation of the Group while creating greater economic benefits.

## **FINANCIAL REVIEW**

### **Revenue and gross profit**

During the year, the Group recorded revenue of HK\$2,564 million, increased by 6.0% as compared with last year of HK\$2,419 million. The revenue derived from the solid waste treatment and the sale of electricity and steam amounted to HK\$1,285 million, increased by 12.7% as compared with last year of HK\$1,140 million. The revenue derived from the waste incineration plant construction, sale of equipment and related services amounted to HK\$1,054 million, decreased by 2.9% as compared with last year of HK\$1,085 million. The revenue derived from the ecological construction and related services amounted to HK\$225 million, increased by 16.0% as compared with last year of HK\$194 million.

The Group's gross profit amounted to HK\$786 million, increased by 31.2% as compared with last year of HK\$599 million. The overall gross profit margin increased from 24.8% to 30.7%.

	Revenue		Gross profit/(loss)		Gross profit margin	
	2022	2021	2022	2021	2022	2021
	HK\$ million	HK\$ million	HK\$ million	HK\$ million		
Household waste treatment	323	283				
Other solid waste treatment	134	188				
Sale of electricity and steam	828	669				
	<u>1,285</u>	<u>1,140</u>	<u>608</u>	<u>439</u>	<u>47.3%</u>	<u>38.5%</u>
Waste incineration plant construction, sale of equipment and related services	1,054	1,085	198	178	18.8%	16.4%
Ecological construction and related services	225	194	(20)	(18)	-8.9%	-9.3%
	<u>2,564</u>	<u>2,419</u>	<u>786</u>	<u>599</u>	<u>30.7%</u>	<u>24.8%</u>

### Other income and gains, net

The Group recorded net other income and gains of HK\$102 million during the year, increased by HK\$27 million as compared with last year of HK\$75 million. The other income for the year mainly comprised value added tax refund from household waste treatment business of HK\$59 million (2021: HK\$40 million), interest income of HK\$16 million (2021: HK\$11 million), government grants of HK\$14 million (2021: HK\$10 million) and carbon emissions trading income of HK\$7 million (2021: Nil).

### Administrative expenses

The Group's administrative expenses for the year increased by 9.3% or HK\$18 million to HK\$208 million.

### **Other operating expenses, net**

The Group incurred net other operating expenses of HK\$109 million (included net foreign exchange loss of HK\$9 million) during the year, decreased by HK\$33 million as compared with last year. An impairment loss of HK\$85 million (2021: HK\$116 million) has been recognised during the year as the treatment volume of a hazardous waste treatment plant of the Group has been reduced in order to comply with environmental protection regulations.

### **Finance costs**

The Group's finance cost for the year increased by 1.3 times or HK\$94 million to HK\$164 million, which mainly comprised interest on bank loans of HK\$47 million (2021: HK\$25 million), interest on a loan advanced from Idata Finance Trading Limited ("Idata"), the immediate holding company of the Company, of HK\$46 million (2021: imputed interest on a convertible bond issued to Idata of HK\$25 million) and interest on loans advanced from 北京控股集團財務有限公司 ("BG Finance") and 北京控股投資管理有限公司 ("BG Management"), fellow subsidiaries of the Company, of HK\$38 million (2021: HK\$33 million) and HK\$48 million (2021: Nil), respectively. Interest on bank and other borrowings of HK\$18 million (2021: HK\$16 million) incurred for the construction of solid waste treatment projects have been capitalised during the year.

### **Income tax**

The Group's income tax expense for the year increased by 2.5 times or HK\$57 million to HK\$80 million, comprising current tax expenses of HK\$64 million (2021: HK\$54 million) and deferred tax charge of HK\$16 million (2021 deferred tax credit of HK\$31 million). The Group's effective tax rate for the year was 19.5% (2021: 8.5%).

## EBITDA and profit for the year

EBITDA for the year was HK\$811 million, increased by 51.6% or HK\$276 million as compared with last year of HK\$535 million. Profit for the year amounted to HK\$327 million, increased by 32.9% or HK\$81 million as compared with last year of HK\$246 million. Profit for the year attributable to shareholders of the Company amounted to HK\$353 million, increased by 33.7% or HK\$89 million as compared with last year of HK\$264 million.

	EBITDA		Profit for the year		Profit attributable to shareholders of the Company	
	2022	2021	2022	2021	2022	2021
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Solid waste treatment segment	<b>980</b>	741	<b>533</b>	449	<b>512</b>	409
Ecological construction services segment	<b>(39)</b>	(55)	<b>(51)</b>	(55)	<b>(26)</b>	(28)
Corporate and others segment	<b>(45)</b>	(29)	<b>(91)</b>	(56)	<b>(91)</b>	(56)
	<b>896</b>	657	<b>391</b>	338	<b>395</b>	325
Less: Impairment of non-current assets	<b>(85)</b>	(122)	<b>(64)</b>	(92)	<b>(42)</b>	(61)
	<b><u>811</u></b>	<b><u>535</u></b>	<b><u>327</u></b>	<b><u>246</u></b>	<b><u>353</u></b>	<b><u>264</u></b>

## **FINANCIAL POSITION**

### **Significant investing and financing activities**

Except for the expansion construction and continuous technical modifications on the existing waste incineration plants, the Group had made no material investment, acquisition and disposal of subsidiaries and associated companies during the year.

On 28 March 2022 and 18 August 2022, the Company and its subsidiary entered into loan agreements with Idata and BG Management to refinance the amounts due to them of HK\$2,693 million and RMB800 million, respectively. The loans have three-year tenures effective from 1 January 2022, are unsecured and bear interests at 1.7% per annum and 3.85% per annum, respectively.

### **Total assets and liabilities**

As at 31 December 2022, the Group had total assets and total liabilities amounted to HK\$12,167 million and HK\$8,057 million, respectively, increased by HK\$1,247 million and HK\$1,132 million as compared with those as at 31 December 2021, respectively. Net assets of the Group was HK\$4,110 million, increased by HK\$115 million from the end of last year.

### ***Property, plant and equipment***

The Group's property, plant and equipment mainly comprised those incurred for the Shandong Taian Project and the Jiangsu Zhangjiagang Project which operated under Build-Own-Operate ("BOO") arrangements of HK\$946 million (2021: HK\$985 million). During the year, the net carrying amount of the Group's property, plant and equipment decreased by HK\$96 million to HK\$1,002 million, of which capital expenditure of HK\$53 million (2021: HK\$47 million) has been incurred and depreciation of HK\$67 million (2021: HK\$74 million) has been recognised in profit or loss.

### ***Goodwill***

The Group acquired certain companies engaging in the solid waste treatment business in April 2014 and October 2016 and aggregate goodwill of HK\$1,123 million arose from these acquisitions. The Company has appointed an independent professional valuer to assess the goodwill impairment testing at the end of the reporting period. The recoverable amount of the cash generating unit of the solid waste treatment business has been determined based on its value-in-use, which has been determined based on the future cash flows of the solid waste treatment business and discounted to the present values. The Company considered that the key assumptions adopted by the valuation were reasonably conservative and appropriate. As value-in-use value of the relevant cash generating units exceeded its aggregate carrying amount of the relevant assets, the Company is reasonably considered that no impairment provision is necessary for the Group's goodwill as at 31 December 2022.

### ***Right-of-use assets***

By entering with a new tenancy agreement, the Group's right-of-use assets increased by HK\$27 million to HK\$74 million during the year.

### ***Operating concessions***

The Group's operating concessions are recognised from the solid waste treatment plants operated under Build-Operate-Transfer ("BOT") arrangements. Resulting from the continuing construction of solid waste treatment plants and set off against the exchange rate fluctuation during the year, the net carrying amount of the Group's operating concessions increased by HK\$128 million to HK\$3,127 million, of which additions to operating concessions of HK\$580 million (2021: HK\$715 million) has been incurred, amortisation and impairment of HK\$155 million (2021: HK\$104 million) and HK\$85 million (2021: HK\$116 million), respectively, have been recognised in profit or loss.

### ***Other intangible assets***

During the year, the net carrying amount of the Group's other intangible assets decreased by HK\$5 million to HK\$43 million, which mainly comprised the fair value of the operation right of the Jiangsu Zhangjiagang Project of HK\$34 million and other operating licenses of HK\$6 million.



### ***Receivables under service concession arrangements***

The Group's receivables under service concession arrangements are recognised from the household waste treatment plants operated under BOT arrangements with guaranteed waste treatment revenue. Resulting from the continuing construction of solid waste treatment plants and set off against the exchange rate fluctuation during the year, the carrying amount of the Group's receivables under service concession arrangements increased by HK\$99 million to HK\$2,709 million, of which the additional receivable recognised from the new Yanzhou Project, Changde Project (Phase III) and Zhangjiagang Jingmai Project during the year amounted to HK\$360 million.

### ***Inventories***

The Group's inventories mainly represented coal and consumables used for the operation of solid waste treatment plants and was steadily maintained at HK\$48 million.

### ***Trade and bills receivables***

The Group's trade and bills receivables decreased by HK\$20 million to HK\$661 million (net of impairment of HK\$25 million) from the end of last year, which comprised receivables (before impairment) from grid electricity of HK\$363 million (2021: HK\$417 million), waste treatment services of HK\$276 million (2021: HK\$221 million), construction and related services of HK\$47 million (2021: HK\$57 million).

According to the ageing analysis as at 31 December 2022, national subsidy of grid electricity of HK\$295 million (45%) are unbilled and invoice date of the Group's trade and bills receivables within three months amounted to HK\$164 million (25%).

### ***Prepayments, deposits and other receivables***

The Group's total prepayments, deposits and other receivables increased by HK\$22 million to HK\$308 million from the end of last year, which mainly comprised prepayments of HK\$23 million, value added tax refund and other taxes recoverable of HK\$163 million, balances due from related parties of HK\$87 million, deposits and other receivables of HK\$35 million.

### ***Bank and other borrowings***

On 28 March 2022 and 18 August 2022, the Group entered into loan agreements with Idata and BG Management to refinance the amounts due to them of HK\$2,693 million and RMB800 million, respectively. The loans have three-year tenures effective from 1 January 2022, are unsecured and bear interests at 1.7% per annum and 3.85% per annum, respectively. In addition, the Group further advanced bank and other borrowings of RMB1,312 million and repaid bank and other borrowings of RMB254 million during the year.

As at 31 December 2022, the Group has total bank and other borrowings amounted to Hong Kong dollars equivalent of HK\$6,363 million, which comprised (i) HK\$2,693 million from Idata, (ii) RMB1,684 million from commercial banks in Mainland China, (iii) RMB800 million from BG Management, (iv) RMB706 million from BG Finance and (v) RMB39 million from a non-controlling equity holder of a subsidiary. The weighted average interest rate of the Group's bank and other borrowings (excluded the loan from Idata) was approximately 4.0% per annum.

### ***Deferred income***

The Group's deferred income increased by HK\$26 million to HK\$174 million from the end of last year, which mainly represented PRC government grants and subsidies on solid waste treatment business.

### ***Trade payables***

The Group's trade payables increased by HK\$2 million to HK\$739 million from the end of last year, 36% of which (HK\$265 million) were unbilled.

### ***Other payables and accruals***

Upon the refinancing of the loans from Idata and BG Management of HK\$2,693 million and RMB800 million, respectively, the Group's total other payables and accruals decreased by HK\$3,598 million to HK\$443 million from the end of last year. Included in other payables and accruals are (i) loan interest payable to Idata of HK\$46 million and (ii) amounts due to fellow subsidiaries of HK\$116 million.

## Liquidity and financial resources

The Group adopts conservative treasury policies in cash management. As at 31 December 2022, the Group had cash and cash equivalents amounted to HK\$2,697 million (approximately 90% of which were denominated in Renminbi) and interest-bearing bank and other borrowings amounted to HK\$6,363 million (included loans from Idata and BG Management in total of HK\$3,602 million).

As at 31 December 2022, the Group has current assets of HK\$4,114 million and current liabilities of HK\$1,528 million.

In consideration of the stable cash recurring nature of solid waste treatment operations and the financial support of the holding company, the directors of the Company considered that the Group has sufficient cash resources to finance its operations in the foreseeable future.

## Key performance indicators

	2022	2021
Gross profit margin	<b>30.6%</b>	24.8%
Operating profit margin	<b>22.3%</b>	14.0%
Net profit margin	<b>12.8%</b>	10.2%
Return on average equity	<b>9.6%</b>	7.8%
Current ratio ( <i>times</i> )	<b>2.69</b>	0.59
Debt ratio ( <i>total liabilities/total assets</i> )	<b>66.2%</b>	63.4%
Gearing ratio ( <i>net debt/total equity</i> )	<b>89.2%</b>	69.8%

## Capital expenditure and commitment

During the year, the Group's total capital expenditures amounted to HK\$680 million, of which HK\$607 million was spent on construction and modification of waste incineration plants and HK\$73 million was spent on purchase of other assets. As at 31 December 2022, the Group has capital commitment for service concession arrangements amounted to HK\$556 million.

### **Charges on the Group's assets**

As at 31 December 2022, save as (i) certain solid waste treatment concession rights of the Group, which comprises operating concessions and receivables under service concession arrangements with an aggregate net carrying amount of HK\$2,672 million, which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors, are mortgaged for the Group's bank loans; and (ii) the Group's bank deposits of HK\$0.6 million are pledged as security deposits to the government authorities and a customer for the provision of construction and related services of solid waste treatment plants, the Group did not have any charges on the Group's assets.

### **Foreign exchange exposure**

The Group's businesses are principally located in Mainland China and the majority of its transactions are conducted in Renminbi. As the financial statements of the Group are presented in Hong Kong dollars, which is the Company's functional and presentation currency, any fluctuation of exchanges rates would impact the Group's net asset value. During the year, the losses arising on settlement or translation of monetary items of HK\$9 million (2021: gains of HK\$7 million) are taken to profit or loss and the comprehensive losses arising on translation of foreign operations of HK\$185 million (2021: comprehensive gains of HK\$108 million) are recognised in the exchange fluctuation reserve. Currently, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

### **Contingent liabilities**

As at 31 December 2022, the Group did not have any significant contingent liabilities.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2022, the Group had 1,324 employees (2021: 1,399). Total staff cost for the year was HK\$310 million, increased by 6.2% as compared with HK\$292 million in last year. The Group's remuneration policy and package are periodically reviewed and generally structured by reference to market terms and individual performance. Discretionary bonuses are awarded to certain employees according to the assessment of individual performance.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In the opinion of the Directors, save as disclosed below, the Company has complied with all applicable code provisions (the “Code Provisions”) of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31 December 2022.

- (a) Under Code Provision A.1.1, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. However, the Company considers it is more efficient to hold Board meetings to address emerging issues as appropriate. Sufficient measures have been taken to ensure that there is efficient communication among the Directors.
- (b) Under Code Provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. However, the Company considers it is more effective for non-executive Directors to voice their views by individual communication with the chairman of the Board.
- (c) Under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, all existing non-executive Directors are not appointed for a specific term but subject to retirement by rotation at the annual general meeting in accordance with the Company’s articles of association.
- (d) Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. However, certain independent non-executive Directors were unable to attend the general meetings of the Company due to other business engagements.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules for securities transactions by the Directors. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2022.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, namely Dr. Huan Guocang (the chairman of the Audit Committee), Dr. Jin Lizuo and Dr. Wang Jianping. The Audit Committee has reviewed the financial results, financial positions, risk management, internal control, impacts of the new accounting standards and management issues of the Group. The Group’s final results for the year ended 31 December 2022 have been reviewed and approved by the Audit Committee.

## **SCOPE OF WORK OF THE COMPANY’S AUDITORS IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit of loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance and consequently no opinion as assurance conclusion has been expressed by the Company’s auditor on the preliminary announcement.

## **PURCHASE, REDEMPTION, OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

## **PUBLICATION OF FINANCIAL INFORMATION**

This results announcement is published on the Company’s website ([www.beegl.com.hk](http://www.beegl.com.hk)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2022 annual report will be dispatched to shareholders and published on the websites of the Company and the Stock Exchange in due course.

## APPRECIATION

The Board would like to express our gratitude to all employees, shareholders and parties from different sectors for their support to the Group.

By order of the Board

**Ke Jian**  
*Chairman*

Hong Kong, 31 March 2023

*As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. Ke Jian, Ms. Sha Ning, Mr. Chen Xinguo, Mr. Yu Jie and Mr. Ng Kong Fat, Brian, and five independent non-executive directors, namely Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping, Prof. Nie Yongfeng and Mr. Cheung Ming.*